



奇峰國際  
Superb Summit International

**SUPERB SUMMIT INTERNATIONAL  
TIMBER COMPANY LIMITED**

奇峰國際木業有限公司

(formerly known as Tak Shun Technology Group Limited  
德信科技集團有限公司)

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock code: 01228)

Annual  
Report  
**2007**



# CONTENT

## 目錄

		<i>Pages</i> 頁次
Financial Highlights	財務摘要	2
Chairman's Statement	主席報告書	4
Message from CEO	行政總裁函件	6
Management Discussion and Analysis	管理層討論及分析	8
Report of the Directors	董事會報告書	14
Corporate Information	公司資料	23
Corporate Governance Report	企業管治報告	26
Directors and Senior Management Profile	董事及高級管理層簡介	34
Independent Auditors' Report	獨立核數師報告書	38
Consolidated Income Statement	綜合收益表	40
Consolidated Balance Sheet	綜合資產負債表	41
Balance Sheet	資產負債表	43
Consolidated Statement of Changes in Equity	綜合權益變動表	44
Consolidated Cash Flow Statement	綜合現金流量表	46
Notes to Financial Statements	財務報表附註	48

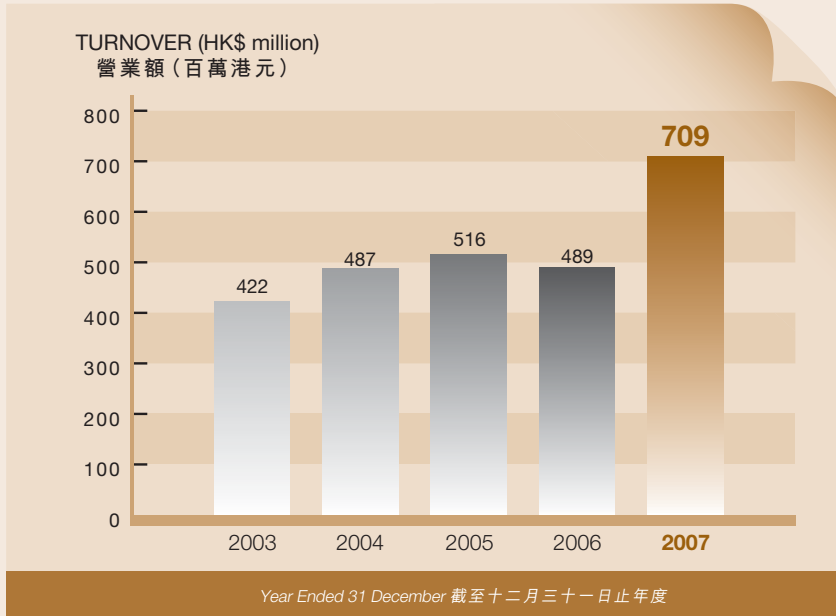


# FINANCIAL HIGHLIGHTS

## 財務摘要

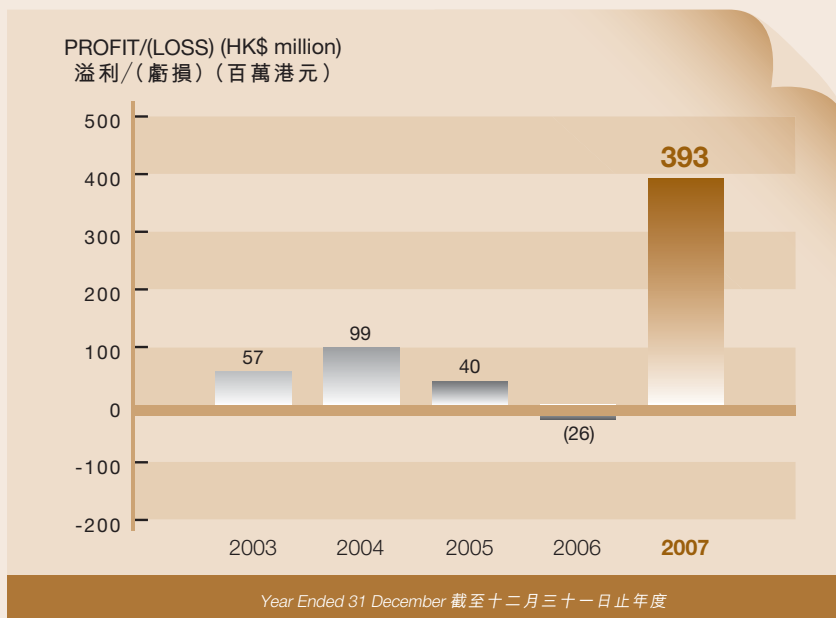
### Business Review

#### 業務回顧



### Profit/(Loss) Attributable To Equity Holders

#### 公司權益持有人應佔溢利/ (虧損)



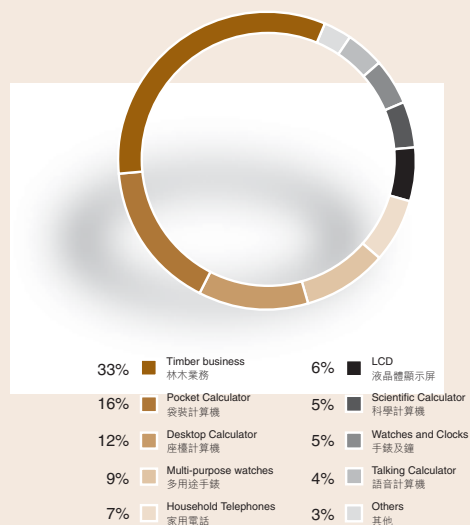


# FINANCIAL HIGHLIGHTS

## 財務摘要

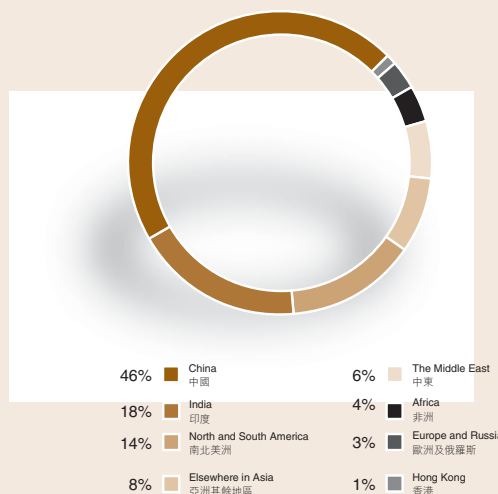
### Turnover Breakdown By Product

以產品類別劃分之營業額分佈



### Turnover Breakdown By Geographic Market

按地區市場劃分之營業額分佈



## FINANCIAL RESULTS

### 財務摘要

#### Year ended 31st December

截至十二月三十一日止年度

Operating Performance (HK\$'000)	經營業務表現 (千港元)	2007	2006
		二零零七年	二零零六年
Turnover	營業額	709,331	489,325
Profit/(loss) from operations	經營溢利／(虧損)	501,386	(20,879)
Profit/(loss) attributable to equity holders	公司權益持有人應佔溢利／(虧損)	392,726	(26,367)
Net cash from operating activities	經營業務之所得現金淨額	194,481	56,475
Earnings/(loss) per share - basic	每股盈利／(虧損) – 基本	HK2.30 cents 港仙	(HK0.33 cents 港仙)
<b>Financial Position (HK\$'000)</b>		<b>財務狀況 (千港元)</b>	
(Borrowing) net cash #	(借貸) 現金淨額#	(275,062)	51,253
Net current assets	流動資產淨值	140,398	183,237
Shareholders' equity	股東權益	2,936,647	403,998
Net assets per share	每股資產淨值	HK16.66 cents 港仙	HK17.53 cents 港仙
Capital expenditure	資本開支	11,065	27,645
<b>Key Ratios and Data</b>		<b>主要比率及數據</b>	
Profit/(loss) margin	邊際溢利／(虧損)	68.4%	(5.4%)
Current ratio	流動比率	1.4x	2.1x
Return/(loss) on Equity	股本回報／(虧損)	16.5%	(6.5%)

# Cash and cash equivalents less interest-bearing bank loan.

# 現金及現金等值項目減計息銀行貸款。



# CHAIRMAN'S STATEMENT

## 主席報告書

I am pleased to report the results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 (the "Year") to the shareholders.

### 2007 REVIEW

The Group's turnover for the Year recorded an increase of 45% to approximately HK\$709 million (2006: HK\$489 million). 2007 was a very fruitful year. The Company has entered into an acquisition agreement with Superview International Limited on 16 May 2007 to acquire 70% of the issued share capital of Green & Good Group Limited, an investment holding company incorporated in the British Virgin Islands and its sole asset is the entire equity interest in LEEKA Wood Company Limited, a wholly foreign owned enterprise established in the PRC for an aggregate consideration of HK\$1,380 million. The Group's acquisition of Green & Good Group Limited was successfully completed on 8 October 2007 and the Group's business was expanded into a new chapter.

Green & Good Group Limited and its subsidiaries ("Green & Good Group") are principally engaged in the exploitation and management of timber resources in the PRC and sale of logs and manufacture, distribution, marketing and sales of a wide range of floorboards.

At the end of the Year, Green & Good Group possesses about 3.4 million cubic meter of timber resources covering forest land of about 329,000 Chinese mu mainly in Yunnan, Hunan and Hebei and about 181.4 Chinese mu manufacturing base located in Beijing, which is capable of maximizing the use and value of the timber resources and producing a wide range of timber products to meet customers' needs. During the Year, the turnover from timber business amounted to HK\$ 236.5 million, which accounting for approximately 33.3% of the Group's turnover.

本人謹此欣然向股東呈報公司及其附屬公司(「集團」)截至二零零七年十二月三十一日止年度(「本年度」)之業績。

### 二零零七年回顧

集團於本年度之營業額上升45%至約709,000,000港元(二零零六年:489,000,000港元)。二零零七年,集團取得大豐收。於二零零七年五月十六日,公司與超景國際有限公司訂立一項收購協議,以總代價1,380,000,000港元收購綠之嘉集團有限公司已發行股本之70%,其為一間於英屬處女群島註冊成立之投資控股公司,而其唯一資產為於中國成立之全外資企業綠之嘉木業有限公司之全部股權。集團已於二零零七年十月八日成功完成收購綠之嘉集團有限公司,開創集團業務之新一頁。

綠之嘉集團有限公司及其附屬公司(「綠之嘉集團」)主要從事開發及管護其位於中國境內之林木資源,銷售原木,以及研發、分銷、市場推廣及銷售各種各樣之木地板。

於年結日,綠之嘉集團擁有約3,400,000立方米之木材資源,覆蓋林地面積約329,000畝,主要位於雲南、湖南及河北,並於北京擁有一個佔地約181.4畝之生產基地,該基地有能力將木材資源之用途及價值最大化,以及製造多種林木產品迎合顧客需要。本年度內,林木業務之營業額為236,500,000港元,佔集團營業額約33.3%。



# CHAIRMAN'S STATEMENT

## 主席報告書

During the Year, the Group's electronic products business had successfully returned to profit making from a loss in last year after implementing effective measures such as aggressive pricing strategy, reduction of inventories level and controlling the production cost etc. As the business environment had worsened as a result of appreciation of Renminbi and general increase in labour cost and raw material cost, the Group will continue to control the production costs and adopt other appropriate measures to improve the production efficiency and profitability.

The board does not recommend a final dividend for the year ended 31 December 2007 (2006: Nil).

### PROSPECT

The success of diversifying our Group's business into timber business helps the Group broaden its revenue base and source of profit. As it the timber business has tremendous potential, it will become a major revenue and profit growth driver of the Group in the future.

We expect the electronic calculators market will maintain a steady growth in 2008. However, high inflation rate in the PRC, expected appreciation of Renminbi and new legislations on labour add pressure to our electronic product manufacturing business. The performance of our Group's electronic business in the coming year may not as good as that of 2007.

### APPRECIATIONS

I would like to thank our management team and staff for their dedication and hard work during the year end 31 December 2007. Moreover, I would also like to take this opportunity to thank our shareholders and business partners for their continuous support.

**Lam Ping Kei**  
Chairman

本年度內，於實施進取定價策略、降低存貨水平及控制成本等具成效之措施後，集團電子產品業務成功由去年之虧損狀況轉虧為盈。由於人民幣升值，加上勞工成本及原料成本普遍上升，導致營商環境轉壞，集團將繼續控制生產成本，以及採取其他恰當之措施改善生產效率及盈利能力。

董事會並不建議派付截至二零零七年十二月三十一日止年度之末期股息(二零零六年：零)。

### 前景

隨著成功將集團業務多元化發展至林木業務，有助集團擴闊收益基礎及保證溢利。由於林木業務擁有龐大潛力，其將可成為集團收益及溢利於未來之主要增長動力。

集團預期，二零零八年電子計算機市場將繼續穩定發展。然而，中國通脹高企，預期人民幣升值及新勞動法均對集團之電子產品製造業務添加壓力。集團電子產品業務於未來數年或不能取得如二零零七年般之良好之表現。

### 致謝

本人謹此感謝管理團隊及各員工於截至二零零七年十二月三十一日止年度之貢獻及努力。此外，本人亦藉此向各股東及業務夥伴之不斷支持致以衷心謝意。

**林平基**  
主席





## MESSAGE FROM CEO – THE ROAD AHEAD 行政總裁函件 – 迎向未來

### PRC FORESTRY INDUSTRY REVIEW

To date, the PRC forestry industry has already been developed into a field with well-established structure that features comprehensive coverage, an extensive industrial chain and diversified product offerings. The market gap in the timber resources industry is estimated to exceed 200 million cubic metres. There are more than 60,000 downstream enterprises (namely manufacturers of furniture, wood-based boards and floorboards) in the forestry industry and a significant demand for timber products from consumers, thus having created a highly prosperous timber sector on both sides of supply and demand in the PRC. Total output value of the PRC forestry industry had already been close to RMB 1,000 billion in 2006, making it a major component in the national economy and one of the industries with the most promising outlook in this country.

### OUR VISION

Over the past year, the Company had devoted itself in searching for and identifying industries that offer substantial growth potential with a view to strengthen the revenue streams of the Company, taken into account, among other things, the State's policies to the respective industries, and changes in demand and supply in both the international and local markets. In our opinion, the outlook of the forestry industry is highly promising. Having recognized that the PRC forestry industry was proceeding into a historically critical phase of development, such that the sector might establish itself into a truly international business, the Company resolved to make an unreserved commitment to commence and develop the timber resources business. Our vision was to build an innovative timber products circulation system catering in particular the PRC and Asia Pacific markets. Leveraging on an operation model that was both forward-looking and down-to-earth, we aimed to finalize our development blueprint on the vertical integration of timber operation in the near future, so that the competitiveness and standard of operation of the Company could be improved and enhanced. The proposed acquisition of the equity interests and timber operation of Green & Good Group Limited had been concluded successfully in 2007. Since then, the Company had formally expanded into the timber resources business; and I am pleased to report that the new business has generated revenue in line with the Company's projection and that the preset interim operational targets had also been met.

### 中國林產業回顧

目前，中國的林產業已形成涵蓋範圍廣、產業鏈條長、產品種類多的林業產業體系；木材市場缺口估計超過2億立方米；木材行業中，傢俱、人造板、地板等下游企業生產企業60,000多家，巨大的消費需求製造了中國木材市場供需兩旺的繁榮景象，中國林產業產值在二零零六年已接近1萬億元人民幣，成為國民經濟中重要的組成部分和最具發展潛力的產業。

### 願境

一年以來，公司根據中國產業政策和國際、國內市場供求變化等情況，不斷尋覓有潛力及龐大發展潛力的行業，為本公司開拓盈利來源。鑑於林產業前景秀麗，在中國林產業邁向國際化的歷史時期，公司確立了全面進入和拓展木材業務，建設面向中國和亞太地區的新型木材流通體系，以前瞻而務實的運營模式，儘快完成木材縱向產業佈局的發展規劃，從而提升公司的全球競爭力和產業水準。二零零七年，公司已順利完成了對綠之嘉集團有限公司之股權及木材業務的收購計畫，正式進入木材業務領域，並取得了預期的業務收益，達到了預定的階段性經營目標。



## MESSAGE FROM CEO – THE ROAD AHEAD

### 行政總裁函件 – 迎向未來

#### OUR LONG TERM STRATEGIC GOAL

In the long term, Our future operation will be focused on the development in the area of timber circulation. Specifically, the Company will strive to attain integration of its timber stocks, inventories and other resources through standardized management within the circulation process of timber products; to look at and promote regulation and benchmark practice in timber trades; and to actively commit into the innovative transaction models in timber commodities. It is our hope that, through the above initiatives, the Company may progressively realize its long-term strategic goal in becoming the most influential modern timber trading firm in the PRC timber resources industry. In the next few years, capitalizing on the advantages of the listed company in funding, market recognition, management standard, channels as well as production capacity, the Company will identify and make investments in or form partnerships with such trading channels with leading status in the PRC; undergo resource integration in the upstream and downstream of the industrial chain; engage and collaborate with prestigious institutions in timber industry research and certification in the PRC to study how the operation and revenue models of the traditional timber trade can be modified and improved. These, together with the operation of our e-commerce platform, will enable the Company to eventually expand its scope of business to cover such key areas of forest land bank, wood processing, timbers stockpiling and timbers trade etc.; and to enjoy advantages in information, costing and market positioning that compare favourably with traditional timbers production and processing enterprises or traditional timbers trading firms. Consequently, our competitive edge and our status as an opinion leader in the industry will be enhanced.

At the same time, the Company will continue to increase its investment and reserve in forest land and timber stocks through its subsidiaries and associates. We will also explore into the development of innovative environmental friendly and energy-saving alternatives to timber products on a timely manner.

**Jing Bin**  
Chief Executive Officer

#### 長遠策略目標

長遠而言，公司將未來的工作重點放在進軍木材流通領域，通過對木材產品在流通過程的標準化管理，整合自身的木材儲備、集貨等資源，研究、推廣中國木材交易規範及標準，大力發展木材商品的新型交易模式，以逐步實現公司成為中國木材行業最具影響力的現代木材交易商的遠期戰略目標。未來數年中，公司將利用上市公司的資金、信譽、管理、管道、產能等方面的優勢，在國內選擇具有代表性的交易管道進行投資或開展合作，整合上、下游產業鏈資源，協同與國內頂尖的木材研究、檢驗機構對傳統木材貿易的經營模式、盈利模式進行調整和完善，結合公司旗下網路電子商務平臺的運作，逐步使公司的業務領域覆蓋林地儲備、木材加工、木材集貨、木材貿易等各個關鍵環節，使得公司能夠取得區別於傳統木材生產、加工企業或傳統木材貿易企業的資訊優勢、成本優勢、市場優勢，從而擁有更多的市場競爭力和市場話語權。

與此同時，公司還將繼續通過旗下企業逐步地擴大林地、林木的投資與儲備，並適時發展環保節能的新型木材替代品。

**景濱**  
行政總裁





# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS OVERVIEW

The Group is principally engaged in (i) exploitation and management of timber resources in the PRC; (ii) research and development, processing, manufacture, distribution, marketing and sales of a wide range of timber products and (iii) manufacturing and sales of electronic calculators and other electronic products and liquid crystal display units.

During the year ended 31 December 2007 (the "Year"), the Group recorded turnover of HK\$709.3 million, up 45% compared with approximately HK\$489.3 million last year. The Group's net profit attributable to shareholders was HK\$392.7 million in contrast to net loss of approximately HK\$26.4 million last year.

The Group's gross profit during the year recorded approximately HK\$127.1 million, representing an increase of 4.5 times compared with approximately HK\$23.1 million last year. Gross profit margin had increased to 17.9% (2006: 4.7%). The increase in gross profit margin reflects the contribution from the newly acquired timber business, which has high profit margin and ample profit growth potential.

#### Timber business

The Group had successfully diversified its business into timber resources and timber products manufacturing and trading business upon completion of acquisition of Green & Good Group Limited on 8 October 2007 and the operating results of the following approximately three months were already incorporated into the results of the Group during the Year.

During the Year, the Group has recorded a segment turnover of HK\$236.5 million, accounting for approximately 33.3% of the Group's turnover (2006: Nil), which mainly arose from the timber logging and trading. The gross profit for timber business during the Year recorded approximately HK\$54.9 million (2006: Nil) and gross profit margin was 23.2% (2006: Nil).

Operating profit before the changes in fair value less estimated point-of-sale costs of biological assets for the timber business segment was HK\$28 million (2006: Nil). This well performance is due to the significant demand for the logs caused by expanded construction activities and continuing improvement of selling prices of the logs in the PRC.

Apart from the operating profit, the Group has also recorded a gain of HK\$263 million arising from the changes in fair value less estimated point-of-sale costs of biological assets. The management believes the growing demand for timber driven by strong economic growth in the PRC played a positive role in the valuation of the biological assets.

### 業務回顧

集團之主要業務為(i)開發及管護其位於中國境內之林木資源；(ii)研發、加工、生產、分銷、市場推廣及銷售各類林木產品；及(iii)製造及銷售電子計算機及其他電子產品，以及液晶顯示產品。

截至二零零七年十二月三十一日止年度(「本年度」)內，集團錄得營業額709,300,000港元，較去年約489,300,000港元增加45%。本年度集團之股東應佔純利為392,700,000港元，而去年之淨虧損則約為26,400,000港元。

集團本年度之毛利約為127,100,000港元，較去年約23,100,000港元增加4.5倍。毛利率上升至17.9%(二零零六年：4.7%)。毛利率上升，反映新收購之林木業務所帶來之貢獻，林木業務有高利潤及強大之溢利增長潛力。

#### 林木業務

於二零零七年十月八日完成收購綠之嘉集團有限公司後，集團已成功將業務多元化至林木資源及林木產品製造及交易業務，而其後約三個月之營運業績已計入集團本年度之業績內。

本年度內，集團就本分部錄得營業額236,500,000港元，佔集團營業額約33.3%(二零零六年：零)，主要來自木材採伐及買賣。本年度內，林木業務之毛利約為54,900,000港元(二零零六年：零)，而毛利率則為23.2%(二零零六年：零)。

林木業務分部之公平值變動前經營溢利減生物資產銷售點估計成本為28,000,000港元(二零零六年：零)。分部表現理想，乃為中國建設活動擴展，導致原木需求大增，以及原木售價持續改善之結果。

除經營溢利外，集團亦因生物資產之公平值變動(減估計銷售點成本)變動產生收益263,000,000港元。管理層相信，中國經濟強勁增長，帶動林木需求不斷增長，為生物資產估值提供正面因素。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Electronic products business

During the Year, the Group's electronic products business segment recorded turnover of HK\$472.8 million, accounted for approximately 66.7% of the Group's turnover, down 3.4% compared with the same segment of approximately HK\$489.3 million last year. The Group's electronic products business segment's operating profit was HK\$23.5 million in contrast to same segment's operating loss of approximately HK\$28.1 million last year.

The gross profit for electronic products business during the Year recorded approximately HK\$72.2 million (2006: approximately HK\$23.1 million), up 3.1 times compared with last year. Gross profit margin had increased to 15.3% (2006: 4.7%). During the Year, the Group's total production output of electronic calculators and other electronic products had decreased by approximately 11% compared with last year. The improved gross profit margin was mainly due to the fact that the Group had raised the products selling price generally during the Year and strengthened the control of production with an aim of improving the product quality. The Group had reviewed the products profile and more concentrated on high profit margin products. In addition, the Group had taken measures to improve the production efficiency and enhance the production planning control.

### Electronic Calculators

During the Year, the sales of electronic calculators remained the Group's significant revenue generator, recording HK\$272.6 million or 38.4% of the Group's total turnover. (2006: sales of approximately HK\$306.0 million and 62.5% of the Group's total turnover). The decrease is mainly due to the Group had scaled down its production.

### 電子產品業務

本年度內，集團之電子產品業務分部錄得營業額472,800,000港元，佔集團營業額約66.7%，較去年約489,300,000港元下跌3.4%。集團電子產品業務分部之經營溢利為23,500,000港元，而去年則為經營虧損約28,100,000港元。

本年度內，電子產品業務之毛利約為72,200,000港元(二零零六年：約23,100,000港元)，較去年上升3.1倍。毛利率增加至15.3%(二零零六年：4.7%)。本年度，集團電子計算機及其他電子產品之總產量較去年下降約11%。毛利率改善主要因集團於本年度內將產品售價普遍提高，以及加強對生產之控制，以改善產品質素。集團已審閱產品組合，並更專注於高利潤之產品。此外，集團已採取措施改善生產效率，以及加強生產規劃之控制。

### 電子計算機

本年度內，銷售電子計算機仍然是集團之主要收益來源，錄得272,600,000港元或佔集團總營業額38.4%(二零零六年：銷售額約為306,000,000港元或佔集團總營業額62.5%)。銷售額減少主要由於集團縮減生產規模。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Other Consumer Electronic Products

During the Year, the sales of multifunctional water resistance watches and household telephones recorded HK\$62.8 million and HK\$53.4 million respectively, contributing 8.9% and 7.5% of the Group's turnover (2006: sales of multifunctional water resistance watches and household telephones were approximately HK\$57.3 million and HK\$40.1 million respectively, or 11.7% and 8.2% of the Group's turnover). The increase in sales of multifunctional water resistance watches and household telephones was mainly due to launching of more new models. The management expected these other electronic products would continue to play a more important role in the Group's electronic product portfolio in the future.

During the Year, the sales of electronic game cards recorded HK\$1.5 million or 0.2% of the Group's turnover (2006: HK\$3.6 million or 1% of the Group's turnover). The decrease in sales of electronic game cards was due to the reason that Group's customer had re-arranged its sales network and cut down its orders from the Group.

### Liquid Crystal Display ("LCD")

During the Year, the sale of LCD was HK\$42.2 million or 5.9% of the Group's turnover (2006: sales of HK\$46.2 million or 9.4% of the Group's turnover). The slight decrease in sales of LCD was partially due to keen price competition on STN-LCD and STN-LCD display units. Although the Group had upgraded its LCD production lines to include chip on glass ("COG") production facilities, the development on COG was unsatisfactory and behind the Group's schedules. Therefore, depending on the Group's ability to gain more new customers on COG products, the Group may not further develop COG products in the future. The Group will continue to concentrate on the manufacturing and sales of TN-LCD and STN-LCD in the near term.

### Corporate Development

On 8 October 2007, the Company had completed the acquisition from Superview International Limited 70% of the issued share capital of Green & Good Group Limited (Green & Good Group) at a total consideration of HK\$1.38 billion ("Acquisition"). The Green & Good Group's sole asset is the entire equity interest in LEEKA Wood Company Limited, a wholly foreign owned enterprise established in the PRC, whose subsidiaries and itself are principally engaged in the (i) exploitation and management of timber resources in the PRC; and (ii) research and development, processing, manufacture, distribution, marketing and sales of a wide range of wood products.

### 其他電子消費產品

本年度內，多功能防水手錶及家用電話之銷售額分別為62,800,000港元及53,400,000港元，佔集團營業額8.9%及7.5%（二零零六年：多功能防水手錶及家用電話之銷售額分別約為57,300,000港元及40,100,000港元，及佔集團營業額11.7%及8.2%）。全賴推出多款新型號，多功能防水手錶及家用電話銷售額均告上升。管理層預期此等其他電子產品日後將繼續在集團之電子產品組合中擔當重要角色。

本年度內，電子遊戲卡銷售額為1,500,000港元，或佔集團營業額0.2%（二零零六年：3,600,000港元，或佔集團營業額1%）。電子遊戲卡銷售額下降乃由於集團之客戶已重新安排銷售網絡及削減向集團作出之訂單所致。

### 液晶體顯示屏（「液晶體顯示屏」）

本年度內，液晶體顯示屏之銷售額為42,200,000港元，或佔集團營業額之5.9%（二零零六年：銷售額為46,200,000港元，或佔集團營業額9.4%）。液晶體顯示屏之銷售額輕微下降，部分原因為STN液晶體顯示屏及STN液晶體顯示屏產品之價格激烈競爭所致。儘管集團已將液晶體顯示屏生產線提升至包括玻璃芯片（「COG」）生產設施，COG未能取得滿意之發展，且落後於集團之計劃。因此，視乎集團物色更多新客戶之能力，集團於日後或不再發展COG產品。於短期內，集團仍將繼續專注於TN液晶體顯示屏及STN液晶體顯示屏之生產及銷售。

### 企業發展

於二零零七年十月八日，公司完成向超景收購綠之嘉集團有限公司（綠之嘉集團）已發行股本之70%，總代價1,380,000,000港元（「收購事項」）。綠之嘉集團之唯一資產為於中國成立之全外資企業綠之嘉木業有限公司之全部股權。綠之嘉木業有限公司及其附屬公司之主要業務為(i)開發及管護其位於中國境內之林木資源；及(ii)研發、加工、生產、分銷、市場推廣及銷售各類林木產品。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The consideration of HK\$1.38 billion was satisfied by (i) HK\$200 million in cash (ii) HK\$250,311,150 by the allotment and issue of 556,247,000 consideration shares at HK\$0.45 per consideration share, credited as fully paid, payable to Superview; and (iii) the remaining balance of HK\$929,688,850 by the issue of the convertible notes at a conversion price of HK\$0.45 per conversion share to Superview.

Superview and the guarantors, namely Mr. Ho Kam Hung, Mr. Yiu Yat On and Ms. Qian Mingjin, jointly and severally undertake to the Company that:

- (1) the aggregate profits after tax shown in the audited consolidated accounts of Green & Good Group in accordance with Hong Kong GAAP compliance for the financial years ending 31 December 2007 and 31 December 2008 shall not be less than HK\$300 million and will compensate the Company for any shortfall between the guaranteed profits and the actual aggregate profits after tax shown in the audited consolidated accounts of Green & Good Group in accordance with Hong Kong GAAP compliance for the financial years ending 31 December 2007 and the financial year ending 31 December 2008;
- (2) the fair market value of net assets of Green & Good Group, to be assessed by an independent appraiser and to be confirmed in a valuation report, shall be not less than HK\$2,500 million.

During the Year, the Group's electronic products business had successfully returned to profit making from a loss in last year after implementing effective measures such as overall increase in selling price, improvement on controlling of production cost and scale down of production by concentrating on high profit margin products etc. Owing to the business environment had worsen as a result of appreciation of Renminbi and general increase in labour cost and raw material cost, the Group will continue to control the production costs and other appropriate measures to improve the production efficiency and profitability.

### Employees and Remuneration Package

As at 31 December 2007, the Group had approximately 4,600 employees (2006: approximately 5,000 employees). The decrease in employees was attributable to scale down of production and outsourcing of certain labour intensive production procedures such as assembly. The remuneration package was based on their work performance, experience and the industry practice. The Group also participated in retirement benefits schemes for its staff in Hong Kong and the PRC.

代價1,380,000,000港元以下列方式支付：  
(i)200,000,000港元現金；(ii)250,311,150港元以每股代價股份0.45港元之價格配發及發行556,247,000股入賬列作繳足股款之代價股份之方式支付予超景；及(iii)餘款929,688,850港元將以每股換股股份0.45港元之換股價向超景發行可換股票據之方式支付。

超景及保證人(即何錦鴻先生、姚逸安先生及錢銘今女士)共同及個別向公司承諾：

- (1) 綠之嘉集團根據香港公認會計準則而編製截至二零零七年十二月三十一日及二零零八年十二月三十一日止財政年度之經審核綜合賬目所示之除稅後溢利總額不會少於300,000,000港元，而倘保證溢利與綠之嘉集團根據香港公認會計準則而編製截至二零零七年十二月三十一日止財政年度及截至二零零八年十二月三十一日止財政年度之經審核綜合賬目所示之除稅後實際溢利總額相較而出現任何短缺款額，則會向公司作出補償；
- (2) 綠之嘉集團之資產淨值之公平市值(將由獨立估值師評估及將會於估值報告內確認)不會少於2,500,000,000港元。

本年度內，於實施若干具成效之措施後，如調高整體售價、改善對生產成本之控制及藉專注於高利潤產品縮減生產規模等，集團電子產品業務成功由去年之虧損狀況轉虧為盈。由於人民幣升值，加上勞工成本及原料成本普遍上升，導致營商環境轉壞，集團將繼續控制生產成本，以及採取其他恰當之措施改善生產效率及盈利能力。

### 僱員及酬金組合

截至二零零七年十二月三十一日，集團擁有約4,600名僱員(二零零六年：約5,000名僱員)。員工減少主要是由於縮減生產及外判若干勞動密集生產工序(例如裝配)之規模所致。集團員工之薪酬是根據僱員之工作表現、經驗及行業慣例釐定。此外，集團亦為中港兩地之僱員提供退休福利計劃。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Capital Expenditures

During the Year, the Group spent approximately HK\$11.1 million (2006: HK\$27.6 million) on acquisition of new production machineries, which was financed by internal cash resources.

### Contingent liabilities

The Group did not have any significant contingent liabilities as at 31 December 2007 (2006: Nil).

## FINANCIAL REVIEW

### Liquidity and Finance Resources

During the year, the Group generally financed its operations with internally generated resources and banking facilities provided by its principal bankers in Hong Kong and the PRC. As at 31 December 2007, the Group had approximately HK\$413 million interest-bearing borrowings (2006: HK\$50 million), of which approximately HK\$406 million was floating-interest bearing and denominated in Renminbi with maturity within five years and the remaining was floating-interest bearing and denominated in Hong Kong Dollars. The Group's banking facilities were secured by corporate guarantees given by the Company and certain subsidiaries of the Company.

As at 31 December 2007, the Group's bank borrowings were denominated in Hong Kong dollars and Renminbi. The Group's sales and purchases were either denominated in Renminbi, Hong Kong and US dollars. Accordingly, the Directors consider the Group has no significant exposure to foreign exchange fluctuations in view of the stability of the exchange rates of Renminbi, Hong Kong and US dollars. During the year, the Group did not use any financial instrument for hedging the foreign exchange risk. However, for hedging of interest rate risk, the Group used interest rate swap which could effectively convert the floating interest rate bank loan to fixed interest rate. The amount of swap outstanding at 31 December 2007 was approximately HK\$6.7 million (2006: approximately HK\$13.3 million).

### 資本開支

本年度內，集團使用約11,100,000港元(二零零六年：27,600,000港元)收購新生產機器，有關資金乃以內部現金資源撥付。

### 或然負債

於二零零七年十二月三十一日，集團並無任何重大或然負債(二零零六年：無)。

### 財務回顧

#### 流動資金及財務資源

本年度內，集團均以內部產生之資源及中港兩地之主要往來銀行提供之銀行信貸撥付營運所需。於二零零七年十二月三十一日，集團之計息銀行借貸約為413,000,000港元(二零零六年：50,000,000港元)，當中約406,000,000港元為於五年內到期之浮息人民幣貸款，而餘款則為浮息港元貸款。集團之銀行信貸由公司及其若干公司附屬公司提供之公司擔保作為抵押。

於二零零七年十二月三十一日，集團之銀行借貸以港元及人民幣列值，集團之銷售額及購貨額則以人民幣、港元或美元列值。由於人民幣、港元及美元之匯率頗為穩定，因此，董事認為集團並無承擔重大之外匯波動風險。年內，集團並無為對沖外匯風險而使用任何金融工具，然而，集團使用息率轉換方法對沖利率風險。此方法可有效將銀行貸款由浮息轉為固定利息。於二零零七年十二月三十一日，未動用之調期款項約為6,700,000港元(二零零六年：約13,300,000港元)。





# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

As at 31 December 2007, the Group had current assets of approximately HK\$501.6 million (2006: HK\$346.4 million) and current liabilities of approximately HK\$361.2 million (2006: HK\$163.1 million). The Group's current ratio had decreased from approximately 2.1 times as at 31 December 2006 to approximately 1.4 times as at 31 December 2007. The Group had total assets of approximately HK\$4,481.1 million (2006: HK\$583.8 million) and total liabilities of approximately HK\$1,544.5 million (2006: HK\$179.8 million), representing a gearing ratio (expressed as total liabilities to total assets) of approximately 34.5% as at 31 December 2007 as compared with approximately 30.8% as at 31 December 2006.

### Prospects

The success of diversifying our Group's business into new areas of high-growth timber business helps the Group broaden its revenue base and sources of profit. The current outlook for the timber market in the PRC remains positive with continuous demand, although the economic growth in the PRC will slow down in the near future. The prices of the logs maintain at a higher level under the constrained supply and continuous demand. The Group will take advantage of the expected favourable pricing environment to maximize the potential value of its rich timber resources. Apart from its existing timber resources, with the availability of financial resources, the Group will take initiatives to seize opportunities to acquire new timber sources both in the PRC and overseas to enrich its timber reserves. As the timber business has tremendous potential, it will become a major revenue and profit growth driver of the Group in the future.

We expect the electronic calculators market will still be stable in 2008. However, high inflation rate in PRC, appreciation of Renminbi and new legislations on labour add pressure to our electronic product manufacturing business. Since the Group had difficulties in passing all the cost pressure to our customers, the Group will continue to implement effective measures such as more reasonable adjustment of the product mix, reduction of inventories level and tighten the control of the production cost.

於二零零七年十二月三十一日，集團之流動資產約為501,600,000港元(二零零六年：346,400,000港元)，流動負債約為361,200,000港元(二零零六年：163,100,000港元)。集團之流動比率由二零零六年十二月三十一日約2.1倍下降至二零零七年十二月三十一日約1.4倍。集團之資產總值約為4,481,100,000港元(二零零六年：583,800,000港元)，負債總額則約為1,544,500,000港元(二零零六年：179,800,000港元)，即於二零零七年十二月三十一日之資本負債比率(以總負債對總資產呈列)約為34.5%，而於二零零六年十二月三十一日則約為30.8%。

### 展望

集團成功將業務多元化至具高增長力之林木業務，有助集團擴闊其收益基礎及溢利來源。儘管中國經濟增長將於短期內放緩，惟由於需求持續，中國林木市場現時之前景仍然樂觀。在供應受限但需求持續之情況下，原木價格仍處於高水平。集團將利用預期之利好定價環境，將其豐富之林木資源中獲得最大之潛在價值。除現有之林木資源外，集團將利用可動用之財務資源，抓緊先機取得中國及海外之新林木資源，藉以豐富其林木儲量。由於林木業務擁有龐大潛力，其將可成為集團收益於未來之主要增長動力。

集團預期，二零零八年電子計算機市場將繼續穩定發展。然而，中國通脹高企，人民幣升值及新勞動法均對集團之電子產品製造業務添加壓力。由於集團將所有成本壓力轉嫁與客戶時遇上困難，集團將繼續採取有效措施，如對產品組合作出合理調整、降低存貨水平及加緊控制生產成本等。





# REPORT OF THE DIRECTORS

## 董事會報告

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

### CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 25 January 2008, the name of the Company was changed from “Tak Shun Technology Group Limited 德信科技集團有限公司” to “Superb Summit International Timber Company Limited 奇峰國際木業有限公司”.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 17 to the financial statements. Following the completion of the acquisition of the 70% interest in Green & Good Group Limited by the Company on 8 October 2007, the principal activities of the Company's principal subsidiaries include vertical integrated timber business.

### RESULTS AND DIVIDEND

The Group's results 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 40 to 132.

The directors do not recommend the payment of a final dividend for the year ended 31 December 2007.

董事會欣然提呈董事會報告書，連同公司及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。

### 更改公司名稱

根據公司於二零零八年一月二十五日舉行之股東特別大會所通過之特別決議案，公司名稱將由「德信科技集團有限公司」更改為「奇峰國際木業有限公司」。

### 主要業務

公司之主要業務為投資控股。主要附屬公司主要業務之詳情載於財務報表附註17。緊隨公司於二零零七年十月八日完成收購綠之嘉集團有限公司70%權益後，公司之主要附屬公司之主要業務包括垂直綜合林木業務。

### 業績及股息

集團截至二零零七年十二月三十一日止年度之業績，以及公司與集團於該日之財務狀況載於第40至第132頁之財務報表。

董事並不建議派付截至二零零七年十二月三十一日止年度末期股息。



# REPORT OF THE DIRECTORS

## 董事會報告

### FINANCIAL INFORMATION SUMMARY

The following is a summary of the published combined/consolidated results and assets and liabilities of the Group for the five years ended 31 December 2003, 2004, 2005, 2006 and 2007 prepared on the basis set out in the note below:

#### Results

		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 (restated) (重列)	2003 二零零三年 HK\$'000 千港元
TURNOVER	營業額	<b>709,331</b>	489,325	515,877	486,779	421,717
PROFIT/(LOSS) FROM OPERATIONS	經營溢利/(虧損)	<b>501,386</b>	(20,879)	46,033	89,965	61,292
FINANCE COSTS	財務成本	<b>(11,338)</b>	(4,419)	(2,609)	(567)	(84)
PROFIT/(LOSS) BEFORE TAX	除稅前溢利/(虧損)	<b>490,048</b>	(25,298)	43,424	89,398	61,208
INCOME TAX EXPENSES	所得稅開支	<b>(4,586)</b>	(1,069)	(3,749)	9,356	(4,312)
		<b>485,462</b>	(26,367)	39,675	98,754	56,896
MINORITY INTERESTS	少數股東權益	<b>(92,736)</b>	-	-	-	-
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	公司權益持有人應佔 公司溢利/ (虧損)	<b>392,726</b>	(26,367)	39,675	98,754	56,896

#### Assets and liabilities

		At 31 December 於十二月三十一日				
		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 (restated) (重列)	2003 二零零三年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產	<b>3,979,495</b>	237,428	252,949	209,527	152,849
CURRENT ASSETS	流動資產	<b>501,604</b>	346,375	347,070	300,595	243,235
TOTAL ASSETS	總資產	<b>4,481,099</b>	583,803	600,019	510,122	396,084
CURRENT LIABILITIES	流動負債	<b>361,206</b>	163,138	192,077	150,806	152,969
NON-CURRENT LIABILITIES	非流動負債	<b>1,183,246</b>	16,667	50,000	37,500	161
TOTAL LIABILITIES	總負債	<b>1,544,452</b>	179,805	242,077	188,306	153,130
		<b>2,936,647</b>	403,998	357,942	321,816	242,954

### 財務資料摘要

以下為集團截至二零零三年、二零零四年、二零零五年、二零零六年及二零零七年十二月三十一日止五年之已刊發合併/綜合業績及資產與負債之概要，編製基準載於下文之附註：

#### 業績

		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 (restated) (重列)	2003 二零零三年 HK\$'000 千港元
營業額	營業額	<b>709,331</b>	489,325	515,877	486,779	421,717
經營溢利/(虧損)	經營溢利/(虧損)	<b>501,386</b>	(20,879)	46,033	89,965	61,292
財務成本	財務成本	<b>(11,338)</b>	(4,419)	(2,609)	(567)	(84)
除稅前溢利/(虧損)	除稅前溢利/(虧損)	<b>490,048</b>	(25,298)	43,424	89,398	61,208
所得稅開支	所得稅開支	<b>(4,586)</b>	(1,069)	(3,749)	9,356	(4,312)
		<b>485,462</b>	(26,367)	39,675	98,754	56,896
少數股東權益	少數股東權益	<b>(92,736)</b>	-	-	-	-
公司權益持有人應佔 公司溢利/ (虧損)	公司權益持有人應佔 公司溢利/ (虧損)	<b>392,726</b>	(26,367)	39,675	98,754	56,896

#### 資產及負債

		At 31 December 於十二月三十一日				
		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 (restated) (重列)	2003 二零零三年 HK\$'000 千港元
非流動資產	非流動資產	<b>3,979,495</b>	237,428	252,949	209,527	152,849
流動資產	流動資產	<b>501,604</b>	346,375	347,070	300,595	243,235
總資產	總資產	<b>4,481,099</b>	583,803	600,019	510,122	396,084
流動負債	流動負債	<b>361,206</b>	163,138	192,077	150,806	152,969
非流動負債	非流動負債	<b>1,183,246</b>	16,667	50,000	37,500	161
總負債	總負債	<b>1,544,452</b>	179,805	242,077	188,306	153,130
		<b>2,936,647</b>	403,998	357,942	321,816	242,954



# REPORT OF THE DIRECTORS

## 董事會報告

### PROPERTY, PLANT AND EQUIPMENT

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

### SHARE CAPITAL, SHARE OPTIONS AND WARRANTS

Details of movements in the Company's share capital, share options and warrants during the year, together with the reasons therefor, are set out in notes 25 and 27 to the financial statements.

### CONVERTIBLE NOTE

Details of movements in the Company's convertible notes during the year and subsequent thereto are set out in notes 29 to the financial statements.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, 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 Company's listed securities during the year.

### RESERVES

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

### 物業、廠房及設備

年內，集團物業、廠房及設備之變動詳情載於財務報表附註15。

### 股本、購股權及認股權證

公司股本、購股權及認股權證於本年度之變動詳情連同有關原因載於財務報表附註25及27。

### 可換股票據

公司可換股票據於年內及其後之變動在財務報表附註29載列。

### 優先購買權

公司之公司組織章程或公司註冊成立之司法管轄權區開曼群島法例並無條文規定公司須就發售新股按比例給予現有股東優先購買權。

### 購買、贖回或出售公司之上市證券

公司或其任何附屬公司於年內並無購買、贖回或出售公司之上市證券。

### 儲備

公司及集團於年內之儲備變動詳情分別載於財務報表附註28及綜合權益變動表。



# REPORT OF THE DIRECTORS

## 董事會報告

### DISTRIBUTABLE RESERVES

At 31 December 2007, the Company's reserves available for distribution, calculated in accordance with the Companies Law (Revised) of the Cayman Islands, amounted to HK\$924,578,000 (2006: HK\$209,031,000). This includes the Company's share premium account in the amount of HK\$748,928,000 (2006: HK\$157,887,000) as at 31 December 2007, which may be distributed, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The Company's share premium account may also be distributed in the form of fully paid bonus shares.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, our largest customer accounted for 34% of turnover (2006: 5%). The 5 largest customers comprised 52% of the Group's total sales (2006: 20%).

During the year, purchases from the Group's five largest suppliers accounted for less than 30% of the Group's total purchases for the year.

### DIRECTORS

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

#### Executive directors

Mr. Lam Ping Kei (Chairman)	
Mr. Li Jun (Vice-Chairman)	(appointed on 2 February 2007)
Mr. Jing Bin (Chief Executive Officer)	(appointed on 23 October 2007)
Ms. Wong Choi Fung	(resigned on 23 October 2007)
Ms. Lam Chu Ying	(resigned on 2 February 2007)
Mr. Law Wai Fai	
Mr. Yeung Kwong Lun	(resigned on 23 October 2007)
Mr. Cheng Man For	(appointed on 23 October 2007)

### 可供分派儲備

於二零零七年十二月三十一日，根據開曼群島公司法(經修訂)計算，公司可供分派之儲備為924,578,000港元(二零零六年：209,031,000港元)。可供分派儲備包括於二零零七年十二月三十一日公司可供分派之股份溢價為748,928,000港元(二零零六年：157,887,000港元)，惟於緊隨擬派股息日期後，公司須有能力償付日常業務過程中到期應付之債務。公司之股份溢價亦可以繳足紅股方式分派。

### 主要客戶及供應商

年內，集團之最大客戶佔營業額34%(二零零六年：5%)。五大客戶佔集團之總銷售額52%(二零零六年：20%)。

年內，採購自集團五大供應商之數額少於集團年內總購貨額之30%。

### 董事

年內及直至本報告日期，公司之董事如下：

#### 執行董事

林平基先生 (主席)	
李珺先生 (副主席)	(於二零零七年二月二日獲委任)
景濱先生 (行政總裁)	(於二零零七年十月二十三日獲委任)
黃賽鳳女士	(於二零零七年十月二十三日辭任)
林珠英女士	(於二零零七年二月二日辭任)
羅偉輝先生	
楊廣倫先生	(於二零零七年十月二十三日辭任)
鄭文科先生	(於二零零七年十月二十三日獲委任)



# REPORT OF THE DIRECTORS

## 董事會報告

### Independent non-executive directors

Mr. Sun Tian Yan	(resigned on 11 April 2007)
Mr. Deng Xiao Jun	(resigned on 11 April 2007)
Mr. Chan Chi Yuen	(appointed on 11 April 2007)
Mr. Wong Yun Kuen	(appointed on 11 April 2007)
Mr. Qiu Ji Zhi	

In accordance with the Company's articles of association, Mr. Law Wai Fai will retire by rotation and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

In accordance with the Company's articles of association, Mr. Jing Bin and Mr. Cheng Man For will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 34 to 37 of the annual report.

### DIRECTORS' SERVICE CONTRACTS

Mr. Lam Ping Kei and Mr. Law Wai Fai have entered into service contracts with the Group for a term of two years, while Mr. Li Jun, Mr. Jing Bin and Mr. Cheng Man For have entered into a service contract with the Company for a term of three years. These service contracts continue thereafter until terminated by either party giving not less than three months' notice in writing to the other party.

All the independent non-executive directors have not been appointed for a specific term.

Save as disclosed above, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### 獨立非執行董事

孫添炎先生	(於二零零七年四月十一日辭任)
鄧小軍先生	(於二零零七年四月十一日辭任)
陳志遠先生	(於二零零七年四月十一日獲委任)
黃潤權先生	(於二零零七年四月十一日獲委任)
邱繼志先生	

根據公司章程細則，羅偉輝先生將於應屆股東週年大會上輪席告退，惟彼願意且符合資格膺選連任。

根據公司章程細則，景濱先生及鄭文科先生將於應屆股東週年大會上告退，惟彼願意且符合資格膺選連任。

### 董事及高級管理人員簡歷

公司董事及集團高級管理人員之簡歷載於本年報第34頁至37頁。

### 董事之服務合約

林平基先生及羅偉輝先生與集團訂立服務合約，為期兩年，而李珺先生、景濱先生及鄭文科先生與公司訂立為期三年的服務合約，其後將會繼續，除非任何一方發出不少於三個月通知予另一方予以終止。

各獨立非執行董事均無特定委任年期。

除上文所披露者外，被提名於應屆股東週年大會上重選之董事，概無與公司訂立任何公司不能於一年內免付賠償(法定賠償除外)而予以終止之服務合約。



# REPORT OF THE DIRECTORS

## 董事會報告

### DIRECTORS' INTERESTS IN CONTRACTS

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

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES AND SHARE OPTIONS

As at 31 December 2007, the interests of the directors and chief executives of the Company in the shares and share options 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 kept by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

#### Long position

(a) Ordinary shares of HK\$0.01 each of the Company

Name of Directors 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital 佔已發行股本百分比
Mr. Lam Ping Kei 林平基先生	Held by controlled corporation (Note) 由受控制法團持有(附註)	3,510,000,000	19.91%

(b) Share options

Name of directors 董事姓名	Capacity 身份	Number of options held 所持購股權數目	Number of underlying shares 相關股份數目	Percentage of the issued share capital 佔已發行股本百分比
Mr. Li Jun 李珺先生	Beneficial owner 實益擁有人	75,000,000	75,000,000	0.43%
Mr. Jing Bin 景濱先生	Beneficial owner 實益擁有人	75,000,000	75,000,000	0.43%
Mr. Cheng Man For 鄭文科先生	Beneficial owner 實益擁有人	50,000,000	50,000,000	0.28%
		200,000,000	200,000,000	1.14%

### 董事之合約權益

公司或其任何附屬公司於年終或年內任何時間並無訂立公司董事於其中直接或間接擁有重大權益之重大合約。

### 董事及主要行政總裁於股份及購股權之權益或淡倉

於二零零七年十二月三十一日，公司董事及主要行政人員在公司或其相聯法團(按證券及期貨條例(「證券及期貨條例」)第XV部定義)之股份及購股權中擁有須記入公司按證券及期貨條例第352條而存置之登記冊或根據上市公司董事進行證券交易之標準守則向公司及香港聯合交易所有限公司(「聯交所」)發出通知之權益及淡倉如下：

#### 好倉

(a) 公司每股面值0.01港元普通股

(b) 購股權





# REPORT OF THE DIRECTORS

## 董事會報告

### Note:

These ordinary shares are owned by Super Giant Assets Limited ("Super Giant"), a company incorporated in the British Virgin Islands (the "BVI"). The entire issued share capital of Super Giant is beneficially owned by Mr. Lam Ping Kei.

Save as disclosed above, none of the other directors, chief executives and their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2007.

### SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 27 to the financial statements.

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' and Chief Executive's interests or short positions in shares and share options" and "Share Option Scheme" above, 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 or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and the chief executive, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

### 附註:

此等普通股乃由英屬處女群島(「英屬處女群島」)註冊成立之公司Super Giant Assets Limited(「Super Giant」)擁有。Super Giant之全部已發行股本乃由林平基先生實益擁有。

除上文所披露者外，於二零零七年十二月三十一日，概無其他董事、主要行政人員及彼等之聯繫人於公司或其任何相聯法團(按證券及期貨條例第XV部定義)之股份、相關股份或債券中擁有任何權益或淡倉。

### 購股權計劃

公司購股權計劃之詳情載於財務報表附註27。

### 董事購入股份或債券之權利

除上文「董事及主要行政總裁於股份及購股權之權益或淡倉」及「購股權計劃」兩節所披露者外，於年內任何時間，董事或彼等各自之配偶或未滿十八歲之子女概無獲授可藉着購入公司之股份或債券而獲益之權利，彼等亦無行使有關權利；公司或其任何附屬公司亦無訂立任何安排致使董事可收購在任何其他法人團體之上述權利。

### 主要股東

於二零零七年十二月三十一日，根據證券及期貨條例第336條規定公司存置之主要股東登記冊，除上文所披露有關若干董事及行政總裁之權益外，下列股東已通知公司彼等於公司已發行股本中擁有之相關權益。



# REPORT OF THE DIRECTORS

## 董事會報告

### Long positions

### 好倉

Ordinary shares of HK\$0.01 each of the Company

公司每股面值0.01港元普通股

Name of Directors	Capacity	Number of issued ordinary shares held	Number of underlying shares (convertible notes) held	Percentage of the issued share capital
股東名稱	身份	所持普通股數目	所持相關股份(可換股票據)數目	佔公司已發行股本之百分比
Super Giant Assets Limited (Note 1) (附註1)	Beneficial owner 實益擁有人	3,510,000,000	–	19.91%
Superview International Limited (Note 2) 超景國際有限公司 (附註2)	Beneficial owner 實益擁有人	550,000,000	3,333,333,333	22.03%
Mr. Yiu Yat On (Note 3) 姚逸安先生 (附註3)	Interest of controlled corporation 受控制法團權益	550,000,000	3,333,333,333	22.03%

#### Note:

#### 附註:

- These ordinary shares are owned by Super Giant Assets Limited ("Super Giant"), a company incorporated in the British Virgin Islands (the "BVI"). The entire issued share capital of Super Giant is beneficially owned by Mr. Lam Ping Kei.
- Superview International Limited is a company incorporated in the British Virgin Islands. It is 56% owned by Mr. Yiu Yat On.
- Mr. Yiu Yat On owns 56% of Superview International Limited. Accordingly, Mr. Yiu Yat On was deemed to be interested in 550,000,000 shares and 3,333,333,333 underlying shares held by Superview International Limited.

- 此等普通股乃由英屬處女群島(「英屬處女群島」)註冊成立之公司Super Giant Assets Limited(「Super Giant」)擁有。Super Giant之全部已發行股本乃由林平基先生實益擁有。
- 超景國際有限公司為於英屬處女群島註冊成立的有限公司。由姚逸安先生擁有56%。
- 姚逸安先生擁有超景國際有限公司56%。因此，姚逸安先生被視作擁有超景國際有限公司所持550,000,000股股份及3,333,333,333股相關股份的權益。

Other than as disclosed above, the Company has not been notified of any other interests or short position in the issued share capital of the Company as at 31 December 2007.

除上文所披露者外，於二零零七年十二月三十一日，概無其他人士於公司已發行股本中擁有任何權益或淡倉。

### DIRECTORS' INTERESTS IN A COMPETING BUSINESS

### 董事於競爭業務之權益

No director had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), during the year and up to the date of this report.

年內及直至本報告日期，概無董事於與集團業務直接或間接構成競爭或可能構成競爭之業務內擁有權益(有關競爭之定義見香港聯合交易所有限公司證券上市規則(「上市規則」))。



# REPORT OF THE DIRECTORS

## 董事會報告

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

### PUBLIC FLOAT

Based on the information that is publicity available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required by the Listing Rules.

### CONFIRMATION OF INDEPENDENCE

The Company has received from each of the three independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of Listing Rule and considers all the independent non-executive directors to be independent.

### AUDITORS

KLL Associates CPA Limited ("KLL") had been the auditors of the Company for three years until their practice merged with that of BDO McCable Lo Limited ("BDO") in 2005. The Board appointed BDO as auditors of the Company immediately following the resignation of KLL on 23 November 2005. The Company appointed Lo and Kwong C.P.A. Company Limited ("Lo and Kwong") as its auditors since 19 April 2006 immediately following BDO's resignation as auditors of the Company on 19 April 2006. Lo and Kwong shall retire and, being eligible, offer themselves for re-appointment. A resolution to this effect will be proposed at the forthcoming annual general meeting.

\On behalf of the Board

**Lam Ping Kei**  
Chairman

Hong Kong,  
25 April 2008

### 購買、出售或贖回公司上市證券

年內，公司或其任何附屬公司並無購買、出售或贖回公司任何上市證券。

### 公眾持股量

根據公司取得之公開資料，並就董事所知，於本報告日期之公眾持股量足夠，按上市規則規定不少於公司已發行股份之25%。

### 確認獨立性

公司已接獲三位獨立非執行董事根據上市規則第3.13條就其獨立性發出之年度確認書，並認為全體獨立非執行董事均為獨立人士。

### 核數師

華融會計師事務所有限公司(「華融」)已擔任公司之核數師三年，直至其業務與德豪嘉信會計師事務所有限公司(「德豪嘉信」)於二零零五年合併為止。董事會在華融於二零零五年十一月二十三日辭任後，隨即委聘德豪嘉信為公司之核數師。公司在德豪嘉信於二零零六年四月十九日辭任公司之核數師後，隨即於二零零六年四月十九日委任盧鄺會計師事務所有限公司(「盧鄺」)為核數師。盧鄺將會退任，並合資格獲重新委聘，應屆股東週年大會上將就此提呈決議案。

代表董事會

**林平基**  
主席

香港  
二零零八年四月二十五日



# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

LAM Ping Kei (*Chairman*)  
 LI Jun (*Vice-Chairman*)  
 JING Bin (*Chief Executive Officer*)  
 LAW Wai Fai  
 CHENG Man For

#### Independent Non-executive Directors

CHAN Chi Yuen  
 WONG Yun Kuen  
 QIU Ji Zhi

### MEMBERS OF AUDIT COMMITTEE

CHAN Chi Yuen  
 WONG Yun Kuen  
 QIU Ji Zhi

### MEMBERS OF REMUNERATION COMMITTEE

CHAN Chi Yuen  
 WONG Yun Kuen  
 QIU Ji Zhi

### MEMBERS OF NOMINATION COMMITTEE

CHAN Chi Yuen  
 WONG Yun Kuen  
 QIU Ji Zhi

### REGISTERED OFFICE

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

### 董事會

#### 執行董事

林平基(*主席*)  
 李珺(*副主席*)  
 景濱(*行政總裁*)  
 羅偉輝  
 鄭文科

#### 獨立非執行董事

陳志遠  
 黃潤權  
 邱繼志

### 審核委員會成員

陳志遠  
 黃潤權  
 邱繼志

### 薪酬委員會成員

陳志遠  
 黃潤權  
 邱繼志

### 提名委員會成員

陳志遠  
 黃潤權  
 邱繼志

### 註冊辦事處

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



# CORPORATE INFORMATION

## 公司資料

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 2804-2806, 28th Floor  
China Merchants Tower,  
Shun Tak Centre,  
168-200 Connaught Road Central  
Hong Kong

### COMPANY SECRETARY

CHENG Man For

### QUALIFIED ACCOUNTANT

LAW Wai Fai

### PRINCIPAL BANKERS

#### Hong Kong

Bank of China (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Hang Seng Bank Limited

#### The PRC

Industrial and Commercial Bank of China  
China Construction Bank  
Agricultural Bank of China

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Bank of Bermuda (Cayman) Limited  
P.O. Box 513 GT  
Strathvale House  
North Church Street  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

### 總辦事處及主要營業地點

香港  
干諾道中一百六十八至二百號  
信德中心  
招商局大廈  
二十八樓二八零四至二八零六室

### 公司秘書

鄭文科

### 合資格會計師

羅偉輝

### 主要往來銀行

#### 香港

中國銀行(香港)有限公司  
香港上海滙豐銀行有限公司  
恒生銀行有限公司

#### 中國

中國工商銀行  
中國建設銀行  
中國農業銀行

### 主要股份過戶登記處

Bank of Bermuda (Cayman) Limited  
P.O. Box 513 GT  
Strathvale House  
North Church Street  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies



# CORPORATE INFORMATION

## 公司資料

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### AUDITORS

Lo and Kwong C.P.A. Company Limited  
Suite 1304, 13/F.,  
Shanghai Industrial Investment Building,  
60 Hennessy Road, Wanchai  
Hong Kong

### STOCK CODE

01228

### WEBSITE

[www.takshun.com.hk](http://www.takshun.com.hk)

### 香港股份過戶登記分處

卓佳登捷時有限公司  
香港  
皇后大道東28號  
金鐘匯中心26樓

### 核數師

盧鄭會計師事務所有限公司  
香港  
灣仔軒尼詩道60號  
上海實業大廈  
13樓1304室

### 股份代號

01228

### 網址

[www.takshun.com.hk](http://www.takshun.com.hk)





# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The board of directors (“Board”) is committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance with emphasis on transparency, independence, accountability and responsibility. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

The Code on Corporate Governance Practices (“CGP Code”) issued by The Stock Exchange of Hong Kong Limited (“Stock Exchange”) in its Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) sets out two levels of corporate governance practices, namely, mandatory code provisions that a listed company must comply with or explain its non-compliance, and recommended best practices that listed companies are encouraged to comply with but need not disclose in the case of non-compliance. The Company is in compliance with the mandatory code provisions of the CGP Code, save for the deviations discussed below.

### BOARD OF DIRECTORS

The Board is charged with providing effective and responsible leadership for the Company. The directors, individually and collectively, must act in good faith in the best interests of the Company and its shareholders. The Board comprises five Executive Directors and three Independent Non-executive Directors. The Board has appointed served Board Committees to oversee different areas of the Company’s affairs. The composition of the Board and the Board Committees are given below and their respective responsibilities are discussed in this report. The number of full Board Meetings and Committee Meetings attended by each Director during the year under review is set out in the following table. Figure in brackets indicates maximum number of meetings in the period in which the individual was a Board Member or Committee Member (as the case may be).

董事會(「董事會」)致力維持有關法定及監管標準，並緊守企業管治之原則，強調透明、獨立、問責及負責。為了達到股東不斷提高之期望和符合日趨嚴謹之法規要求，實踐董事會對堅守優越企業管治之承諾，董事會不斷檢討集團之企業管治守則。

香港聯合交易所有限公司(「聯交所」)在聯交所證券上市規則(「上市規則」)發出之企業管治常規守則(「管治守則」)訂明兩個層次之企業管治守則，分別是強制守則規定－上市公司必須遵守，或對任何偏離守則規定之情況作出解釋；及建議最佳常規－鼓勵上市公司加以遵守但毋需披露偏離常規之情況。除了下文提及之偏離外，公司已遵守管治守則中之強制守則規定。

### 董事會

董事會有效率及負責任地肩負領導公司發展之責。董事會各成員，無論個別或共同行事，都必須行之以誠，以公司及股東之整體利益為前提。董事會由五名執行董事及三名獨立非執行董事組成。董事會已委任若干轄下委員會，分別監察公司不同範疇之事務。公司之董事會及各董事委員會成員之組成如下，而各委員會之職責於本報告內有進一步之描述。於回顧年度內，各董事出席全體董事會會議及委員會會議之次數載於下表。括號內之數字指有關人士為董事會成員或董事委員會成員(視屬何情況而定)期間內可出席之最多會議次數。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Name of Director	Note	Full Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
董事姓名	附註	全體董事會會議	審核委員會會議	薪酬委員會會議	提名委員會會議
<b>Executive Directors</b>					
<b>執行董事</b>					
LAM Ping Kei (Chairman)		5/26	N/A	N/A	N/A
林平基 (主席)			不適用	不適用	不適用
LI Jun (Vice-Chairman)	7	9/26	N/A	N/A	N/A
李珺 (副主席)			不適用	不適用	不適用
JING Bin (CEO)	3	2/26	N/A	N/A	N/A
景濱 (行政總裁)			不適用	不適用	不適用
WONG Choi Fung	2	23/26	N/A	N/A	N/A
黃賽鳳			不適用	不適用	不適用
LAW Wai Fai		24/26	N/A	N/A	N/A
羅偉輝			不適用	不適用	不適用
YEUNG Kwong Lun	2	17/26	N/A	N/A	N/A
楊廣倫			不適用	不適用	不適用
CHENG Man For	1	4/26	1/2	1/2	1/2
鄭文科					
LAM Chu Ying	6	3/26	N/A	N/A	N/A
林珠英			不適用	不適用	不適用
<b>Independent Non-executive Directors</b>					
<b>獨立非執行董事</b>					
DENG Xiao Jun	4	1/26	1/2	1/2	1/2
鄧小軍					
SUN Tian Yan	4	1/26	1/2	1/2	1/2
孫添炎					
CHAN Chi Yuen	5	6/26	1/2	1/2	1/2
陳志遠					
WONG Yun Kuen	5	7/26	1/2	1/2	1/2
黃潤權					
QUI Ji Zhi		3/26	2/2	2/2	2/2
邱繼志					



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Notes:

1. Attended as secretary of committee, except in Board meetings he played the dual roles as Director and Secretary. Mr. Cheng appointed as Secretary of the Company on 2 February 2007 and appointed as Executive Director on 23 October 2007.
2. Resigned on 23 October 2007.
3. Appointed on 23 October 2007.
4. Resigned on 11 April 2007.
5. Appointed on 11 April 2007.
6. Resigned on 2 February 2007.
7. Appointed on 2 February 2007.

The Board members have no financial, business, family or other material/relevant relationships with each other. Each of the Independent Non-executive Directors have confirmed in writing their independence from the Company in accordance with the guidelines on director independence of the Listing Rules. On this basis, the Company considers all such Directors to be independent.

Biographical details of the Directors of the Company as at the date of this report are set out on pages 34 to 37 of this annual report. Given the composition of the Board and the skills, knowledge and expertise of the Directors, the Board believes that it is appropriately structured to provide sufficient checks and balances to protect the interests of the Group and the shareholders. The Board will review its composition regularly to ensure that it has the appropriate balance of expertise, skills and experience to continue to effectively oversee the business of the Company.

The Directors are remunerated with reference to their respective duties and responsibility with the Company, the Company's performance and current market situation. Details of emoluments of the Directors from the Group for the year are disclosed in Note 7 to the financial statements.

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

The appointment of new Directors is recommended by the Nomination Committee. The Board will then take into account criteria such as expertise, experience, integrity and commitment when considering a new appointment.

### 附註：

1. 列席各委員會擔任委員會秘書，惟於董事會上則同時擔任董事及秘書。鄭先生於二零零七年二月二日獲委任公司秘書並於二零零七年十月二十三日獲委任為執行董事。
2. 於二零零七年十月二十三日辭任。
3. 於二零零七年十月二十三日獲委任。
4. 於二零零七年四月十一日辭任。
5. 於二零零七年四月十一日獲委任。
6. 於二零零七年二月二日辭任。
7. 於二零零七年二月二日獲委任。

各董事會成員之間並沒有財務、業務、親屬或其他重大／相關關係。各獨立非執行董事已根據上市規則對董事獨立性之指引而致函確認其獨立性；因此，公司認為該等董事確屬獨立人士。

於本報告日，公司董事之個人資料詳載於本年報第34頁至第37頁。基於董事會之組成及各董事之技能、學識和專業知識，董事會相信其架構已能恰當地提供足夠之監察，以保障集團和股東之利益。董事會將定期檢討其組成，以確保其在專業知識、技能及經驗方面維持合適之平衡，藉以繼續有效地監管公司之業務。

董事薪酬乃參考各董事於公司之職責、公司之表現及當前市況後釐定。董事於本年度向集團收取之酬金詳情載於財務報表附註7。

### 董事之委任及重選

新董事之委任由提名委員會建議。董事會審議新委任時會考慮候選人之專業知識、經驗、誠信及承擔等各方面。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

In accordance with the Articles of Association of the Company (“Articles”), all Directors (except the Chairman, Deputy Chairman, Managing Director or Joint Managing Director) are subject to retirement by rotation and re-election at annual general meetings of the Company. New Directors appointed by the Board during the year are required to retire and submit themselves for re-election at the first annual general meeting immediately following their appointments. Further, at each annual general meeting, one-third of the Directors (excluding the Chairman, Deputy Chairman, Managing Director or Joint Managing Director), or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third are required to retire from office. Out of the eight directors, seven of them (except the Chairman) are subject to retirement by rotation.

The existing Articles governing the retirement of Directors deviate from the CGP Code provisions in the following aspects: (i) unlike the other Directors, the Chairman, Deputy Chairman, Managing Director or Joint Managing Director is not subject to retirement by rotation; (ii) new Directors appointed to fill casual vacancies are subject to election by shareholders at the first annual general meeting instead of the first general meeting after their appointments; and (iii) the Directors who are subject to retirement by rotation are not explicitly subject to retirement at least once every three years. The Board will review the above-mentioned practice from time to time and consider amending the Articles when necessary.

### CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same person. Before 23 October 2007, Mr. Lam Ping Kei is the Chairman of the Board and also serves the function of a Chief Executive. After the completion of acquisition of a vertical-integrated timber business in October 2007, the Company has appointed Mr. Jing Bin as the Chief Executive Officer. The Board believes that this arrangement enables the Company to have the expert to make and implement decisions promptly, and thus achieve the Company’s objectives efficiently and effectively in response to the changing environment. The separation of Chairman and Chief Executive also provide a balance of power and authority. The Board believes that the Company already has a strong corporate governance structure in place to ensure effective oversight of management. The Board will continually review the effectiveness of the Group’s corporate governance structure to assess whether any changes are necessary.

根據公司之組織章程細則(「細則」)，所有董事(惟主席、副主席、董事總經理或聯席董事總經理除外)須於公司之股東週年大會上輪值告退，並接受重選。於年內獲董事會委任之新董事亦須在獲委任後之首次股東週年大會上退任，並可膺選連任。再者，於每屆股東週年大會上須有三分之一或(如董事會人數不是三或三之倍數)最接近但不超過三分之一之董事(不包括主席、副主席、董事總經理或聯席董事總經理)退任。在八名董事當中，除主席以外餘下七名須受輪值告退之限制。

現行有關董事退任之細則有下列之偏離管治守則的事項：(i)主席、副主席、董事總經理或聯席董事總經理毋須輪值告退，有別於其他董事；(ii)獲委任填補臨時空缺之新董事須在其獲委任後之首次股東週年大會(而非首次股東大會)上告退並接受股東重選；及(iii)沒有明確地要求每名須輪值告退之董事最少每三年退任一次。董事會將不時檢討上述做法並於需要時考慮修訂細則。

### 主席及行政總裁

守則規定A.2.1訂明，主席及行政總裁之角色必須分開及不能由同一人出任。於二零零七年十月二十三日之前，董事會主席林平基先生兼任行政總裁一職。於二零零七年十月完成收購垂直綜合林木業務後，公司委任景濱先生為行政總裁。董事會認此之安排能讓公司擁有專業人士可迅速作出決定並付諸實行，並可有效率和有效地達到公司之目標，以適應不斷改變之環境。主席及行政總裁之分工可在權力及權限上取得平衡。董事會相信公司已擁有堅實企業管治架構以確保能有效地監管管理層。董事會將繼續檢討集團企業管治架構之有效性，評估是否需要改變。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### TERM OF OFFICE OF NON-EXECUTIVE DIRECTORS

Code provision A.4.1 requires that non-executive directors should be appointed for a specific term and subject to re-election. Currently, there are no service contracts entered into between the Company and all Independent Non-executive Directors and they have no fixed term of office with the Company. In accordance with the Article, all Independent Non-executive Directors are subject to retirement by rotation. Also, new Independent Non-executive Directors appointed by the Board during the year are required to retire and submit themselves for re-election at the first annual general meeting immediately following their appointments. As such, the Company considers that sufficient measures have been taken to serve the purpose of this code provision.

### AUDIT COMMITTEE

The Audit Committee comprises all of the three Independent Non-executive Directors and is chaired by Mr. Chan Chi Yuen, who possesses extensive accounting experience in financial and commercial sectors. It is responsible for appointment of external auditors, review of the Group's financial information and oversight of the Group's financial reporting system and internal control procedures. The Committee is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval. It meets regularly to review financial reporting and internal control matters and to this end has unrestricted access to personnel, records and external auditors and senior management.

The Committee has specific written terms of reference which are of no less exacting terms than those stipulated in code provision. In 2007, the Audit Committee held two meetings. At the meetings, it reviewed the final results for the year ended 31 December 2006 and the interim results for the six months ended 30 June 2007 respectively. It also reviewed the Company's progress in implementing the corporate governance requirements as set out in the CGP Code.

### 非執行董事之任期

守則規定A.4.1要求，非執行董事應以指定任期委任並須重選連任。現時公司與所有獨立非執行董事並無訂下服務合約，且彼等並無指定任期。根據細則，全體獨立非執行董事均須輪值告退。再者，於年內獲董事會委任的新獨立非執行董事亦須在獲委任後之首次股東週年大會上退任，並可膺選連任。因此，公司認為已採取足夠措施以符合守則規定之目的。

### 審核委員會

審核委員會由全部共三名獨立非執行董事組成，其主席為陳志遠先生。陳先生擁有豐富之財務及商業會計經驗。審核委員會負責外聘核數師之委聘、審閱集團之財務資料及監督集團之財務申報制度和內部控制程序。委員會亦負責審議集團中期及末期業績後才向董事會作出建議是否批准有關業績。審核委員會定期舉行會議，審閱財務報告及內部監控等事宜，並可不受限制地接觸工作人員、取得有關記錄以及接觸公司之外聘核數師及高級管理層。

委員會以書面訂明職權範圍，其條款與守則規定所訂明者同樣嚴謹。二零零七年，審核委員會舉行2次會議。會上，委員會已分別審閱截至二零零六年十二月三十一日止年度末期業績及二零零七年六月三十日止六個月中期業績。委員會亦檢討公司根據企業管治守則所載之規定實行企業管治措施之進度。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### REMUNERATION COMMITTEE

The Remuneration Committee, composed of all three Independent Non-executive Directors, is responsible for reviewing and determining the compensation and benefits of the Directors and senior management. The committee members elect one of them to take the chair at the commencement of each meeting. The Committee has specific written terms of reference which are of no less exacting terms than those stipulated in code provision. In 2007, the Committee has held one meeting with full attendance.

### NOMINATION COMMITTEE

The Nomination Committee, composed of all three Independent Non-executive Directors, is responsible for reviewing and making recommendation to the Board on matters relating to the Board structure and appointment and re-appointment of Directors. The committee members elect one of them to take the chair at the commencement of each meeting. The Committee has specific written terms of reference which are of no less exacting terms than those stipulated in code provision. In 2007, the Committee has held one meeting with full attendance.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of financial statements for each financial period with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Company's financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable.

### 薪酬委員會

薪酬委員會由全部共三名獨立非執行董事組成，負責檢討並決定董事及高級管理層之薪酬福利。委員會成員於每次會議開始前選出其中一人為會議主席。委員會以書面訂明職權範圍，其條款與守則規定所訂明者同樣嚴謹。委員會於二零零七年曾舉行一次會議，並得全體成員出席。

### 提名委員會

提名委員會由全部共三名獨立非執行董事組成，負責檢討董事會架構以及董事之委任及重新委任之事宜並就此向董事會提供建議。委員會成員於每次會議開始前選出其中一人為會議主席。委員會以書面訂明職權範圍，其條款與守則規定所訂明者同樣嚴謹。委員會於二零零七年曾舉行一次會議並得全體成員出席。

### 董事就財務報表所承擔之責任

董事負責監督每個財政期間財務報表的編製，以確保該等財務報表能夠真實和公平地反映該期間集團財政狀況、業績與現金流量。公司財務報表的編製均符合所有有關之法規及合適之會計準則。董事有責任確保選擇和連貫地應用合適之會計政策以及作出審慎和合理之判斷及估計。





# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective internal control system of the Group. The Group's system of internal control includes a defined management structure with limits of authority, safeguard its assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant laws and regulations. The system is designed to provide reasonable assurance against material misstatement or loss, and to oversee the Group's operational systems for the achievement of the Group's business objectives.

During the year 31 December 2007, the Board had conducted a review on the effectiveness of the Group's material internal controls in areas of financial and operational functions, risk management and regulatory compliance. The Board considered the Group has effective internal control system. Nevertheless, the Board continues to improve the internal control system through periodic review and recommendation from external auditors identified from their process of audit.

### AUDITORS' REMUNERATION

The remuneration to the external auditors in relation to their audit and non-audit services provided to the Group for the financial year ended 31 December 2007 amounted to HK\$1,600,000 (2006: HK\$480,000) and HK\$ Nil (2006: Nil) respectively. The responsibilities of the auditors with respect to financial reporting are set out in the section of "Independent Auditor's Report" on page 38.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry to all Directors regarding any non-compliance with the Model Code during the year and they all confirmed that they have fully complied with the required standard set out in the Model Code. The Company is considering adopting a code of conduct governing securities transactions with terms no less exacting than that required by the Listing Rules by employees who may possess or have access to price sensitive information.

### 內部監控

董事會全權負責維持集團健全和有效之內部監控系統，包括界定管理架構及其相關之權限、保管資產以防未經授權之使用或處理、確定適當之會計紀錄得以保存並可提供可靠之財務資料供內部使用或對外發放，並確保符合相關法例與規則。上述監控系統旨在合理地保證並無重大失實陳述或損失，並監管集團之營運系統以達成集團之業務目標。

截至二零零七年十二月三十一日止年度，董事會曾對集團於財務及營運職能、風險管理及監管合規等方面之重要內部控制效能進行檢討。董事會認為集團之內部監控系統有效。然而，董事會將透過定期檢討及外聘核數師於核數過程中識別出之建議，繼續改善內部監控系統。

### 核數師酬金

截至二零零七年十二月三十一日止財政年度，集團就外聘核數師提供核數及非核數服務而支付之酬金分別為1,600,000港元(二零零六年：480,000港元)及零港元(二零零六年：無)。核數師有關財務申報之責任載於第38頁「獨立核數師報告書」一節。

### 進行證券交易之標準守則

公司已採納上市規則附錄10所載之上市公司董事進行證券交易之標準守則(「標準守則」)。公司已就有否於年內違反標準守則而向全體董事作出特定查詢，彼等均確認彼等一直遵守標準守則所訂之標準。公司正考慮對管有或可接觸股價敏感資料之僱員採納一套條款與上市規則規定看齊之進行證券交易之操守守則。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMMUNICATION WITH SHAREHOLDERS

The Company attaches great priority to establishing effective communications with its shareholders and investors. In an effort to enhance such communications, the Company provides information relating to the Company and its business in its interim and annual reports. The Company regards its Annual General Meeting as an opportunity for direct communications between the Board and its shareholders. All Directors, senior management and external auditors make an effort to attend the Annual General Meeting to address shareholders' queries. The Company also responds to requests for information and queries from the shareholders and investors and welcomes the views of shareholders on matters affecting the Group and encourages them to attend shareholders' meetings to communicate any concerns they might have with the Board or management direct.

### 與股東之溝通

公司相當重視與股東及投資者建立有效溝通。為達到有效溝通，公司在中期報告和年報內提供有關公司及其業務之資料。公司視股東週年大會為重要事項，因其提供董事會與股東直接溝通之機會。全體董事、高級管理層及外聘核數師均盡力出席股東週年大會，以回應股東提問。公司亦回應股東與投資者索取資料之要求和提問，歡迎股東對影響集團之事宜提意見，亦鼓勵股東出席股東大會，讓股東直接向董事會或管理層表達所關注之事宜。



## DIRECTORS AND SENIOR MANAGEMENT PROFILE 董事及高級管理層簡介

### DIRECTORS

#### Executive Directors

**Mr. LAM Ping Kei**, aged 55, is the founder of the Group and the chairman of the Company and an executive Director. Mr. Lam is responsible for the Group's overall management, strategic planning, product development, and sales and marketing functions. Mr. Lam has over 18 years of experience in the electronics industry. Mr. Lam was appointed as 中國人民政治協商會議福建省莆田市第四屆委員會委員 (committee member of the fourth session of the Chinese People's Political Consultative Conference of Putian City, Fujian Province). In March 2001, Mr. Lam was awarded as 莆田市優秀企業家 (the outstanding entrepreneur of Putian City from People's Government of Putian City).

**Dr. LI Jun**, aged 46, is an executive Director and the vice chairman of the Company holds a PhD degree in Political Economy from Oxford University in the United Kingdom. He was a senior manager and director of a number of well-known securities companies in Hong Kong and had extensive experience in international financial market. Dr. Li is also currently an independent non-executive director of Zhejiang Glass Company Limited and Hong Long Holdings Limited which are both listed companies in Hong Kong.

**Mr. JING Bin**, aged 39, is an executive Director and Chief Executive Officer of the Company. Mr. Jing has over 10 years of experience in finance, investment and corporate management. He has worked in large-scale corporations such as Bank of China before, and has extensive experience in strategic development, business development, reform management. Mr. Jing has been the Director of LEEKA Wood Co. Ltd (綠之嘉木業有限公司), 綠之嘉木制品制造有限公司 and 湖南綠之嘉木業有限公司 since 2006, and now he is the Chief Executive Officer of the Company. While he was working in LEEKA Wood Co. Ltd, he successfully integrated the unified development strategy of wooden board with modern corporation's operation strategy. With efficient merger and reorganization, he was able to propel the company forward into development. Mr. Jing was invited to become a member of the topic "Assessment and Transaction of Forest

### 董事

#### 執行董事

林平基先生，55歲，集團創辦人兼公司主席兼執行董事，負責集團之整體管理、策略性規劃、產品開發，以及銷售及市場推廣事務。林先生於電子行業擁有逾十八年之豐富經驗。林先生被任命為中國人民政治協商會議福建省莆田市第四屆委員會委員。二零零一年三月，林先生被莆田市人民政府評為莆田市優秀企業家。

李珺博士，46歲，公司之執行董事兼副主席。李博士持有英國牛津大學政治經濟博士學位。彼為香港多家著名證券公司之高級經理及董事並於國際金融市場擁有廣泛經驗。李珺博士目前亦擔任浙江玻璃股份有限公司及鴻隆控股有限公司之獨立非執行董事(兩家公司均為香港上市公司)。

景濱先生，39歲，公司之執行董事兼行政總裁。景先生擁有十多年金融和實業投資管理經驗，曾任職於中國銀行等大型企業，在戰略發展、業務拓展、變革管理方面具有豐富的經驗。景先生於二零零六年起擔任綠之嘉木業有限公司、綠之嘉木制品制造有限公司及湖南綠之嘉木業有限公司之董事，現為公司之行政總裁。在綠之嘉木業有限公司任職期間，卓有成效的將木板一體化發展戰略與現代企業經營策略相結合，通過高效的拼購重組使企業獲得了快速發展。景先生受邀擔任中國國家林業局重點課題—《森林資源資產



## DIRECTORS AND SENIOR MANAGEMENT PROFILE 董事及高級管理層簡介

Resources and Assets” (森林資源資產評估與交易) in State Forestry Administration. With his practices and experience in corporations, his opinion was valuable and directional to setting up a systematic and scientific assessment system for forest resources in Asia, an efficient forest assets transaction market and for the modern forestry corporation.

Mr. LAW Wai Fai, aged 39, is an executive Director. He is responsible for the Group's financial management. Mr. Law holds a master of Business Administration degree from the Hong Kong Polytechnic University and a bachelor's degree in Accountancy from the City University of Hong Kong. He is also a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales. Prior to joining the Group in July 2000, Mr. Law has worked in two multinational accounting firms. He possesses extensive experience and knowledge in financial management. Mr. Law is currently an independent non-executive director of Wonderful World Holdings Limited a Company listed on The Stock Exchange of Hong Kong Limited.

**Mr. CHENG Man For**, aged 43, is an executive Director and company secretary of the Company. Mr. Cheng is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of Institute of Chartered Secretaries and Administrators and an associate member of Hong Kong Institute of Chartered Secretaries. He has obtained a Master of Business Administration from Macquarie University of Sydney, Australia. Mr. Cheng has worked as chief financial officer, company secretary and financial controller of companies whose shares are listed on The Stock Exchange of Hong Kong Limited with extensive experience in finance, investment, corporate management and company secretarial practice.

評估與交易》課題組的成員，以自身企業的運營實踐，對在亞洲建立系統而科學的森林資源評估體系、有效的林木資產交易市場，以及現代林業企業具有積極的指導意義。

羅偉輝先生，39歲，公司之執行董事，負責集團之財務管理。羅先生持香港理工大學工商管理碩士學位及香港城市大學會計學士學位。彼亦為香港會計師公會會員及英格蘭及威爾斯特許會計師公會資深會員。彼於二零零零年七月加入集團前，曾就職於兩家跨國會計師行。彼於財務管理方面擁有豐富經驗及廣博知識。羅先生現時為榮德豐控股有限公司(一間於香港聯合交易所有限公司上市之公司)之獨立非執行董事。

鄭文科先生，43歲，公司之執行董事兼公司秘書。鄭先生為英國特許執業會計師公會資深會員，香港會計師公會會員，英國特許秘書及行政人員公會會員及香港公司秘書公會會士。鄭先生亦持有澳洲悉尼Macquarie University工商管理碩士學位。鄭先生曾於多家香港上市公司擔任首席財務官、公司秘書及財務總監等職位，於財務管理、投資、公司管理及公司秘書實務方面擁有豐富經驗。



## DIRECTORS AND SENIOR MANAGEMENT PROFILE 董事及高級管理層簡介

### Independent non-executive Directors

**Dr. WONG Yun Kuen**, aged 50, is an independent non-executive director of the Company, received his Ph.D. degree from Harvard University, and was "Distinguished Visiting Scholar" in finance at the Wharton School of the University of Pennsylvania and a consultant at AIG Financial Products Corp. of USA. Dr. Wong has extensive experience in corporate finance, investment and derivative products. In addition, Dr. Wong was a consultant to a supercomputer firm on application software, and has participated in the development of e-commerce software and platforms. He is a member of Hong Kong Securities Institute. Dr. Wong is an executive director of UBA Investments Limited, and independent non-executive director of Harmony Asset Limited, Grand Field Group Holdings Limited, Challenger Group Holdings Limited, Poly Investments Holdings Limited, Bauhaus International (Holdings) Limited and Golden Resort Limited. Dr. Wong was also a former independent non-executive director of Haywood Investment Limited from 8 June 1998 to 7 July 2005.

**Mr. CHAN Chi Yuen**, aged 41, is an independent non-executive Director of the Company, holds a bachelor degree with honours in Business Administration and a master of science degree in Corporate Governance and Directorship. He is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and is an associate member of The Institute of Chartered Accountants in England and Wales. Mr. Chan is a practising certified public accountant and has extensive experience in financial management, corporate finance and corporate governance. Mr. Chan is currently an executive director of A-Max Holdings Limited, Kong Sun Holdings Limited and Prosticks International Holdings Limited and an independent non-executive director of China Sciences Conservational Power Limited, Hong Kong Health Check and Laboratory Holdings Company Limited and Premium Land Limited. Mr. Chan was an executive director of New Times Group Holdings Limited since 10 May 2006 and was re-designated as a non-executive director from 25 October 2006 onwards. He was also an independent non-executive director of Golden Resorts Group Limited from 17 September 2004 to 28 October 2005.

**Mr. QIU Ji Zhi**, aged 56, is an independent non-executive director. Mr. Qiu has 21 years experience in field of plastic materials manufacturing and agricultural management. Mr. Qiu has worked as a factory manager for a state owned plastic materials factory and a deputy farm manager for a state owned farm in Putian, Fujian Province, PRC.

### 獨立非執行董事

黃潤權博士，50歲，公司之獨立非執行董事，榮獲哈佛大學博士學位，並曾任美國賓夕法尼亞州大學Wharton School財務學「傑出客座學者」及AIG Financial Products Corp.之顧問。黃博士於企業財務、投資及衍生產品方面擁有豐富經驗。此外，黃博士曾為一間超級電腦公司之應用軟件顧問，並曾參與開發電子商務軟件及平台。彼為香港證券學會會員。黃博士為開明投資有限公司之執行董事、亨亞有限公司、鈞濠集團有限公司、挑戰者集團控股有限公司、保興投資控股有限公司、包浩斯國際(控股)有限公司及黃金集團有限公司之獨立非執行董事。黃博士亦曾於一九九八年六月八日至二零零五年七月七日出任希域投資有限公司之獨立非執行董事。

陳志遠先生，41歲，公司之獨立非執行董事，持有工商管理榮譽學士學位及公司管治與董事學理學碩士學位。彼為香港會計師公會及英國特許公認會計師公會資深會員及英格蘭及威爾斯特許會計師公會會員。陳先生為執業會計師，並於財務管理、企業融資及公司管治方面擁有豐富經驗。陳先生現為奧瑪仕控股有限公司、江山控股有限公司及乾坤燭國際控股有限公司之執行董事及中科環保電力有限公司、香港體檢及醫學診斷控股有限公司及上海策略置地有限公司之獨立非執行董事。陳先生自二零零六年五月十日出任新時代集團控股有限公司之執行董事，自二零零六年十月二十五日調任為非執行董事。彼亦曾於二零零四年九月十七日至二零零五年十月二十八日出任黃金集團有限公司之獨立非執行董事。

邱繼志先生，56歲，獨立非執行董事。邱先生於塑膠原料製造及農業管理擁有二十一年經驗。邱先生曾任國有塑膠原料廠房之廠長及位於中國福建省莆田之國有農場之副農業經理。



## DIRECTORS AND SENIOR MANAGEMENT PROFILE

### 董事及高級管理層簡介

#### SENIOR MANAGEMENT

**Mr. XIE Zhan Si**, aged 37, is the deputy general manager of the Group. He is responsible for the production of electronic products. Mr. Xie graduated from Hunan Urban Construction College in 1990, specialising in electrical automation. Prior to joining the Group in 2004, Mr. Xie has over 12 years experience in LCD development, quality control and administration.

**Mr. HUANG Ming Hui**, aged 37, is the research and development manager of the Group. He is responsible for the research and development of new products and molds. Mr. Huang joined the Group in July 1992 and has over 17 years of experience in the field of research and development of electronic products.

**Mr. LIN Yu Hui**, aged 45, is the factory manager of flexible Printed Circuit Board ("PCB") production of the Group. He is responsible for conducting researches on flexible PCB and electric conducting paper. Mr. Lin holds a bachelor's degree in Wireless Engineering from the University of Fuzhou. He joined the Group in August 1992 and has over 15 years of experience in the research and development of technology for flexible PCB and electronic conducting paper.

**Mr. LIN Guo Fei**, aged 38, is the engineer of the LCDs plant of the Group. He joined the Group in February 1998 is responsible for LCDs quality control. Mr. Lin holds a bachelor's degree in Chemistry from the University of Fuzhou and has over 10 years of experience in LCD technology.

#### 高級管理人員

謝展四先生，37歲，集團副總經理，彼負責電子產品之生產。謝先生於一九九零年畢業於湖南城建職業技術學院，主修電氣自動化專業。於二零零四年加入集團前，謝先生擁有逾十二年液晶顯示屏開發、品質控制及管理方面之經驗。

黃明輝先生，37歲，集團研究與開發部經理，負責研究及開發新產品及模型。黃先生於一九九二年七月加入集團，於電子產品之研究及開發方面擁有逾十七年之豐富經驗。

林玉輝先生，45歲，集團軟性印刷電路板生產廠長。彼負責研究軟性印刷電路板及導電紙。林先生持有福州大學無線電工系學士學位。彼於一九九二年八月加入集團，於軟性印刷電路板及導電紙技術研究及開發方面擁有逾十五年之豐富經驗。

林國飛先生，38歲，集團液晶顯示屏廠工程師。彼於一九九八年二月加入集團，負責液晶顯示屏質量控制工作。林先生持有福州大學化學學士學位，於液晶技術方面擁有逾十年之豐富經驗。





# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告書

### LO AND KWONG C.P.A. COMPANY LIMITED

### 盧 鄺 會 計 師 事 務 所 有 限 公 司

TO THE SHAREHOLDERS OF  
**SUPERB SUMMIT INTERNATIONAL TIMBER COMPANY LIMITED**  
(Formerly known as Tak Shun Technology Group Limited)  
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Superb Summit International Timber Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 40 to 132, 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 consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of 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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, 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：奇峰國際木業有限公司  
(前稱為德信科技集團有限公司)  
(於開曼群島註冊成立之有限公司)  
列位股東

本核數師(以下簡稱「我們」)已審核列載於第40頁至第132頁奇峰國際木業有限公司(「公司」,連同其附屬公司統稱「集團」)的綜合財務報表,包括二零零七年十二月三十一日的公司及綜合資產負債表與截至該日止年度的綜合收益表、綜合權益變動表、綜合現金流量表以及主要會計政策和其他附註解釋。

### 董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》披露規定編製及真實而公平地呈列該等綜合財務報表。此等責任包括設計、實施及維護與編製及真實而公平地呈列財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;以及按情況下作出合理的會計估計。

### 核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見,並僅向全體股東報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。

這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定此等財務報表是否不存有任何重大錯誤陳述。





# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告書

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

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

### OPINION

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

#### Lo and Kwong C.P.A. Company Limited

Certified Public Accountants (Practising)

#### Lo Wah Wai

Practising Certificate Number: P02693

Suite 1304, 13/F.,  
Shanghai Industrial Investment Building,  
60 Hennessy Road,  
Wanchai,  
Hong Kong

25 April 2008

審核涉及執程序以獲取有關財務報表所載金額和披露資料的審核憑證。所選定的程序取決於核數師的判斷，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的風險。在評估該等風險時，核數師考慮與該實體編制及真實而公平地呈列財務報表相關的內部控制，以設計適當審核程序，但並非為對實體的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體呈列方式。

我們相信，我們所獲得的審核憑證充足和適當地為我們的審核意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映公司及集團於二零零七年十二月三十一日的財務狀況及截至該日止年度的溢利及現金流量，並已按照香港財務報告準則及香港《公司條例》的披露規定妥為編製。

#### 盧鄭會計師事務所有限公司

執業會計師(執業)

#### 盧華威

執業證書號碼：P02693

香港  
灣仔  
軒尼詩道60號  
上海實業大廈  
13樓1304室

二零零八年四月二十五日



# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

FOR THE 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 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Turnover	營業額	4	709,331	489,325
Cost of sales	銷售成本		(582,182)	(466,176)
Gross profit	毛利		127,149	23,149
Other income	其他收入	6(a)	57,264	9,289
Other gains and losses	其他收益及虧損	6(b)	491,529	–
Selling and distribution expenses	銷售及分銷開支		(17,930)	(18,138)
Administrative expenses	行政開支		(46,511)	(21,734)
Other operating expenses	其他經營開支		(110,115)	(13,445)
Profit/(loss) from operations	經營溢利/(虧損)	6(c)	501,386	(20,879)
Finance costs	財務成本	9	(11,338)	(4,419)
Profit/(loss) before tax	除稅前溢利/(虧損)		490,048	(25,298)
Income tax expenses	所得稅開支	10	(4,586)	(1,069)
Profit/(Loss) for the year	本年度溢利/(虧損)		485,462	(26,367)
Attributable to:	以下人士應佔:			
Equity holders of the Company	公司權益持有人		392,726	(26,367)
Minority interests	少數股東權益		92,736	–
			485,462	(26,367)
Dividend	股息	11	–	–
Earnings per share for result attributable to the equity holders of the Company during the year	就年內公司權益持有人應佔業績之每股盈利			
Earnings/(loss)/per share	每股盈利/(虧損)	12		
Basic:	基本:			
current year/prior year as retrospectively restated/	本年度/過往年度經追溯重列		2.300 cents 港仙	(0.33 cents 港仙)/
as previously reported	(如前呈報)			(1.65 cents 港仙)
Diluted:	攤薄:			
current year/prior year as retrospectively restated/	本年度/過往年度經追溯重列		2.080 cents 港仙	(0.32 cents 港仙)/
as previously reported	(如前呈報)			(1.65 cents 港仙)



# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

AT 31 DECEMBER 2007  
於二零零七年十二月三十一日

	Notes	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
	附註		
<b>Assets</b>			
<b>Non-current assets</b>			
Owner-occupied leasehold interest in land	13	49,815	22,832
Property, plant and equipment	15	488,525	214,596
Goodwill	14	25,715	–
Biological assets	16	3,415,440	–
<b>Total non-current assets</b>		<b>3,979,495</b>	<b>237,428</b>
<b>Current assets</b>			
Inventories	18	107,085	108,431
Owner-occupied leasehold interest in land	13	760	266
Trade receivables	19	103,949	98,614
Prepayments, deposits and other receivables		139,995	37,811
Available for sales financial assets	20	11,610	–
Cash and cash equivalents		138,205	101,253
<b>Total current assets</b>		<b>501,604</b>	<b>346,375</b>
<b>Total assets</b>		<b>4,481,099</b>	<b>583,803</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	21	59,580	56,196
Tax payables		35,957	32,473
Other payables and accruals		199,082	41,136
Interest-bearing bank loans – due within one year	22	66,587	33,333
<b>Total current liabilities</b>		<b>361,206</b>	<b>163,138</b>



# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

AT 31 DECEMBER 2007  
於二零零七年十二月三十一日

		Notes	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
		附註		
<b>Non-current liabilities</b>	非流動負債			
Convertible note payable	應付可換股票據	29	836,566	—
Interest-bearing bank loans – due after one year	計息銀行貸款 – 一年後到期	22	346,680	16,667
<b>Total liabilities</b>	負債總額		<b>1,544,452</b>	179,805
<b>TOTAL NET ASSETS</b>	淨資產總值		<b>2,936,647</b>	403,998
<b>Capital and reserves</b>	股本及儲備			
Share capital	股本	25	176,299	23,040
Reserves	儲備		1,685,769	380,958
Total equity attributable to equity holders of the Company	公司權益持有人 應佔權益總額		1,862,068	403,998
Minority interests	少數股東權益		1,074,579	—
<b>TOTAL EQUITY</b>	權益總額		<b>2,936,647</b>	403,998

The financial statements on pages 40 to 132 were approved and authorised for issue by the board of directors on 25 April 2008 and are signed on its behalf by:

載於第40頁至第132頁之財務報表於二零零八年四月二十五日獲董事會核准及授權刊發，並由下列人士代表簽署：

**Lam Ping Kei**

林平基

Director and Chairman

董事兼主席

**Jing Bin**

景濱

Director and Chief Executive Officer

董事兼行政總裁



# BALANCE SHEET

## 資產負債表

AT 31 DECEMBER 2007  
於二零零七年十二月三十一日

		Notes	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
		附註		
<b>Assets</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Investments in subsidiaries	於附屬公司之投資	17	<u>1,761,534</u>	<u>81,159</u>
<b>Current assets</b>	<b>流動資產</b>			
Amounts due from subsidiaries	應收附屬公司款項	17	<u>255,798</u>	<u>164,774</u>
Prepayments, deposits and other receivables	預付款項、訂金及 其他應收款項		<u>1,273</u>	<u>51</u>
Available-for-sale financial assets	持作出售財務資產		<u>1,215</u>	<u>—</u>
Cash and cash equivalents	現金及現金等值項目		<u>1,751</u>	<u>53,252</u>
Total current assets	流動資產總值		<u>260,037</u>	<u>218,077</u>
<b>Total assets</b>	<b>資產總值</b>		<u>2,021,571</u>	<u>299,236</u>
<b>Liabilities</b>	<b>負債</b>			
<b>Current liabilities</b>	<b>流動負債</b>			
Amounts due to subsidiaries	應付附屬公司款項	17	<u>81,287</u>	<u>66,885</u>
Other payables and accruals	其他應付款項及 應計款項		<u>2,841</u>	<u>280</u>
Total current liabilities	流動負債總額		<u>84,128</u>	<u>67,165</u>
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible note payable	應付可換股票據款項	29	<u>836,566</u>	<u>—</u>
<b>TOTAL NET ASSETS</b>	<b>淨資產總額</b>		<u>1,100,877</u>	<u>232,071</u>
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	25	<u>176,299</u>	<u>23,040</u>
Reserves	儲備	28	<u>924,578</u>	<u>209,031</u>
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	<b>公司權益持有人 應佔權益總額</b>		<u>1,100,877</u>	<u>232,071</u>

**Lam Ping Kei**  
林平基  
Director and Chairman  
董事兼主席

**Jing Bin**  
景濱  
Director and Chief Executive Officer  
董事兼行政總裁



# 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 the equity holders of the Company 公司股本持有人應佔										
		Share capital	Share premium	Property revaluation reserve	Foreign exchange reserve	Share options reserve	Conversion Warrant reserve	Notes equity reserve	Statutory reserve fund	Retained profits	Minority interests	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	股份溢價	物業重估儲備	外匯儲備	購股權儲備	認股可換股票據儲備	法定儲備基金	保留溢利	總計	股東權益	總計
		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 23)	(Note (a))					(Note (b))	(restated)			(restated)
		(附註23)	(附註(a))					(附註(b))	(經重列)			(經重列)
At 1 January 2006 (as restated)	於二零零六年一月一日 (經重列)	14,400	32,715	1,945	10,223	1,964	-	-	3,338	293,357	-	357,942
Surplus on revaluation of leasehold land and buildings	租賃土地及樓宇之重估盈餘	-	-	920	-	-	-	-	-	920	-	920
Transfer to profit or loss on disposal of subsidiaries	出售附屬公司時轉撥至損益	-	-	(539)	-	-	-	-	-	(539)	-	(539)
Translation differences on overseas operations	海外業務之換算差額	-	-	-	18,378	-	-	-	-	-	-	18,378
Net income recognised directly in equity	直接於權益確 認之收入淨額	-	-	381	18,378	-	-	-	-	-	18,759	18,759
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(26,367)*	(26,367)*	-	(26,367)*
Total recognised income and expenses for the year	本年度已確認收 入及開支總額	-	-	381	18,378	-	-	-	(26,367)*	(7,608)*	-	(7,608)*
Issue of Offer Shares	發行發售股份	5,760	22,039	-	-	-	-	-	-	-	27,799	27,799
Issue of Placing Shares	發行配售股份	2,880	22,183	-	-	-	-	-	-	-	25,063	25,063
Transfer of retained profits	轉撥保留溢利	-	-	-	-	-	-	848	(848)	-	-	-
Employee share option benefits	僱員購股權福利	-	-	-	-	802	-	-	-	-	802	802
At 31 December 2006	於二零零六年十二月三十一日	23,040	76,937	2,326	28,601	2,766	-	-	4,186	266,142	-	403,998
Surplus on revaluation of leasehold land and buildings	租賃土地及樓宇之重估盈餘	-	-	469	-	-	-	-	-	469	-	469
Translation differences on overseas operations	海外業務之換算差額	-	-	-	108,024	-	-	-	-	-	108,024	142,293





# 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 the equity holders of the Company 公司股本持有人應佔											
		Share capital	Share premium	Property revaluation reserve	Foreign exchange reserve	Share options reserve	Conversion Warrant reserve	Statutory reserve	Retained profits	Minority interests	Total	Total	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		股本	股份溢價	物業重估儲備	外匯儲備	購股權儲備	認股可換股票據儲備	法定儲備基金	保留溢利	少數股東權益	總計	總計	
		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 23)	(Note (a))					(Note (b))	(restated)		(restated)	(restated)	
		(附註23)	(附註(a))					(附註(b))	(經重列)		(經重列)	(經重列)	
Net income recognised directly in equity	直接於權益確認之收入淨額	-	-	469	108,024	-	-	-	-	108,493	34,269	142,762	
Profit for the year	本年度溢利	-	-	-	-	-	-	-	392,726	392,726	92,736	485,462	
Total recognised income and expenses for the year	本年度已確認收入及開支總額	-	-	469	108,024	-	-	-	392,726	501,219	127,005	628,224	
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	947,574	947,574	
Issue of placing shares	發行配售股份	4,608	91,922	-	-	-	-	-	-	96,530	-	96,530	
Issue of consideration shares	發行代價股份	5,562	545,122	-	-	-	-	-	-	550,684	-	550,684	
Exercise of share options	行使購股權	164	4,459	-	-	-	-	-	-	4,623	-	4,623	
Placing of listed warrants	配售上市認股權證	-	-	-	-	-	23,728	-	-	23,728	-	23,728	
Exercise of warrants	行使認股權證	1,907	90,555	-	-	-	(8,580)	-	-	83,882	-	83,882	
Issue of conversion notes	發行可換股票據	-	-	-	-	-	-	93,123	-	93,123	-	93,123	
Bonus issues	發行紅股	141,018	(141,018)	-	-	-	-	-	-	-	-	-	
Transfer of retained profits	轉撥保留溢利	-	-	-	-	-	-	392	(392)	-	-	-	
Employee share option benefits	僱員購股權福利	-	-	-	-	104,281	-	-	-	104,281	-	104,281	
At 31 December 2007	於二零零七年十二月三十一日	176,299	667,977*	2,795*	136,625*	107,047*	15,148*	93,123*	4,578*	658,476*	1,862,068	1,074,579	2,936,647

\* These reserve accounts comprise the consolidated reserves of HK\$1,685,769,000 (2006: HK\$380,958,000) in the consolidated balance sheet.

\* 此等儲備賬包括綜合資產負債表之綜合儲備1,685,769,000港元(二零零六年: 380,958,000港元)。

### Notes:

- (a) The share premium of the Group includes the premium arising from the new issue of shares of the Company.
- (b) The subsidiaries are required to transfer 10% of their profit after taxation calculated in accordance with the PRC accounting regulations to the statutory reserve fund until such reserve reaches 50% of the registered capital of the respective subsidiaries, upon which any further appropriation will be at the recommendation of the directors of the subsidiaries. Such reserve may be used to reduce any losses incurred by the subsidiaries or be capitalised as paid-up capital of the subsidiaries.

### 附註:

- (a) 集團之股份溢價賬包括公司發行新股產生之溢價。
- (b) 附屬公司須將其根據中國會計條例計算之除稅後溢利之10%之款額撥入法定儲備基金，直至是項儲備達到註冊資本之50%，其後是否作進一步撥備則由附屬公司之董事決定。有關儲備可用於減少附屬公司所錄得之任何虧損，亦可資本化作為該等附屬公司之繳足股本。



# 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	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
	附註		
<b>Operating activities</b>	經營業務		
Profit/(loss) before tax	除稅前溢利/(虧損)	490,048	(25,298)
Adjustments for:	調整：		
Finance costs	財務成本	11,338	4,419
Interest income	利息收入	(5,244)	(1,191)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	24,934	20,830
Amortisation of land lease payments	土地租賃付款之攤銷	281	300
Non-cash items included in disposal of subsidiaries	計入出售附屬公司之非現金項目	—	24,629
Gain arising from changes in fair value less estimated point of sale costs of biological assets	公平值變動減生物資產估計銷售點估計成本產生之收益	(262,924)	—
Release of negative goodwill	解除負商譽	(231,654)	—
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)/虧損	(1,426)	81
Write-down of property, plant and equipment	撇減物業廠房及設備	4,359	8,970
Loss on disposal of subsidiary companies	出售附屬公司之虧損	743	1,351
Surplus on revaluation of leasehold land and buildings	重估租賃土地及樓宇之所得盈餘	(2,603)	(1,361)
Share-based payments expense	以股份為基礎付款之開支	104,281	802
Impairment losses of available for sales financial assets	可供出售金融資產減值虧損	3,049	—
<b>Operating cashflow before movements in working capital</b>	經營資金變動前之經營現金現金流量	135,182	33,532
Decrease in inventories	存貨減少	1,346	66,429
Increase in trade receivables	應收貿易賬項增加	(5,335)	(7,714)
Increase in prepayments, deposits and other receivables	預付款項、訂金及其他應收款項增加	(102,184)	(23,958)
Increase/(decrease) in trade payables	應付貿易賬項增加/(減少)	3,384	(11,061)
Increase/(decrease) in other payables and accruals	其他應付款項及應計款項增加/減少	157,946	(530)
<b>Cash generated from operations</b>	經營業務帶來之現金	190,339	56,698
Interest received	已收利息	5,244	1,191
Taxes paid	已付稅項	(1,370)	(1,414)
Taxes refund	退回稅項	268	—
<b>Net cash from operating activities</b>	經營業務之所得現金淨額	194,481	56,475



# 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 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
<b>Net cash from operating activities</b>	經營業務帶來現金淨額	<b>194,481</b>	56,475
<b>Investing activities</b>	投資活動		
Increase in available for sale financial assets	購買可供出售金融資產增加	(14,659)	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	2,202	—
Acquisition of property, plant and equipment	收購物業、廠房及設備	(13,267)	(24,481)
Prepaid lease rental	預付租賃租金	—	(3,163)
Proceeds from disposal of subsidiary companies	出售附屬公司之所得款項	915	(323)
Acquisition of subsidiary	收購附屬公司	(166,486)	—
<b>Net cash used in investing activities</b>	投資活動所耗現金淨額	<b>(191,295)</b>	(27,967)
<b>Financing activities</b>	融資活動		
Proceeds from issue of placing shares	發行配售股份之所得款項	96,565	25,632
Placing shares issue expenses	發行配售股份支出	(35)	(569)
Proceeds from exercise of share option	行使購股權所得款項	4,623	—
Proceeds from placing of listed warrants	配售上市認股權證所得款項	24,288	—
Placing listed warrants expenses	配售已上市認股權證開支	(560)	—
Proceeds from issue of exercise of warrants	行使認股權證之所得款項	83,882	—
Proceeds from issue of offer shares	發行發售股份所得款項	—	28,800
Offer shares issue expenses	發售股份發行開支	—	(1,001)
Repayment of bank loans	償還銀行貸款	(43,333)	(50,336)
Interest paid	已付利息	(11,338)	(4,419)
<b>Net cash from/(used in) financing activities</b>	融資活動帶來/(所耗)現金淨額	<b>154,092</b>	(1,893)
<b>Net increase in cash and cash equivalents</b>	現金及現金等值項目之增加淨額	<b>157,278</b>	26,615
<b>Cash and cash equivalents at beginning of year</b>	年初之現金及現金等值項目	<b>101,253</b>	67,144
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額	(120,326)	7,494
<b>Cash and cash equivalents at end of year</b>	年終之現金及現金等值項目	<b>138,205</b>	101,253
<b>Analysis of balance of cash and cash equivalents</b>	現金及現金等值項目結餘分析		
Cash and cash equivalents	現金及現金等值項目	<b>138,205</b>	101,253



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of registered office and principal place of business of the Company is Units 2804-2806, 28th Floor, China Merchants Tower, 168-200 Connaught Road Central, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company. The functional currency of Company's certain subsidiaries is Renminbi.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 17 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

### 2. PRINCIPAL ACCOUNTING POLICIES

#### Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost basis except for leasehold land and buildings and certain financial instruments, which are measured at revalued amount or fair values as explained in the accounting policies set out below.

In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinances.

### 1. 一般資料

公司為在開曼群島註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。公司之註冊辦事處兼主要營業地點為香港干諾道中168至200號招商局大廈28樓2804至2806室。

綜合財務報表乃以港元列示，亦為公司之功能貨幣。公司若干附屬公司之功能貨幣為人民幣。

公司作為一間投資控股公司。其主要附屬公司之主要業務載於財務報表附註17。年內集團之主營業務性質並無重大改變。

### 2. 主要會計政策

#### 編製基準

綜合財務報表乃根據香港會計師公會（「香港會計師公會」）所頒佈之香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（以下統稱「香港財務報告準則」）編製。除租賃土地及樓宇及若干金融工具按重估值或公平值計量（詳情見下文所載之會計政策之解釋）外，綜合財務報表乃根據歷史成本基準編製。

此外，綜合財務報表包括根據聯交所證券上市規則及香港公司條例規定之適用披露事項。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

### Basis of preparation (Continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are discussed in note 34.

### Impact of new and revised HKFRSs and HKASs

In the current year, the Group has applied a number of new standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are either effective for accounting periods beginning on or after 1 January 2007. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

## 2. 主要會計政策(續)

### 編製基準(續)

按香港財務報告準則之規定，在編製財務報表時，管理層須作出判斷、估計及假設從而影響政策實施及資產、負債、收入及支出之呈報金額。該等估計及有關假設乃以過往之經驗及在既定情況下相信合理之多項其他因素為基準，估計之結果構成判斷未能從其他來源確定之資產及負債之賬面值之基準。實際結果可能與此等估計不盡相同。

有關估計及假設須不斷檢討。若修訂只影響該修訂期，會計估計之修訂於修訂期內確認或如該修訂影響本期及未來會計期，則於修訂期及未來會計期確認。

管理層根據香港財務報告準則作出之對財務報表有重大影響之判斷及對下個期間重大調整有重大風險之估計乃於附註34披露。

### 新訂及經修訂香港財務報告準則及香港會計準則

於本年度，集團已採用多項於二零零七年一月一日或以後開始之會計期間生效，由香港會計師公會（「香港會計師公會」）所頒佈之新訂準則、修訂及詮釋（「新訂香港財務報告準則」）。採納新訂香港財務報告準則並無對本會計期間或以往會計期間之業績之編製及呈列方式造成任何重大影響，因此毋須作出往期調整。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Impact of new and revised HKFRSs and HKASs (Continued)

The Group has not early applied the following new standard, amendment and interpretations that have been issued but are effective on or after 1 January 2008 since the directors of the Company anticipate that the application of these standard, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of financial statements <sup>1</sup>
HKFRS 8	Operating segments <sup>1</sup>
HKAS 23 (Revised)	Borrowing cost <sup>2</sup>
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transaction <sup>3</sup>
HK(IFRIC) – Int 12	Service Concession Arrangements <sup>4</sup>
HK(IFRIC) – Int 13	Customer Loyalty Programmes <sup>5</sup>
HK(IFRIC) – Int 14	HKAR 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction <sup>4</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January, 2009.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January, 2009.
- <sup>3</sup> Effective for annual periods beginning on or after 1 March, 2007.
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2008.
- <sup>5</sup> Effective for annual periods beginning on or after 1 July 2008.

### 2. 主要會計政策(續)

#### 新訂及經修訂香港財務報告準則及香港會計準則(續)

集團並無提早採納以下經已頒佈及於二零零八年一月一日或之後生效之新準則、修訂及詮釋，此乃由於公司董事預期應用該等準則、修訂或詮釋將不會對集團之業績及財務狀況造成任何重大影響。

香港會計準則第1號(經修訂)	財務報表之呈列 <sup>1</sup>
香港財務報告準則第8號	經營分部 <sup>1</sup>
香港會計準則第23號(經修訂)	借貸成本 <sup>2</sup>
香港(國際財務報告詮釋委員會) – 詮釋第11號	香港財務報告準則第2號 – 集團及庫務股份交易 <sup>3</sup>
香港(國際財務報告詮釋委員會) – 詮釋第12號	服務特許權的安排 <sup>4</sup>
香港(國際財務報告詮釋委員會) – 詮釋第13號	顧客忠誠計劃 <sup>5</sup>
香港(國際財務報告詮釋委員會) – 詮釋第14號	香港會計準則第19號 – 界定福利資產限額最低資金要求及兩者之互動關係 <sup>4</sup>

- <sup>1</sup> 於二零零九年一月一日或之後開始之年度期間生效。
- <sup>2</sup> 於二零零九年一月一日或之後開始之年度期間生效。
- <sup>3</sup> 於二零零七年三月一日或之後開始之年度期間生效。
- <sup>4</sup> 於二零零八年一月一日或之後開始之年度期間生效。
- <sup>5</sup> 於二零零八年七月一日或之後開始之年度期間生效。





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements incorporate the financial statement of the Company and its subsidiaries. All Intra-group transactions, balances income and expenses are eliminated on consolidation.

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

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

#### Business combinations

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

### 2. 主要會計政策(續)

#### 綜合基準

倘若公司有權直接或間接控制另一間實體或業務之財務及營運政策以從其業務中獲取利益，該實體則列作附屬公司。綜合財務報表包括公司及其附屬公司之財務報表。集團旗下公司間之交易、結餘及收支於綜合時對銷。

在年內購入或售出之附屬公司之業績由收購生效日起計或計至出售生效日止(視情況而定)，列入綜合收益表內。

有需要時，將於附屬公司之財務報表作出調整以使其會計政策與集團其他成員公司所使用者為一致。

#### 業務合併

收購附屬公司採用收購法入賬。收購成本按於交換日期集團就換取被收購方控制權所給予資產、所產生或承擔負債以及所發行股本工具之公平值總額，加上業務合併任何直接應佔成本計算。符合香港財務報告準則第3號項下確認條件之被收購方可識別資產、負債及或然負債，乃於收購日期按有關公平值確認；惟按照香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」分類為持作出售之非流動資產(或出售組別)除外，該等資產會按公平值減銷售成本確認及計量。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Business combinations (Continued)

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

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

#### Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

### 2. 主要會計政策(續)

#### 業務合併(續)

收購所產生商譽確認為資產，且初步按成本計算，成本即業務合併成本超出集團於已確認可識別資產、負債及或然負債公平淨值之權益之差額。倘於重新評估後，集團於被收購方之可識別資產、負債及或然負債公平淨值之權益超出業務合併成本，則超出數額即時於損益確認。

少數股東於被收購方之權益，初步按已確認資產、負債及或然負債公平淨值之少數股東比例計算。

#### 附屬公司及少數股東權益

附屬公司乃指集團控制之公司。控制乃指集團有權管理一家實體之財務及經營之決策，以於其業務中獲取利益。於評估控制時，已計及當前可行使之潛在投票權。

集團於附屬公司之投資，自控制開始之日起直至控制解除之日止，均在綜合財務報表中綜合計算。集團內結餘及交易及集團內交易產生之任何未變現溢利均於編製綜合財務報表時全數對銷。集團內交易產生之未變現虧損以未變現溢利同樣之方式對銷，惟僅以無減值證據為限。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### Subsidiaries and minority interests

(Continued)

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity holders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total income statement for the year between minority interests and the equity holders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered. Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet depending on the nature of the liability. In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (or include in a disposal group that is classified as held for sale).

### 2. 主要會計政策(續)

#### 附屬公司及少數股東權益(續)

少數股東權益是指並非由公司直接或間接透過附屬公司擁有之權益所佔附屬公司資產淨值之部分，就此而言，集團並無與該等權益之持有人協定任何額外條款，以致集團整體須承擔就財務負債所界定之該等權益之合約責任。少數股東權益在綜合資產負債表之權益項目中與公司股東應佔權益分開列示。而少數股東所佔集團業績之權益則在綜合收益表內列為在少數股東權益與公司權益持有人之間分配之年內收益表總額。

如果少數股東應佔之虧損超過其所佔附屬公司權益之權益，超額部分和任何歸屬於少數股東之進一步虧損便會沖減集團所佔權益；但少數股東須承擔具有約束力之義務並有能力作出額外投資以彌補虧損則除外。如附屬公司其後呈報溢利，則所有相關溢利均會分配予集團，直至集團收回以往承擔之少數股東應佔虧損為止。少數股東權益持有人之貸款及該等持有人之其他合約責任乃根據負債之性質於綜合資產負債表內列為財務負債。於公司之資產負債表內，於附屬公司之投資除歸類為持作銷售(或包括在歸類為持作銷售之出售組別內)外，乃按成本減減值虧損列賬。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Investments in subsidiaries

The Company's investments in subsidiaries are stated at cost less impairment loss, if any.

#### Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognized immediately in income statement.

On disposal of a cash-generating unit or an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

#### Biological assets

Biological assets comprise forest crop in PRC.

Biological assets are living plants involved in the agricultural activities of the transformation of biological assets into agricultural produce for sale or into additional biological assets. Biological assets and agricultural produce, are measured at fair value less estimated point-of-sale costs at initial recognition and at each balance sheet date. The fair value less estimated point-of-sale costs at the time of harvest is deemed as the cost of agricultural produce for further processing, if applicable. If an active market exists for a biological asset or agricultural produce with reference to comparable specie, growing condition and expected yield of the crops, the quote price in that market is adopted for determining the fair value of that asset.

### 2. 主要會計政策(續)

#### 於附屬公司之投資

公司於附屬公司之投資乃以成本值扣除減值虧損(如有)列賬。

#### 商譽

商譽乃指於聯營公司之業務合併或投資成本超過集團佔所收購可分資產、負債及或然負債公平值淨值之數額。

商譽乃按成本減累計減值虧損列賬。商譽分配至現金產生單位並每年進行減值測試。就聯營公司而言，商譽之賬面值乃包含在於聯營公司之權益之賬面值內。

任何集團佔所收購可分資產、負債及或然負債公平值淨值之數額超過於聯營公司之業務合併或投資成本將於收益表內立即確認。

於年內出售現金產生單位或聯營公司時，收購商譽之任何應佔款項乃包含在出售時損益之計算內。

#### 生物資產

生物資產包括位於中國之林木資源。

生物資產乃存活之植物，涉及將生物資產轉化為待售林業產品或轉化為其他生物資產。於各結算日，生物資產及農產品乃初步按公平值減估計銷售點成本計量確認。公平值減採伐時之估計銷售點成本乃被視為作進一步加工之農產品成本(如適用)。倘活躍市場存有為生物資產或農產品提供可資比較類別、成長狀況及預期林業作物產量，則採納該市場之報價釐定該項資產之公平值。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

### Biological assets (Continued)

If an active market does not exist, the Group uses the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the transaction date and the balance sheet date, or the market prices for similar assets adjusted to reflect differences to determine fair values. The gain or loss arising on initial recognition and subsequent changes in fair values less estimated point-of-sale costs of biological assets is recognised in the profit and loss account in the period in which it arise. Upon the sale of the agricultural produce as forestry products, the carrying amount is transferred to cost of sales in the consolidated income statement.

### Impairment

Impairment tests on assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (ie the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (ie the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows).

Impairment charges are included in the administrative expenses line item in the consolidated income statement, except to the extent they reverse income previously recognised directly in equity.

## 2. 主要會計政策(續)

### 生物資產(續)

倘並無活躍市場，則集團採用最近之市場交易價，惟自交易日起至結算日止期間之經濟情況並無出現重大變動，或類似資產之市價作出調整以反映釐定公平值之差額。於初步確認時產生之收益或虧損及其後公平值變動減生物資產之估計銷售點成本乃於其產生期間內在損益賬確認。於農產品作為林產品銷售時，賬面值乃撥至綜合收益表內之銷售成本。

### 減值

倘因任何事件或情況變動顯示資產之賬面額可能不可收回，則會進行減值測試。倘資產之賬面值高於其可收回金額(即可使用價值與扣減出售成本之公平值兩者之較高者本)，資產則相應撇銷。

倘若未能可靠估計個別資產之可收回金額，則按資產之現金產生單位進行減值測試(即資產按可獨立辨認之現金流量計算所屬之最低水平)。

減值費用乃計入綜合收益表之行政開支項目內，惟以先前直接於權益確認為撥回收入為限。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Impairment (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another accounting standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other accounting standard.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is calculated using the weighted average costs formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognised as a reduction in the amount of inventories recognised as an expenses in the period in which the reversal occurs.

## 2. 主要會計政策(續)

### 減值(續)

於回撥減值虧損時，資產之賬面值可調高至重新釐定之估計可收回金額，惟不可高於該資產(現金產生單位)於過往年度未計減值虧損前之賬面值。撥回之減值虧損可即時被確認為收入。倘有關資產因按其他會計準則以重估列賬，其回撥額可按其他會計準則當作重估增額入賬。

### 存貨

存貨按成本或可變現淨值兩者之較低者列賬。可變現淨值為於日常業務過程中之估計售價，扣除完成之估計成本及銷售開支。

成本以加權成本公式計算，並包括所有採購成本、轉換成本及其他因將存貨送至現時位置及達致現有用途所產生之其他成本。當存貨出售時，有關存貨之賬面值於相關收入獲確認之期內確認為開支。任何撇減存貨至可變現淨值之金額及存貨之所有虧損於撇減或虧損產生期內確認為開支。任何因可變現淨值增加而產生之存貨撇減撥回金額乃確認為存貨削減金額，並於撥回產生期間確認為開支。





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### Property, plant and equipment

The building component of owner-occupied leasehold properties are stated at valuation less accumulated depreciation. Fair value is determined by the Directors based on independent valuations which are performed periodically. The Directors review the carrying value of the leasehold buildings and adjustment is made where they consider that there has been a material change. Increases in valuation are credited to the property revaluation reserve. Decreases in valuation are first offset against increases on earlier valuations in respect of the same property and are thereafter charged to the income statement. Any subsequent increases are credited to the consolidated income statement up to the amount previously charged and thereafter to property revaluation reserve.

Other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are depreciated at rates sufficient to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives and residual value are reviewed, and adjusted if appropriate, at each balance sheet date. The principal annual rates are as follows:

Leasehold land and buildings	—	The shorter of the lease terms or 50 years
Leasehold improvements, furniture, office equipment and motor vehicles	—	5% to 20%
Plant and machinery	—	10%

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenances costs are charged to the income statement during the year in which they are incurred.

### 2. 主要會計政策(續)

#### 物業、廠房及設備

業主自用之租賃物業中之樓宇部分按估值減累計折舊列賬。公平值由董事根據定期進行之獨立估值而釐定。董事檢討租賃樓宇之賬面值並在認為出現重大變動時作出調整。估值之增加記入物業重估儲備，估值之減少則先以同一物業早前之估值增加作抵銷，之後才列入收益表。其後任何增值均須先記入綜合收益表，直至抵銷早前列入收益表之數額後，才記入物業重估儲備。

其他物業、廠房及設備按成本減累計折舊及減值虧損列賬。

物業、廠房及設備以直線法於估計可用年期內，按足以撇銷其成本(扣除預計剩餘價值後)之比率折舊。於每個結算日均會檢討可用年期及剩餘價值(如適用)。主要年度折舊率如下：

租賃土地及樓宇	—	按租期或50年之較短者
租賃物業裝修、傢俬、辦公室設備及汽車	—	5%至20%
廠房及機器	—	10%

其後產生之成本，只有在有關項目未來可能帶給集團經濟效益，而項目之成本又能夠可靠計算時，方列作相關資產之賬面值或確認為另一項資產。所有其他維修保養成本即年列入收益表。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment (Continued)

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

All non-qualifying expenditures and expenses incurred on other non-qualifying development activities are charged as expenses to the income statement in the period in which such expenses are incurred.

Upon disposal of leasehold buildings, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the property revaluation reserve to retained profits.

The gain or loss on disposal of property, plant and equipment other than leasehold building is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

#### Construction in progress

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings, the cost of plant and machinery and interest charges arising from borrowings used to finance these assets during the period of construction or installation and testing, if any. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and are available for intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in the preceding paragraphs.

### 2. 主要會計政策(續)

#### 物業、廠房及設備(續)

若資產賬面值高於其估計可收回價值，將立即調減至可收回價值。

其他不合資格開支和不合資格發展活動所產生之開支悉數即期撥入收益表中列作開支。

出售租賃樓宇時，重估儲備中因先前估值而變現之相關部分，須從樓宇重估儲備轉撥保留盈利。

出售租賃樓宇以外之物業、廠房及設備之收益或虧損乃指出售有關資產所得款項淨額與賬面金額之間的差額，並一概列入收益表。

#### 在建工程

在建工程指在建及未安裝之物業、廠房及設備，按成本減累計減值虧損(如有)入賬。成本包括所產生之建造開支、廠房及機器成本及建造或安裝及測試期間用於就該等資產提供資金而借貸資金所產生之利息費用(如有)。於有關資產建造及安裝完成前，不會就在建工程作出折舊撥備。於有關資產完成時，成本轉撥至之物業、廠房及設備，並根據上段所列政策計提折舊。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### Convertible notes

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

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

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

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

### 2. 主要會計政策(續)

#### 可換股票據

公司發行之可換股債券，當中包括負債和換股權益部分，於最初確認時劃分為單獨的項目。以定額現金或其他金融資產交換公司自身的固定數目的股本工具的方式結算的換股權益，劃分為股本工具。

於最初確認時，負債部份之公平值按類似的不可轉換債務的現行市場利率釐定。發行可換股貸款票據的所得款項總額與分配給負債部份(代表持有人用於將可換股票據兌換為權益的換股權益)的公平值之間的差額，將在權益中確認(可換股貸款票據權益儲備)。

於後續期間，可換股票據的負債部份將按面值用實際利率法列賬。權益部份指可將負債部份兌換成公司普通股之購股權，將保留於可換股票據股本儲備，直至附設之購股權獲行使為止(在此情況下，可換股票據股本儲備之結餘將轉撥至股份溢價)。倘購股權於到期日尚未獲行使，可換股票據權益儲備之結餘將撥至保留盈利。換股權兌換或到期時將不會於收益表中確認任何盈虧。

有關發行可換股票據的交易成本將按所得款項總額的分配比例分配到負債及權益部份。有關權益部份之交易成本直接自權益中扣除。與負債部份有關的交易成本計入負債部份的賬面值，並採用實際利率法於可換股票據期間攤銷。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Equity instruments

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

Consideration paid to reacquire the Company's own equity instruments are deducted from equity. No gain or loss is recognized in profit or loss.

#### Financial Instruments

##### (i) Financial assets

Financial assets comprise trade receivables, prepayments, deposits and other receivables, and cash and cash equivalents.

The Group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

**Fair value through profit or loss:** This category comprises the financial assets that have been acquired for the purpose of selling or repurchasing it in the short-term or if so designated by management. This category includes derivatives which are not qualified for hedge accounting. Debt securities and bank deposits with embedded derivatives for yield enhancement whose economic characteristics and risks are not closely related to the host securities and deposits are designated as financial assets at fair value through profit or loss. They are carried in the balance sheet at fair value with changes in fair value recognised in the income statement.

**Loans and receivables:** These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. At each balance sheet date subsequent to initial recognition, they are carried at amortised cost using the effective interest rate method, less any identified impairment losses.

### 2. 主要會計政策(續)

#### 股本工具

公司發行之股本工具按收到的所得款項減直接發行成本列賬。

支付作重新購買公司本身之股本工具之代價從股本中扣減。概無於收益表確認收益或虧損。

#### 金融工具

##### (i) 金融資產

金融資產包括應收賬款、預付款項、按金及其他應收款項以及現金及現金等價物。

集團視乎金融資產之收購用途將該等資產歸類為以下其中一項。集團就各類別之會計政策如下：

**按公平值計入損益：**此類別指購入之目的為短期內或管理層指定出售或購回之金融資產。此類別亦包括不符合對沖會計處理之衍生工具。附帶內在衍生產品以增加回報收益之債務證券及銀行存款(而有關衍生產品之經濟特徵及風險均與主體證券及存款沒有密切關係者)歸類為按公平值計入損益之金融資產。金融資產乃按公平值於資產負債表列賬，而公平值之變動則於收益表確認。

**貸款及應收款項：**該等資產乃非衍生性質之金融資產，附帶固定或可計算之付款，但並不存在活躍市場之報價。貸款及應收款項主要透過向客戶提供貨品及服務(應收貿易賬項)所產生，亦包括其他類別之合約貨幣資產。於初步確認後各結算日，則採用實際利率準減任何已識別減值虧損進行攤銷。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### Financial Instruments (Continued)

##### (i) Financial assets (Continued)

Held-to-maturity investments: These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. At each balance sheet date subsequent to initial recognition, held-to-maturity investment are measured at amortised cost using effective interest rate method, less any identified impairment losses.

Available-for-sale: Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value recognised directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in the consolidated income statement. For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

##### (ii) Financial liabilities

Financial liabilities comprise trade payables, other payables and accruals, and interest-bearing bank loans.

### 2. 主要會計政策(續)

#### 金融工具(續)

##### (i) 金融資產(續)

持至到期投資：該等資產為擁有固定或可計算之付款及集團管理層認為可以或有能力持有至到期之固定年期之非衍生性質金融資產。於初步確認後各結算日，持至到期投資乃採用實際利率準減任何已識別減值虧損進行攤銷。

可供出售：並非屬於上述類別之非衍生性質金融資產乃列作可供出售，包括集團於非附屬公司、聯營公司或共同控制實體之實體作出之策略性投資。可供出售乃按公平值列賬，而公平值之變動則直接於權益中確認。倘可供出售金融資產之公平值減少構成客觀證據顯示出現減值，損失之數額乃於權益中扣除，並於綜合收益表中確認。在活躍市場上並無已報市價之可供出售股本投資，其公平值無法可靠地計算，與該等非上市股本工具有關並須以交付該等工具結算之衍生工具，則須於初步確認後按成本減減值損失計量。

##### (ii) 金融負債

金融負債包括應付貿易賬款、其他應付款項及應計款項及計息銀行貸款。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

### Financial Instruments (Continued)

#### (ii) Financial liabilities (Continued)

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liabilities was incurred. The Group's accounting policies for each category is as follows:

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in the consolidated income statement in the year in which they arise.

Other financial liabilities: Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are recognised at amortised cost.
- Bank loans are initially recognised at the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. "Interest expense" in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

## 2. 主要會計政策(續)

### 金融工具(續)

#### (ii) 金融負債(續)

集團將金融負債分為兩類，視乎負債所產生之目的而定。集團就各類別之會計政策如下：

按公平值計入損益之金融負債有兩類，包括持有作買賣之金融資產及於初步確認時被指定按公平值計入損益之金融負債。於初步確認後之各結算日，按公平值計入損益之金融資產乃按公平值計量，而公平值之變動在彼等產生之年度內即時直接在綜合收益表中確認。

其他金融負債：其他金融負債包括下列各項：

- 應付貿易賬項及其他短期貨幣負債，按攤銷成本確認。
- 銀行貸款乃初步按所墊付金額扣除發行工具直接應佔之任何交易成本確認。該等計息負債於其後採用實際利息法按攤銷成本計算，以確保於償還期間之利息開支乃就負債之結餘按固定利率於資產負債表中列賬。「利息開支」就此而言，包括初步交易成本及贖回之應付溢價，以及未償還負債所產生之任何利息或應付票息。





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

### Financial Instruments (Continued)

#### (iii) Derecognition

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

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

### Owner-occupied leasehold interest in land

Interests in leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis to the income statement.

### Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

## 2. 主要會計政策(續)

### 金融工具(續)

#### (iii) 終止確認

當從資產收取現金流之權利屆滿或金融資產獲轉讓時，以及集團已轉讓金融資產擁有權之絕大部分風險及回報，則會終止確認金融資產。於終止確認金融資產時，資產賬面值與已直接於權益確認已收及應收代價以及累計收益或虧損之總和間之差額於損益確認。

當相關合約特定之責任獲解除、註銷或屆滿時，則金融負債會終止確認。已終止確認金融負債之賬面值與已付代價間之差額於損益確認。

### 業主佔用土地租賃權益

根據經營租賃持作自用之租賃土地之權益指於購入由承租人佔用之物業之長期權益時須先支付之數額。有關金額按成本列賬，並於租賃期內按直線法攤銷，攤銷金額列入收益表。

### 租賃資產

倘租賃資產擁有權之絕大部份風險及回報已轉嫁予集團(「融資租賃」)，則資產被視為已獲全部購入。初步確認為資產之金額為按租賃年期計算之最低租金之現值。相關租賃承擔乃列作負債。租賃付款可根據資本及利息分析。利息部份按租賃年期自收益表扣除，並於租賃負債中佔有固定比例。資本部份則扣除結欠借款人之餘額。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### Leased assets (Continued)

Where substantially all of the risks and rewards incidental to ownership are retained by the lessor (an "operating lease"), the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

#### Employee benefits

##### (i) Retirement benefits scheme

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 administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries operating in the People's Republic of China (the "PRC") are required to participate in a central pension scheme (the "Central Scheme") operated by the local municipal government in the PRC. The respective local municipal government in the PRC, undertakes to assume the retirement benefits obligations of all existing and future retired staff of these subsidiaries. The only obligation of these subsidiaries with respect to the Central Scheme is to meet the required contributions under the Central Scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the Central Scheme.

### 2. 主要會計政策(續)

#### 租賃資產(續)

倘借款人乃保留擁有權之絕大部份風險及回報(「經營租賃」)，根據租賃應付租金總額乃以直線法按租賃年期自收益表扣除。

物業租賃之土地及樓宇部份於租賃分類時乃獨立處理。

#### 僱員福利

##### (i) 退休福利計劃

根據強制性公積金計劃條例，集團為所有合資格參與強積金計劃之僱員設立定額供款強制性公積金計劃(「強積金計劃」)。供款乃按僱員基本薪金之百分比計算，並於根據強積金計劃之規定須作出供款時計入損益賬內。強積金計劃之資產以獨立管理基金形式持有，與集團之資產分開。集團就強積金計劃支付之僱主供款全部歸僱員所有。

公司於中華人民共和國(「中國」)經營之附屬公司旗下僱員須參與由中國地方市政府管理之中央退休金計劃(「中央計劃」)。中國之各別地方市政府承諾會承擔該等附屬公司所有現時及日後退休員工之退休福利責任。該等附屬公司於中央計劃中之唯一責任乃根據中央計劃提供所需供款。有關供款會於根據中央計劃之規定須作出供款時計入損益賬內。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

### Leased assets (Continued)

#### (ii) Termination benefits

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

#### (iii) Employee entitlements

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

### Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated income statement on a straight-line basis over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

## 2. 主要會計政策(續)

### 租賃資產(續)

#### (ii) 終止福利

只有當集團顯示其承諾終止僱用或透過沒有機會撤回之詳細並正式之自願離職計劃所提供之福利時，該終止服務福利方被確認。

#### (iii) 僱員權益

僱員應享年假及長期服務金乃於應計予僱員時確認，並就截至結算日因僱員所提供服務而產生之估計年假及長期服務金負債作出撥備。

僱員應享病假及分娩或陪產假僅於支取假期時始予確認。

### 以股份為基礎之付款

倘僱員獲授購股權，則購股權之公平值乃於授出日期按直線基準於歸屬期自綜合收益表扣除。倘出現非市場歸屬情況，則會考慮調整於各結算日預期將予歸屬之股本工具數目，因此按歸屬期確認之累計金額乃根據最終歸屬之購股權數目計算。市場歸屬情況已計入所授出購股權之公平值。只要所有其他歸屬情況獲達成，則不論是否達致市場歸屬情況均會作出扣除。倘未能達致市場歸屬情況，累計開支不會作出調整。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Share-based payments (Continued)

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated income statement is charged with the fair value of goods and services received.

#### Revenue recognition

Sales of goods are recognised in the income statement when goods are delivered and title has passed or when the significant risks and rewards of ownership have been transferred to the buyer.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rates applicable.

Dividend income is recognised when the shareholders' rights to receive payment is established.

#### Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

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

### 2. 主要會計政策(續)

#### 以股份為基礎之付款(續)

倘購股權之條款及條件於歸屬前獲修訂，購股權之公平值於緊接修訂前及緊隨修訂後之增加亦按剩餘歸屬年期自綜合收益表扣除。

倘股本工具乃授予非僱員之人士，則按所取得貨品及服務之公平值自綜合收益表扣除。

#### 收益確認

銷貨收入於貨品交付及擁有權轉移後或於擁有權之絕大部分風險及回報已轉讓予買方時於收益表確認。

利息收入按時間比例根據未償還本金額及適用實際利率計算入賬。

股息收入於股東收取付款之權利獲確立時確認。

#### 撥備及或然負債

如集團或公司因過往事件產生法定或推定責任而出現時間或金額未確定之負債，並可合理估計將可能導致經濟利益流出時，即會確認撥備。

如有關債務可能不會導致經濟利益流出，或未能可靠地估計金額，則有關債務會披露為或然負債，除非經濟利益流出之可能性很低。純粹視乎日後有否出現一個或多個情況而可能產生之債務，亦披露為或然負債，除非經濟利益流出之可能性很低。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### Income taxes

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

### 2. 主要會計政策(續)

#### 所得稅

本年度所得稅包括即期稅項及遞延稅項資產及負債之變動。即期稅項及遞延稅項資產及負債之變動均在收益表內確認，惟如某部份之即期稅項及遞延稅項資產及負債之變動與直接於權益中確認之項目有關，則該部份須於權益中確認。

即期稅項是按本年度應課稅收入，以於結算日採用或主要採用之稅率計算之預期應繳稅項，及任何有關以往年度應繳稅項之調整。

遞延稅項資產及負債分別由資產及負債按財務報表之賬面值及課稅值兩者之可予扣減及應課稅之暫時性差異所產生。遞延稅項資產亦可由未經使用之稅務虧損及未經使用之稅項優惠所產生。

除了若干有限之例外情況外，所有遞延稅項負債，及所有遞延稅項資產(僅限於將來很可能取得應課稅盈利而令該項資產得以運用之部份)均予確認。容許確認由可予扣減暫時性差異所產生之遞延稅項資產之未來應課稅盈利包括其將由目前之應課稅暫時性差異回撥之部份，而此等應課稅暫時性差異應由同一稅務當局向同一應課稅單位徵收，並預期在可予扣減暫時性差異預期回撥之同一期間內回撥或在由遞延稅項資產產生之稅務虧損能轉回或轉入之期間內回撥。在評定目前之應課稅暫時性差異是否容許確認由未經使用之稅務虧損及優惠所產生之遞延稅項資產時採用上述相同之標準，即該等暫時性差異由同一稅務當局向同一應課稅單位徵收，並預期在稅務虧損或優惠能應用之期間內回撥方計算在內。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Income taxes (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

### 2. 主要會計政策(續)

#### 所得稅(續)

該等確認遞延稅項資產及負債之有限例外情況，包括不可在稅務方面獲得扣減之商譽所引致之暫時性差異、首次確認但並不影響會計盈利及應課稅盈利之資產或負債(惟其不可為企業合併之部分)、以及有關於附屬公司投資所引致之暫時性差異，如為應課稅差異，則集團控制回撥期限及該差異於可預見未來將可能不會回撥；或如為可予扣減差異，則只限於可能在未來回撥之差異。

應確認之遞延稅項數額是按照資產及負債賬面值之預期變現或清償方式，以結算日採用或主要採用之稅率計算。遞延稅項資產及負債均無作貼現計算。

集團會在每個結算日評估遞延稅項資產之賬面值。如果不再可能取得足夠之應課稅盈利以運用有關之稅務利益，賬面金額則予以調低。如日後可能取得足夠之應課稅盈利時，任何已扣減金額則予以撥回。

分派股息所產生之額外所得稅在支付有關股息之責任確認時予以確認。

即期稅項及遞延稅項結餘及其變動，乃各自分開列示及並無相互抵銷。若公司或集團在法律上擁有抵銷即期稅項資產及即期稅項負債之行使權利及符合下列額外條件，則即期稅項資產可抵銷即期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

## 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

### Income taxes (Continued)

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

### Foreign currency

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which it operates (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the consolidated income statement, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation.

Change in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in the income statement, and other changes in carrying amount are recognised in equity.

## 2. 主要會計政策(續)

### 所得稅(續)

- 若為即期稅項資產及負債：公司或集團計劃以淨額清償，或計劃同時變現資產和清償負債；或
- 若為遞延稅項資產及負債：如其與同一稅務當局向下述者徵收之所得稅有關：
  - 同一應課稅單位；或
  - 或如為不同之應課稅單位，預期在未來每一個週期將清償或追償顯著數目之遞延稅項負債或資產及計劃以淨額基準清償即期稅項資產及即期稅項負債或計劃同時變現即期稅項資產及清償即期稅項負債。

### 外幣

集團實體以所經營之主要經濟環境之貨幣(「功能貨幣」)以外之其他貨幣訂立之交易，則按進行交易時之匯率記錄。外幣貨幣資產及負債於結算日按匯率換算。因重新換算未償付貨幣資產及負債所產生之匯兌差額一般會即時於綜合收益表確認，除非外幣借貸被列作對沖海外業務投資淨額。

以外幣為單位及被分類為可供出售證券之貨幣證券公平值轉變將在其證券攤銷成本轉變衍生之匯兌差額及其他證券賬面值轉變之間分配。匯兌差額會在損益中確認，而其他賬面值之轉變則在權益中確認。





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Foreign currency (Continued)

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the fair value reserve in equity.

On consolidation, the results of overseas operations are translated into Hong Kong dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in equity (the "foreign exchange reserve"). Exchange differences recognised in the income statement of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to the foreign exchange reserve if the item is denominated in the functional currency of the Group or the overseas operation concerned.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated income statement as part of the profit or loss on disposal.

### 2. 主要會計政策(續)

#### 外幣(續)

非貨幣金融資產及負債之匯兌差額呈報為公平值盈虧之一部分。非貨幣金融資產及負債(例如按公平值計入損益之權益)之匯兌差額將於損益中確認為公平值盈虧一部分。非貨幣金融資產(例如分類為可供出售之權益)之匯兌差額在權益之公平值儲備內列賬。

於綜合賬目時，海外業務之業績乃按交易進行之概約匯率換算為港元。海外業務之所有資產及負債(包括因收購該等業務而產生之商譽)按結算日之匯率換算。按開盤匯價換算之期初資產淨值與按實際匯率計算海外業務之業績之匯兌差額乃直接於權益中確認(「外匯儲備」)。倘項目乃以集團或海外業務之功能貨幣計值，則於集團實體之獨立財務報表中就換算組成集團海外業務投資淨額部份之長期貨幣項目而於收益表確認之匯兌差額重新分類為外匯儲備。

於出售海外業務時，有關該業務於外匯儲備中直至出售日期為止所確認之累計匯兌差額乃轉撥至綜合收益表列作出售之損益。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### Borrowing costs

Borrowing costs are included in finance costs in the consolidated income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

### 3. FINANCIAL RISK MANAGEMENT

The Group is exposed through its operations to one or more of the following financial risks:

- Credit risk
- Foreign exchange risk
- Cash flow and fair value interest rate risk
- Liquidity risk
- Fair values of financial assets and financial liabilities
- Natural risk
- Capital risk management

Policy for managing these risks is set by the directors of the Group. The policy for each of the above risks is described in more detail below.

### 2. 主要會計政策(續)

#### 借貸成本

除直接用作收購、建設或製造而需要相當長時間才可以投入原定用途或銷售之資產之借貸成本予以資本化外，借貸成本均在產生之期間包括於綜合收益表之財務成本內。

借貸成本乃於資產之開支產生、借貸成本產生及有關籌備資產作其擬定用途或出售所需之活動進行時即資本化作為合格資產之部份成本。當所有有關籌備合格資產作其擬定用途或出售所需之活動大致上中斷或完成時，即暫停中止或停止資本化借貸成本。

### 3. 財務風險管理

集團之業務須承擔下列一項或多項財務風險：

- 信貸風險
- 外匯風險
- 現金流及公平值利率風險
- 流動資金風險
- 金融資產及金融負債之公平值
- 自然風險
- 資金風險管理

集團董事制定政策管理該等風險。上述各項風險之政策詳情載於下文。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Credit risks

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group reviews the recoverable amount of each individual trade receivable at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk by any single debtor, with exposure spread over a number of counterparties and customers.

Bank balances are placed in various authorised institutions and directors of the Company consider the credit risk for such is minimal.

#### (b) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Several subsidiaries of the Company have foreign currency sales, which expose the Group to foreign currency risk. Certain bank balances, pledged bank deposit and trade receivables of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

### 3. 財務風險管理(續)

#### (a) 信貸風險

倘對手方於二零零七年十二月三十一日未能履行彼等之承擔，則集團就每類已確認金融資產而須承受之最大信貸風險為已於綜合資產負債表列值之資產之賬面金額反映。於各結算日，集團定期評估每項個別貿易應收款之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，公司董事認為集團之信貸風險已大幅降低。

集團並無集中於單一債務人之信貸風險，有關風險乃分散至多個其他方及客戶。

銀行結餘乃存放於不同認可機構，公司董事認為此可將信貸風險減至最低。

#### (b) 外匯風險

集團於國際上經營，因而須承擔因各種貨幣所產生之外匯風險。外匯風險會因日後商業交易、已確認資產及負債以及於國外經營業務之投資淨額而產生。

公司若干附屬公司有以外幣計值之銷售，令集團承受外幣風險。集團若干銀行結餘、有抵押銀行存款及應收貿易賬項均以外幣計值。集團現時尚無外幣對沖政策。然而，管理層監控外匯風險，並會考慮於必要時對沖重大外幣風險。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### (c) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk arises from long-term borrowings. The Group does not have policy to maintain a specific level of its borrowings in fixed rate instruments since the board accepts that this neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with interest payments. However, the Group makes use of interest rate swaps to achieve the interest rate profile that it considers an appropriate balance of exposure to these risks is achieved.

#### (d) Liquidity risk

Internally generated cash flow and bank loans are the general sources of funds to finance the operations of the Group. Part of the Group's banking facilities are subject to fixed interests rate and are renewable annually. The Group liquidity risk management includes making available standby banking facilities and diversifying the funding sources. The Group regularly reviews its major funding positions to ensure it has adequate financial resources in meeting its financial obligations.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the available of funding through an adequate amount of committed credit facilities and the ability to close our market positions. Due to the dynamic nature of the underlying business, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

### 3. 財務風險管理(續)

#### (c) 現金流及公平值利率風險

由於集團並無重大付息資產，故集團之收入及經營現金流量大部份與市場利率變動無關。

集團之利率風險來自長期借貸。集團並無政策維持其借貸於特定水平之固定利率工具，因董事會認為是項政策不能保障集團完全避免支付超過現有市場利率之利息風險，亦不能完全對銷利息付款相關之現金流量風險，但集團利用利率轉換達致所需之利息組合。董事會認為此方法可令該等風險達致合適之平衡。

#### (d) 流動資金風險

集團一般以內部產生之現金流量及銀行貸款為業務提供資金。集團部份之銀行融資須按固定息率計息，並可於每年更新。集團之流動資金風險管理包括可供動用之備用銀行融資及多元化之資金來源。集團定期審閱其主要資金狀況，以確保擁有足夠之財務資源應付財務責任。

審慎流動資金風險管理包括維持充足現金及可出售證券、透過已承諾信貸融資之足夠金額提供可動用資金以及提升集團市場地位之能力。由於相關業務之互動性質，集團致力保持可動用之已承諾信貸，藉以維持資金供應之靈活性。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### (e) Fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities reported in the balance sheet of the Group and the Company approximate their carrying amounts.

#### (f) Natural risk

The Group's revenue depends significantly on the ability to harvest wood at adequate levels. The ability to harvest wood in the concessions and the growth of the trees in the plantations may be affected by unfavourable local weather conditions and natural disasters. Weather conditions such as floods, droughts, cyclones and windstorms and natural disasters such as earthquakes, fire, disease, insect infestation and pests are examples of such events. The occurrence of severe weather conditions or natural disasters may diminish the supply of trees available for harvesting in the concessions, or otherwise impede the Group's logging operations or the growth of the trees in the plantations, which in turn may have a material adverse effect on the Group's ability to produce the products in sufficient quantities and in a timely manner.

Moreover, bad weather may adversely affect the condition of the Group's transportation infrastructure, which is critical for the Group to supply timber from the timber concessions to the Group's manufacturing plants and customers. The Group has developed a strategy for utilizing different transportation modes and stockpiling, but its daily operations may be unfavourably affected by interruption of transportation due to bad weather or other reasons.

### 3. 財務風險管理(續)

#### (e) 金融資產及金融負債之公平值

於集團及公司資產負債表呈報之金融資產及金融負債之公平值與其賬面值相若。

#### (f) 自然風險

集團之收益主要有賴於伐木效率之充足水平。於有關伐木場中之伐木效率及人工林場中之樹木成長均受當地不利天氣狀況及自然災害所影響。天氣狀況如洪水、乾旱、龍卷風及風暴等，而自然災害如地震、火災、疾病、蟲災及瘟疫等。發生惡劣天氣或自然災害或會減少有關伐木場中可供採伐樹木之供應量，或其他情況妨礙集團之伐木業務或人工林場中之樹木成長，從而對集團及時生產足夠數量產品之能力造成重大不利影響。

此外，惡劣天氣亦會對集團之運輸基本設施之狀況造成不利影響，而運輸基本設施乃集團把從伐木場採伐之木材供應予集團之製造廠及客戶之關鍵一環。雖然集團已設計一套運用不同運輸模式及儲存之策略，但其日常經營業務仍會因惡劣天氣或其他原因而受到運輸中斷之不利影響。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 3. FINANCIAL RISK MANAGEMENT

(Continued)

#### (g) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consist of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained profits. The key management personnel of the Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Company and capital efficiency, bank facilities, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. No changes were made in the objectives, policies or processes during the years ended 31 December 2007 and 2006. The Company did not breach any loan covenants during the year ended 31 December 2007 and 2006.

### 3. 財務風險管理(續)

#### (g) 資本風險管理

本公司管理其資本以確保公司將能夠以持續經營方式營運，同時亦透過達致債務與股本之間最佳的平衡而為股東爭取最大回報。

本公司之資本結構包括債項(包括借貸)、現金及現金等值項目及本公司股權持有人應佔股權(包括已發行股本、儲備及保留溢利。本公司的主要管理層積極定期檢討及管理資本架構，以優化資本架構及股東回報；考慮本公司日後的資本需求與資本效率、銀行融資、當前及預期之盈利能力、預期之經營現金流、預期資本開支及預期策略投資機會等。於截至二零零六年及二零零七年十二月三十一日止年度，概無出現目標、政策及程序的變更。於截至二零零六年及二零零七年十二月三十一日止年度，本公司並無違反任何貸款契諾。





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

### 4. TURNOVER

The Group is principally engaged in the (i) exploitation and management of timber resources in the PRC; (ii) research and development, processing, manufacture, distribution, marketing and sales of a wide range of timber products and (iii) the manufacture and sales of electronic products.

### 4. 營業額

集團主要從事(i)於中國開發及管護林木資源；(ii)研發、加工、製造、分銷、市場推廣及銷售廣泛林木產品及(iii)製造及銷售電子產品。

		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Income from logging and trading of timber and sales of flooring products	木材採伐及買賣以及銷售木地板產品之收入	236,529	—
Sales of electronic products	銷售電子產品	472,802	489,325
		709,331	489,325



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 5. SEGMENT INFORMATION

Segment information is presented by way of two segment formats:

- (i) on a primary segment reporting basis, by business segment; and
- (ii) on a secondary segment reporting basis, by geographical segment.

The principal activities of the Group are (i) integrated timber business and (ii) the manufacture and sales of electronic products, which is managed according to the geographical location of ultimate customers.

Each of the Group's geographical segments, represents a strategic business unit that offers products to customers located in different geographical areas which are subject to risks and returns that are different from those of other geographical segments.

The Group's geographical segments are as follows:

- (a) People's Republic of China
- (b) Hong Kong;
- (c) India;
- (d) Elsewhere in Asia; and
- (e) Africa, Western Europe, the Middle East, North and South America, and Russia.

In determining the Group's geographical segments, revenues, results, assets and liabilities are attributed to the segments based on the location of the customers.

### 5. 分類資料

分類資料以兩種分類形式呈列：

- (i) 以業務分類作為主要分類呈報基準；及
- (ii) 以地區分類作為輔設分類呈報基準。

集團之主要業務為(i)綜合林木業務及(ii)製造及銷售電子產品，主要業務乃根據最終客戶所在地區管理。

集團之各地區分部乃向位於不同地區之客戶提供產品之策略商業單位，各地區分類之風險及回報不盡相同。

集團之地區分類如下：

- (a) 中華人民共和國
- (b) 香港；
- (c) 印度；
- (d) 亞洲其他地區；及
- (e) 非洲、西歐、中東、北美及南美洲、以及俄羅斯。

於決定集團之地區分類時，收益，業績，資產及負債乃因應客戶所在地區而歸屬不同分類。



## NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

## 5. SEGMENT INFORMATION (Continued)

## 5. 分類資料(續)

## (a) Business segments

## (a) 業務分類

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's business segments.

下表載列集團業務分類之收益、業績與若干資產、負債及開支之資料。

For the year ended 31 December  
截至十二月三十一日止年度

Group 集團	Timber business 林木業務		Electronic consumer products business 電子消費者產品業務		Consolidated 綜合	
	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Segment revenue: 分類收益:						
Sales to external customers 向外間客戶銷售	236,529	-	472,802	489,325	709,331	489,325
Segment results 分類業績	348,793	-	23,450	(23,398)	372,243	(23,398)
Unallocated income 未分配之收入					231,654	-
Unallocated expenses 未分配之開支					(113,849)	(1,900)
Profit/(Loss) before tax 除稅前溢利/(虧損)					490,048	(25,298)
Income tax expenses 所得稅開支					(4,586)	(1,069)
Profit/(Loss) for the year 年度溢利/(虧損)					485,462	(26,367)
Other segment information: 其他分類資料:						
Depreciation and amortisation 折舊及攤銷	7,084	-	18,075	21,074	25,159	21,074
Unallocated depreciation 未分配之折舊	-	-	56	56	56	56
	7,084	-	18,131	21,130	25,215	21,130



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

### 5. 分類資料(續)

#### (a) Business segments (Continued)

#### (a) 業務分類(續)

Group 集團		Timber business 林木業務		Electronic consumer products business 電子消費者產品業務		Consolidated 綜合	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Capital expenditure	資本開支	3,540	-	7,525	27,645	11,065	27,645
(Reversal)/write-down of inventories to net realisable value	(撥回)/撇減存貨至 可變現淨值	-	-	(1,228)	4,689	(1,228)	4,689
Write down value of property, plant and equipment	撇減物業、廠房及 設備之價值	-	-	4,359	8,970	4,359	8,970
(Gain)/Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之(盈餘)/ 虧損	-	-	(1,426)	81	(1,426)	81
Allowance/(recovery) of for bad and doubtful trade receivables	應收貿易賬項呆壞賬 撥備/(撥回)	-	-	176	(106)	176	(106)
Allowance/(recovery) of for bad and doubtful other receivables	其他應收款項 呆壞賬 撥備/(撥回)	-	-	320	(780)	320	(780)
Surplus on revaluation of leasehold land and buildings	重估租賃土地 及樓宇之 盈餘	-	-	(2,603)	(1,361)	(2,603)	(1,361)
Segment assets	分類資產	3,855,437	-	482,556	464,299	4,337,993	464,299
Unallocated assets	未分配之資產	-	-	-	-	143,106	119,504
Total assets	總資產	3,855,437	-	482,556	464,299	4,481,099	583,803
Segment liabilities	分類負債	1,383,164	-	98,424	97,332	1,481,588	97,332
Unallocated liabilities	未分配之負債	-	-	-	-	62,864	82,473
Total liabilities	總負債	1,383,164	-	98,424	97,332	1,544,452	179,805



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

#### (b) Geographical segments based on the location of customers

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's geographical segments.

For the year ended 31 December  
截至十二月三十一日止年度

### 5. 分類資料(續)

#### (b) 按客戶所在地區分析之地區分類

下表載列集團各地區分類之收益、業績與若干資產、負債及開支之資料。

Group 集團	People's Republic of China		Hong Kong		India		Elsewhere in Asia		Africa, Western Europe, the Middle East, North and South America, and Russia		Consolidated	
	中華人民共和國		香港		印度		亞洲其餘地區		非洲、西歐、中東、 南北美洲及俄羅斯		綜合	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	
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	
Segment revenue:	分類收益：											
Sales to external customers	向外間客戶銷售											
	326,552	88,980	4,882	3,556	126,485	130,240	53,978	57,638	197,434	208,911	709,331	489,325
Segment results	分類業績											
	234,223	(5,239)	9,669	(183)	4,628	(7,854)	1,975	(3,393)	7,742	(11,495)	258,237	(28,164)
Unallocated income	未分配之收入											
Unallocated expenses	未分配之開支											
											243,652	9,289
											(503)	(2,004)
Profit/(loss) from operations	經營溢利/(虧損)											
Finance costs	財務成本											
											501,386	(20,879)
											(11,338)	(4,419)
Profit/(loss) before tax	除稅前溢利/(虧損)											
Income tax expenses	所得稅開支											
											490,048	(25,298)
											(4,586)	(1,069)
Profit/(loss) for the year	年度溢利/(虧損)											
											485,462	(26,367)



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 5. SEGMENT INFORMATION (Continued)

#### (b) Geographical segments based on the location of customers (Continued)

### 5. 分類資料(續)

#### (b) 按客戶所在地區分析之地區分類(續)

Group 集團	People's Republic of China		Hong Kong		India		Elsewhere in Asia		Africa, Western Europe, the Middle East, North and South America, and Russia 非洲、西歐、中東、 南北美洲及俄羅斯		Consolidated 綜合	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元
Other segment information:	其他分類資料：											
Depreciation and amortisation	折舊及攤銷											
Unallocated depreciation	未分配之折舊											
	10,284	3,832	428	153	4,835	5,609	2,064	2,482	7,548	8,998	25,159	21,074
	-	-	-	-	-	-	-	-	-	-	56	56
	10,284	3,832	428	153	4,835	5,609	2,064	2,482	7,548	8,998	25,215	21,130
Capital expenditure	資本開支											
	2,852	5,027	2,199	201	2,013	7,358	859	3,256	3,142	11,803	11,065	27,645
(Write-back)/Write-down of inventories to net realisable value	(撥回)/撤減存貨至可變現淨值											
	(185)	674	(10)	12	(318)	1,230	(192)	748	(523)	2,025	(1,228)	4,689
Write down value of property, plant and equipment	撤減物業、廠房及設備之價值											
	642	1,290	34	22	1,101	2,353	667	1,431	1,812	3,874	4,256	8,970
(Gain)/Loss on disposal of property, plant and equipment	出售物業、廠房及設備之(溢利)/虧損											
	(215)	11	(12)	1	(369)	21	(223)	13	(607)	35	(1,426)	81
(Recovery of)/allowance for bad and doubtful trade receivables	應收貿易賬項呆壞賬(撥回)/撥備											
	27	(15)	1	(1)	45	(27)	28	(17)	75	(46)	176	(106)
(Recovery of)/allowance for bad and doubtful other receivables	其他應收款項呆壞賬(撥回)/撥備											
	48	(112)	3	(2)	83	(205)	50	(124)	136	(337)	320	(780)
Surplus on revaluation of leasehold land and buildings	重估租賃土地及樓宇之盈餘											
	(393)	(196)	(21)	(3)	(673)	(357)	(408)	(217)	(1,108)	(588)	(2,603)	(1,361)





## NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

## 5. SEGMENT INFORMATION (Continued)

## 5. 分類資料(續)

## (b) Geographical segments based on the location of customers (Continued)

## (b) 按客戶所在地區分析之地區分類(續)

As at 31 December

於十二月三十一日

Group 集團		People's Republic of China		Hong Kong		India		Elsewhere in Asia		Africa, Western Europe, the Middle East, North and South America, and Russia		Consolidated	
		中華人民共和國		香港		印度		亞洲其餘地區		非洲、西歐、中東、 南北美洲及俄羅斯		綜合	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年
		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
Segment assets	分類資產	2,152,887	66,764	1,779,288	1,161	124,791	121,808	75,570	74,040	205,457	200,526	4,337,993	464,299
Unallocated assets	未分配之資產	-	-	-	-	-	-	-	-	-	-	143,106	119,504
Total assets	總資產	<u>2,152,887</u>	<u>66,764</u>	<u>1,779,288</u>	<u>1,161</u>	<u>124,791</u>	<u>121,808</u>	<u>75,570</u>	<u>74,040</u>	<u>205,457</u>	<u>200,526</u>	<u>4,481,099</u>	<u>583,803</u>
Segment liabilities	分類負債	562,281	17,699	840,640	707	26,330	25,906	11,237	11,465	41,100	41,555	1,481,588	97,332
Unallocated liabilities	未分配之負債	-	-	-	-	-	-	-	-	-	-	62,864	82,473
Total liabilities	總負債	<u>562,281</u>	<u>17,699</u>	<u>840,640</u>	<u>707</u>	<u>26,330</u>	<u>25,906</u>	<u>11,237</u>	<u>11,465</u>	<u>41,100</u>	<u>41,555</u>	<u>1,544,452</u>	<u>179,805</u>



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 6(a). OTHER INCOME

The Group's profit/(loss) from operations is arrived at after crediting:

	Group 集團	
	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Gain on disposal of property, plant and equipment	1,426	—
Write-back of net realisable value provision for inventory	1,228	—
Recovery of bad and doubtful trade receivables	—	106
Recovery of bad and doubtful other receivables	—	780
Exchange gain, net	—	—
Gain on disposal of available for sales securities	42,217	—
Sundry income	4,546	5,851
Surplus on revaluation of leasehold land and buildings	2,603	1,361
Interest income	5,244	1,191
	<b>57,264</b>	<b>9,289</b>

### 6(a). 其他收入

集團之經營業務溢利/(虧損)已計入:

### 6(b). OTHER GAINS AND LOSSES

	Group 集團	
	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets	262,924	—
Release of negative goodwill	231,654	—
Impairment loss on available-for-sales investment	(3,049)	—
	<b>491,529</b>	<b>—</b>

### 6(b). 其他收益及虧損



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 6(c). PROFIT/(LOSS) FROM OPERATIONS

The Group's profit/(loss) from operations is arrived at after charging:

### 6(c). 經營溢利／（虧損）

集團之經營業務溢利／（虧損）已扣除：

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Cost of inventories sold	已售存貨之成本	502,182	466,176
Depreciation of property, plant and equipment on – owned assets	物業、廠房及設備之折舊 – 自身資產	24,934	20,830
Amortisation of owners occupied leasehold interest in land	業主佔用土地租賃權益攤銷	281	300
Minimum lease payments under operating leases for leasehold land and buildings	經營租約之租賃土地及樓宇最低租金付款	3,258	403
Auditors' remuneration	核數師酬金	1,597	560
Staff costs (excluding directors' emoluments – note 7)	職工成本（不包括董事酬金 – 附註7）	74,008	84,191
Wages and salaries	工資及薪金		
Retirement benefits scheme contributions (excluding directors' contributions – note 7)	退休福利計劃供款 （不包括董事供款 – 附註7）	12,099	5,137
Share-based payments expenses	以股份為基礎之付款開支	104,281	802
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	–	4,689
Allowance for bad and doubtful trade receivables	應收貿易賬項呆壞賬撥備	176	–
Allowance for bad and doubtful other receivables	其他應收款項呆壞賬撥備	320	–
Exchange loss, net	匯兌虧損，淨額	586	1,187
Write-down of property, plant and equipment	撇減物業、廠房及設備	4,359	8,970
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	–	81
Deficit on revaluation of leasehold land and buildings	重估租賃土地及樓宇之虧絀	–	–
Loss on disposal of subsidiary companies	出售附屬公司之虧損	743	1,351



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 7. DIRECTORS' EMOLUMENTS

### 7. 董事酬金

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Directors' fees	董事袍金	132	90
Other emoluments for executive directors	執行董事之其他酬金		
– Salaries and other benefits	– 薪金及其他福利	3,524	3,499
– Retirement benefits scheme contributions	– 退休福利計劃供款	51	60
– Share base payment	– 以股份為基礎之付款	18,090	–
		<u>21,797</u>	<u>3,649</u>

Details of directors' emoluments for the year ended 31 December 2007 are as follows:

截至二零零七年十二月三十一日止年度之董事酬金詳情載列如下：

		Group 集團				
		Retirement			Share base payment	Total
		Salaries and other benefits	benefits scheme contributions	Share base payment		
Fees		Fees	Retirement benefits scheme contributions		Share base payment	Total
袍金		薪金及 其他福利	退休福利 計劃供款	股份支付	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	
<b>Executive directors:</b>		<b>執行董事：</b>				
Mr. Lam Ping Kei	林平基先生	–	780	12	–	792
Mr. Li Jun	李璿先生	–	239	2	6,784	7,025
Mr. Jing Bin	景濱先生	–	82	1	6,784	6,867
Ms. Wong Choi Fung	黃賽鳳女士	–	494	10	–	504
Ms. Lam Chu Ying	林珠英女士	–	24	1	–	25
Mr. Law Wai Fai	羅偉輝先生	–	981	12	–	993
Mr. Cheng Man For	鄭文科先生	–	135	3	4,522	4,660
Mr. Yeung Kwong Lun	楊廣倫先生	–	789	10	–	799
<b>Independent Non-Executive directors:</b>		<b>獨立非執行董事：</b>				
Mr. Sun Tian Yan	孫添炎先生	16	–	–	–	16
Mr. Deng Xiao Jun	鄧小軍先生	6	–	–	–	6
Mr. Chan Chi Yuen	陳志遠先生	43	–	–	–	43
Mr. Wong Yuen Kuen	黃潤權先生	43	–	–	–	43
Mr. Qiu Ji Zhi	邱繼志先生	24	–	–	–	24
<b>Total</b>	<b>總計</b>	<u>132</u>	<u>3,524</u>	<u>51</u>	<u>18,090</u>	<u>21,797</u>



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 7. DIRECTORS' EMOLUMENTS (Continued)

Details of directors' emoluments for the year ended 31 December 2006 are as follows:

### 7. 董事酬金 (續)

截至二零零六年十二月三十一日止年度之董事酬金詳情載列如下：

	Fees	Group		Total
		Salaries and other benefits	Retirement benefits scheme contributions	
	袍金 HK\$'000 千港元	薪金及 其他福利 HK\$'000 千港元	退休福利 計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
<b>Executive directors:</b>				
Mr. Lam Ping Kei	—	750	12	762
Ms. Wong Choi Fung	—	625	12	637
Ms. Lam Chu Ying	—	288	12	300
Mr. Law Wai Fai	—	898	12	910
Mr. Yeung Kwong Lun	—	938	12	950
<b>Independent Non-Executive directors:</b>				
Mr. Sun Tian Yan	48	—	—	48
Mr. Deng Xiao Jun	18	—	—	18
Mr. Qiu Ji Zhi	24	—	—	24
<b>Total</b>	<b>90</b>	<b>3,499</b>	<b>60</b>	<b>3,649</b>



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 8. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals during the year included four (2006: four) directors, details of whose emoluments are set out in note 7 to the financial statements above. Details of the emoluments of remaining one (2006: one) non-director, highest paid individuals are as follows:

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Salaries and other benefits	薪金及其他福利	6,783	422
Retirement benefits scheme contributions	退休福利計劃供款	—	12
		<u>6,783</u>	<u>434</u>

The number of the non-director, highest paid individuals whose emoluments fell within the following band is as follows:

		Number of non-director, highest paid employees 非董事最高薪酬僱員數目	
		2007 二零零七年	2006 二零零六年
Nil to HK\$7,000,000	無—7,000,000港元	<u>1</u>	<u>1</u>

During the year, no emoluments were paid to the five highest paid individuals (Including directors and other employees) as inducement to join or upon joining the Groups or as compensation for loss to office.

### 8. 五位最高薪酬人士

年內，五位最高薪酬人士包括四位董事（二零零六年：四位），彼等之酬金詳情已載於財務報表附註7。其餘一位（二零零六年：一位）非董事最高薪酬人士之薪酬詳情如下：

酬金在下列範圍內之非董事最高薪酬人士人數如下：

於本年度內，概無對五位最高薪酬人士（包括董事及其他僱員）支付任何酬金作為加入集團之獎金或離職補償。



## NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

## 9. FINANCE COSTS

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Interest on:	以下項目之利息：		
Bank loans wholly repayable within 5 years	須於五年內全數償還之 銀行貸款	9,173	4,419
Convertible notes	可換股票據	2,165	—
		<u>11,338</u>	<u>4,419</u>

## 9. 財務成本

## 10. INCOME TAX EXPENSES

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Current taxation:	本年度稅項：		
Hong Kong	香港	149	33
Other jurisdictions	其他司法權區	4,410	1,098
(Over)/under-provision in prior years	往年(超額撥備)/ 撥備不足		
Hong Kong	香港	(14)	90
Other jurisdictions	其他司法權區	41	(152)
		<u>4,586</u>	<u>1,069</u>

## 10. 所得稅開支

Hong Kong Profits Tax is calculated at 17.5% (2006:17.5%) of the estimated assessable profits arising in Hong Kong for the year.

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

香港利得稅乃根據本年度在香港賺取之估計應課稅溢利按稅率17.5% (二零零六年：17.5%)計算撥備。

在其他司法權區產生之稅項乃根據各司法權區之現行稅率計算。





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 10. INCOME TAX EXPENSES (Continued)

Pursuant to the laws and regulations in the PRC, certain Group's PRC subsidiaries are entitled to exemption from PRC Foreign Enterprise Income Tax for two years commencing from their first profit-making year, followed by a 50% relief for the three years thereafter.

Under Decree-Law no. 58/99/M, a Macau company incorporated under that Law (called "58/99/M Company") is exempted from Macau complementary tax (Macau income tax) as long as the 58/99/M Company does not sell its products to a Macau resident company. Currently, Tak Shun (Lam's) Macao Commercial Offshore Limited is qualified as 58/99/M Companies.

No provision for deferred tax had been made as the Group did not have any significant unprovided deferred tax assets and liabilities in respect of the year (2006: Nil).

### 10. 所得稅開支(續)

根據中國法律及法規，若干集團之中國附屬公司有權豁免中國外資企業所得稅，由首個獲利年度起計兩年，其後三年則減半。

根據澳門第58/99/M號法令，按照該法令註冊成立之澳門公司(「58/99/M公司」)，可獲豁免繳納澳門補充稅(澳門所得稅)，惟58/99/M公司不可向澳門本土公司銷售其產品。目前德信(林氏)澳門離岸商業服務有限公司符合58/99/M公司資格。

由於集團於本年度並無任何重大未撥備遞延稅項資產及負債(二零零六年：無)，因此並無作出遞延稅項撥備。



## NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

## 10. INCOME TAX EXPENSES (Continued)

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

## 10. 所得稅開支(續)

本年度之稅務支出與溢利／(虧損)之對賬如下綜合收益表內：

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Profit/(loss) before taxation	除稅前溢利／(虧損)	490,048	(25,298)
Tax at domestic income tax rate	按本地所得稅稅率計算之稅項	85,758	(4,427)
Tax effect of expenses that are not deductible in determining taxable profit	就計算應課稅溢利不可扣除開支之稅務影響	154	1,934
Tax effect of income that is not taxable in determining taxable profit	就計算應課稅溢利毋須課稅收入之稅務影響	(50,901)	(6,173)
Tax effect of tax losses not recognized	未確認稅務虧損之稅務影響	16,982	11,330
Under/(over)-provision in prior years	往年撥備不足／(超額撥備)	27	(62)
Effect of tax exemptions	稅項豁免之影響	-	(466)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營之附屬公司之不同稅率之影響	(47,434)	(1,067)
Tax expenses for the year	本年度稅項	4,586	1,069



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 11. DIVIDEND

No dividend has paid or proposed during 2007 and no dividend has been proposed since the balance sheet date. (2006:Nil).

### 12. EARNINGS/(LOSS) PER SHARE

#### (a) Basic earnings/(loss) per share

The calculation of basic earning/(loss) per share is based on the Group's profit for the year attributable to equity holders of the Company of approximately HK\$392,726,000 (2006: loss of HK\$26,367,000) and the weighted average of 17,073,024,570 (2006: 7,989,067,015 prior year as retrospectively restated/1,597,813,403 as previously reported) ordinary shares in issue during the years. Calculated as follows:

*Weighted average number of ordinary shares*

普通股加權平均數

Issued ordinary shares at 1 January	於一月一日已發行之普通股
Effect of issuance of Offer Shares	發行發售股份之影響
Effect of issuance of Placing Shares (note 25 (b))	配售股份發行之影響 (附註25(b))
Effect of issuance of Consideration Shares (note 25 (d))	代價股份發行之影響 (附註25(d))
Effect of issuance of Bonus Shares (note 25 (e))	紅股發行之影響 (附註25(e))
Effect of exercise of Share options	行使購股權之影響
Effect of exercise of Listed warrants (note 25 (c))	行使上市認股權證之影響 (附註25(c))
Weighted average number of ordinary shares at 31 December	於十二月三十一日普通股之加權平均數

### 11. 股息

二零零七年並無派付或擬派股息，而自結算日以來亦無擬派任何股息(二零零六年：無)。

### 12. 每股盈利/(虧損)

#### (a) 每股基本盈利/(虧損)

每股基本盈利/(虧損)乃根據本年度集團之公司權益持有人應佔溢利約392,726,000港元(二零零六年：虧損26,367,000港元)及年內17,073,024,570股(二零零六年：7,989,067,015股，過往年度追溯重列/1,597,813,403股(如前呈報))已發行普通股之加權平均數按下列計算：

	2007 二零零七年	2006 (Restated) 二零零六年 (重列)
Issued ordinary shares at 1 January	2,304,006,720	1,440,004,800
Effect of issuance of Offer Shares	—	115,200,384
Effect of issuance of Placing Shares (note 25 (b))	450,700,274	42,608,219
Effect of issuance of Consideration Shares (note 25 (d))	128,013,008	—
Effect of issuance of Bonus Shares (note 25 (e))	14,101,782,880	6,391,253,612
Effect of exercise of Share options	11,798,674	—
Effect of exercise of Listed warrants (note 25 (c))	76,723,014	—
Weighted average number of ordinary shares at 31 December	17,073,024,570	7,989,067,015



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 12. EARNINGS/(LOSS) PER SHARE

(Continued)

(a) **Basic earnings/(loss) per share** (Continued)

Weighted average number of ordinary shares for the year ended 31 December 2006 is restated by bonus issue of ordinary shares on the basis of four bonus shares for one share.

(b) **Diluted earnings/(loss) per share**

The calculation of diluted earning/(loss) per share is based on the Group's profit for the year attributable to equity holders of the Company of approximately HK\$392,726,000 and the adjusted weighted average of 18,883,646,858 (2006: 8,000,606,695 prior year as retrospectively restated/1,600,121,339 as previously reported) ordinary shares in issue during the year. Calculated as follows:

Weighted average number of  
ordinary shares (diluted)  
普通股加權平均數 (攤薄)

Weighted average number of ordinary shares at 31 December	於十二月三十一日 普通股加權平均數
Effect of exercise of Share options	行使購股權之影響
Effect of issuance of contingently issuable shares Offer Shares	發行或然可發行股份之 發售股份之影響
Effect of issuance of Conversion shares (net of tax)	發行可換股股份之影響 (扣除稅項)
Effect of exercise of Listed warrants (note 25 (c))	行使已上市認股權證之影響 (附註25(c))
Weighted average number of ordinary shares at 31 December	於十二月三十一日普通股 加權平均數

### 12. 每股盈利/(虧損)(續)

(a) 每股基本盈利/(虧損)(續)

截至二零零六年十二月三十一日止年度之普通股加權平均數，已按每持有一股份獲派四股紅股之基準派發普通股紅股之方式重列。

(b) 每股攤薄盈利/(虧損)

每股攤薄盈利/(虧損)乃根據本年度集團之公司權益持有人應佔溢利約392,726,000港元及年內18,883,646,858股(二零零六年: 8,000,606,695股, 過往年度追溯重列/1,600,121,339股(如前呈報))已發行普通股之經調整加權平均數按下列計算:

	2007 二零零七年	2006 (Restated) 二零零六年 (重列)
Weighted average number of ordinary shares at 31 December	17,073,024,570	7,989,067,015
Effect of exercise of Share options	62,132,176	6,265,830
Effect of issuance of contingently issuable shares Offer Shares	—	5,273,850
Effect of issuance of Conversion shares (net of tax)	1,217,269,600	—
Effect of exercise of Listed warrants (note 25 (c))	531,220,512	—
Weighted average number of ordinary shares at 31 December	<u>18,883,646,858</u>	<u>8,000,606,695</u>



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 13. OWNER-OCCUPIED LEASEHOLD INTEREST IN LAND

The Group's owner-occupied leasehold interest in land comprises:

### 13. 業主佔用土地租賃權益

集團根據經營租賃持作自用租賃土地之權益包括：

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Medium-term leasehold land in PRC	於中國之中期租賃土地	<u>50,575</u>	<u>23,098</u>
Analysed for reporting purpose as:	為報告之目的分析為：		
– current assets	– 流動資產	760	266
– non-current assets	– 非流動資產	<u>49,815</u>	<u>22,832</u>
		<u>50,575</u>	<u>23,098</u>



## NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

## 14. GOODWILL

## 14. 商譽

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
<b>Cost</b>	成本		
At 1 January	於一月一日	—	—
Arising on acquisition	因收購而產生	25,715	—
Credit to income statement	計入收益表	—	—
At 31 December	於十二月三十一日	<u>25,715</u>	<u>—</u>
<b>Impairment loss</b>	減值虧損		
At 1 January	於一月一日	—	—
Provision for impairment	減值撥備	—	—
At 31 December	於十二月三十一日	<u>—</u>	<u>—</u>
<b>Carrying Amount</b>	賬面值		
At 31 December	於十二月三十一日	<u>25,715</u>	<u>—</u>

**Impairment test for cash-generating unit containing goodwill**

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the cash-generating unit operates.

**對現金產生單位(包括商譽)之減值測試**

現金產生單位之可回收金額乃根據使用價值之計算而釐定。該等計算乃根據管理層批准之五年期間財務預算使用現金流量預測。超過五年期間之現金流量乃根據下列估計比率推算。增長率不超過現金產生單位經營之業務之長期平均增長率。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 14. GOODWILL (Continued)

#### Impairment test for cash-generating unit containing goodwill (Continued)

Key assumptions used for value-in-use calculations:

Gross margin	毛利
Growth rate	增長率
Discount rate	折現率

Management determined the budgeted gross margin based on past performance and its expectation for market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. The directors concluded that it is appropriate not provide for impairment for the year ended 31 December 2007.

### 14. 商譽(續)

#### 對現金產生單位(包括商譽)之減值測試(續)

計算使用價值所應用之主要假設：

Group 集團
2007 二零零七年
%
33
32
6.5

管理層根據過往表現及其對市場發展之預期釐定預算毛利。所用之折現率均為除稅前且反映相關部門之特殊風險。董事認為，不就截至二零零七年十二月三十一日止年度提撥減值乃為合適。





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Medium term leasehold Land and Buildings	Construction in progress	Plant and machinery	Leasehold improvements, furniture, office equipment and motor vehicles	Total
		中期租賃土地及樓宇	在建工程	廠房及機器	租賃物業裝修、傢俬、辦公室設備及汽車	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
<b>Cost or valuation</b>	<b>成本或估值</b>					
At 1 January 2006	於二零零六年一月一日	87,300	15,346	162,355	12,812	277,813
Additions	添置	1,211	13,574	8,932	1,000	24,717
Transfer	轉讓	670	(906)	-	-	(236)
Surplus on revaluation	重估盈餘	484	-	-	-	484
Write-down of property plant and equipment	撇減物業、廠房及設備	-	-	(12,783)	-	(12,783)
Disposals	出售	(4,351)	(7,723)	(11,516)	(1,541)	(25,131)
Exchange realignment	匯兌調整	3,446	863	7,099	422	11,830
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	88,760	21,154	154,087	12,693	276,694
Acquired on acquisition of subsidiaries	於收購附屬公司獲得	40,760	-	221,581	3,124	265,465
Additions	添置	-	5,884	2,394	4,989	13,267
Transfer	轉讓	296	(296)	-	-	-
Surplus on revaluation	重估盈餘	3,453	-	-	-	3,453
Write-down of property plant and equipment	撇減物業、廠房及設備	-	-	(5,798)	(80)	(5,878)
Disposals	出售	-	-	(3,405)	(23)	(3,428)
Exchange realignment	匯兌調整	7,011	1,659	17,403	877	26,950
At 31 December 2007	於二零零七年十二月三十一日	140,280	28,401	386,262	21,580	576,523
<b>Analysis of cost or valuation</b>	<b>成本或估值分析</b>					
At cost	按成本	-	28,401	386,262	21,580	436,243
At valuation	按估值	140,280	-	-	-	140,280
		140,280	28,401	386,262	21,580	576,523



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

### 15. 物業、廠房及設備(續)

		Group 集團				
		Medium term leasehold Land and Buildings	Construction in progress	Plant and machinery	Leasehold improvements, furniture, office equipment and motor vehicles 租賃物業 裝修、傢俬、 辦公室 設備及汽車	Total
		中期租賃 土地及樓宇 HK\$'000 千港元	在建工程 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	設備及汽車 HK\$'000 千港元	總計 HK\$'000 千港元
<b>Depreciation</b>	<b>折舊</b>					
At 1 January 2006	於二零零六年一月一日	-	-	43,071	6,465	49,536
Provided for the year	年內撥備	1,817	-	16,748	2,265	20,830
Write-back on revaluation	重估時撥回	(1,796)	-	-	-	(1,796)
Write-down of property plant and equipment	撇減物業、廠房及設備	-	-	(3,634)	-	(3,634)
Disposals	出售	(56)	-	(4,853)	(323)	(5,232)
Exchange realignment	匯兌調整	35	-	2,155	204	2,394
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	-	-	53,487	8,611	62,098
Provided for the year	年內撥備	2,420	-	22,314	2,620	27,354
Write-back on revaluation	重估時撥回	(2,420)	-	-	-	(2,420)
Write-down of property plant and equipment	撇減物業、廠房 及設備	-	-	(1,439)	(80)	(1,519)
Disposals	出售	-	-	(2,641)	(10)	(2,651)
Exchange realignment	匯兌調整	-	-	4,627	509	5,136
At 31 December 2007	於二零零七年 十二月三十一日	-	-	76,348	11,650	87,998
Net book values	賬面淨值					
At 31 December 2007	於二零零七年 十二月三十一日	140,280	28,401	309,914	9,930	488,525
At 31 December 2006	於二零零六年 十二月三十一日	88,760	21,154	100,600	4,082	214,596



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The Group's leasehold land and buildings included above are held under the following lease terms:

Medium-term leases in Hong Kong	於香港之中期租約
Medium-term leases in the PRC	於中國之中期租約

At 31 December 2007, the Group's leasehold land and buildings in Hong Kong were revalued on an open market value, existing use basis, by DTZ Debenham Tie Leung Limited ("DTZ"), an independent firm of professional valuers, at HK\$5,400,000 (2006: HK\$4,900,000). The resulting revaluation surplus of approximately HK\$388,000 had been credited to the property revaluation reserve and revaluation surplus of approximate HK\$112,500 had been changed to the income statement (2006: HK\$456,000).

### 15. 物業、廠房及設備(續)

上文所載之集團租賃土地及樓宇乃根據以下租賃年期持有：

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Medium-term leases in Hong Kong	於香港之中期租約	5,400	4,900
Medium-term leases in the PRC	於中國之中期租約	<u>134,880</u>	<u>83,860</u>
		<u><u>140,280</u></u>	<u><u>88,760</u></u>

於二零零七年十二月三十一日，集團位於香港之租賃土地及樓宇由獨立專業估值師行戴德梁行有限公司(「戴德梁行」)以現時使用基準按公開市值重估為5,400,000港元(二零零六年：4,900,000港元)。因重估產生之重估盈餘約388,000港元已計入物業重估儲備，而重估盈餘約112,500港元(二零零六年：456,000港元)則已計入收益表。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

At 31 December 2007, the Group's leasehold land and buildings in the PRC except Hong Kong were revalued on a depreciated replacement costs basis by DTZ and LCH (Asia Pacific) Surveyors Limited, at HK\$93,000,000 and HK\$41,879,800, respectively (2006: HK\$83,860,000 and nil, respectively). The resulting revaluation surplus of approximately HK\$469,000 (2006: HK\$920,000) had been charged to the property revaluation reserve and revaluation surplus of approximately HK\$2,603,000 had been credited to the income statement (2006: HK\$1,361,000).

Had the Group's leasehold land and buildings in Hong Kong and elsewhere in the PRC been carried at historical cost or valuation less accumulated depreciation, their carrying amounts would have been approximately HK\$2,652,000 (2006: HK\$2,708,000) and HK\$125,956,000 (2006: HK\$85,614,000), respectively.

### 16. BIOLOGICAL ASSETS

### 15. 物業、廠房及設備(續)

於二零零七年十二月三十一日，集團位於中國(不包括香港)之租賃土地及樓宇由戴德梁行及利駿行測量師有限公司以折舊重置成本基準分別重估為93,000,000港元及41,879,800港元(二零零六年：分別83,860,000港元及零港元)。因重估產生之盈餘約469,000港元(二零零六年：920,000港元)已計入物業重估儲備，重估盈餘約2,603,000港元已計入收益表(二零零六年：1,361,000港元)。

倘集團於香港及中國其他地區之租賃土地及樓宇以歷史成本或估值減累計折舊列賬，則有關租賃土地及樓宇之賬面值分別約為2,652,000港元(二零零六年：2,708,000及約為125,956,000港元(二零零六年：85,614,000港元))。

### 16. 生物資產

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
At 1 January	於一月一日		
Acquisition through business combination	透過業務合併收購	3,138,375	—
Direct sales	直接出售	(108,536)	—
Exchange realignment	匯兌調整	122,677	—
Gain arising from changes in fair value less estimated point-of-sale cost of biological assets	生物資產之公平值減估計銷售點成本變動產生之收益	262,924	—
At 31 December	於十二月三十一日	<u>3,415,440</u>	<u>—</u>



## NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

**16. BIOLOGICAL ASSETS** (Continued)

The analysis of fair value of biological assets by location is as follows:

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Hebei	河北	31,993	—
Hunan	湖南	10,112	—
Yunan	雲南	3,373,335	—
		<u>3,415,440</u>	<u>—</u>

The Group's biological assets in PRC were independently valued by LCH (Asia-Pacific) Surveyors Limited.

**16. 生物資產** (續)

生物資產之公平值按地區分類如下：

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Hebei	河北	31,993	—
Hunan	湖南	10,112	—
Yunan	雲南	3,373,335	—
		<u>3,415,440</u>	<u>—</u>

集團於中國之生物資產乃由利駿行測量師有限公司獨立估值。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 16. BIOLOGICAL ASSETS (Continued)

In valuing the inventory of standing trees, the valuer has considered the three approaches to value with reference to inventory of standing trees as well as the accounting standard, and found that market approach i.e. the market-based comparable method is the most reasonable approach to value. This method uses the present market value in terms of price per unit volume of the final product and the total merchantable volume of timber in the concession as basis for coming up with the estimated value. The underlying theory of this approach is existing market price is dependent parameter since it reflects how much the buyer is willing to pay and how much the seller is willing to give up his goods and services.

In using the market approach the valuer has taken the following into consideration:

- Average diameter and length of round logs being sold in the locality;
- The diameter at breast height and the merchantable height of the standing trees;
- Parameters used in classifying young, mid-aged, near mature and mature trees;
- Species of the standing trees;
- The quantity of timber based on the adjusted inventory provided to us; and
- Cutting cost, transportation cost, forestry fund, and other associated costs necessary to process the standing trees to round logs.

### 16. 生物資產(續)

於對現時存活之樹木估值時，估值師曾參考現時存活之樹木之存量及會計準則而考慮三種估值方法，並發覺市場估值法(即以市場為基準之比較方式)是估值有關價值之最合理方法。此估值法乃採用木材的最終產品的每單位數量之現行市值及有關林場內可供出售之木材總數量為計算基準，以計算有關之估計價值。此估值法之基本理論為，現行市價為足以依據之參數，因其反映買方願意付出之價格及賣方就售出及提供貨物及服務而願意收取之價格。

在採用市場估值法時，估值師曾考慮以下各點：

- 在當地出售之圓材之平均圓周及長度；
- 現時存活之樹木之胸高直徑及商用材高；
- 分辨幼樹、半長成樹、接近長成樹及已長成樹之參數；
- 現時存活樹木之種類；
- 根據吾等所獲提供之經調整木材存量計算之木材數量；及
- 把現時存活之樹木處理成為圓材所需動用之採伐成本、運輸成本、林產業基金及其他相關成本。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 16. BIOLOGICAL ASSETS (Continued)

The valuer understands, that it is the intention of the Company to sell the biological assets as i) round logs to sawmills in their respective locality, ii) raw material in its solid and engineered wood factory and iii) process some of the harvested timber to sawn timber in its sawmill. Factors considered in selling harvested timber are location of the forest area, species of timber, volume of timber and requirement of the Green & Good Group's owned factories. The valuer has assumed in its valuation that the entire inventory will be sold in their respect locality as round logs since the Green & Good Group's intended to use only a small quantity of the timber for processing in owned factories.

During the valuer's on-site inspection, the valuer was informed that young and mid-age trees are also marketable but at lower prices compared to near mature, mature and over mature trees. For this reason, the valuer has valued the entire timber inventory in the Forestry Reports.

In valuing the inventory of standing tree using the market approach, the valuer has used the average mill gate round log prices taking into consideration tree species, age and location.

Reasonable recovery rates to allow for losses before and during harvesting as well as costs required to harvest and transport the timber from the forest to local point of sales were then deducted to arrive at its opinion of value. The other costs that were considered in the valuer's valuation are: harvesting and transportation cost to main road or point of sales, local and national taxed fund, forestry road allowance and forest management cost.

### 16. 生物資產 (續)

估值師知悉，公司有意把生物資產作為：(i)圓材，售予彼等各自所在地區之鋸木廠；(ii)原材料，售予硬木及複合木材廠；及(iii)部份已採伐木材售予鋸木廠加以處理成為經鋸切之木材。就出售已採伐木材所考慮之因素為林場之所在地點、木材的樹種、木材存量及是否需要綠之嘉集團本身的廠房加以處理。估值師在估值報告中已假設全部木材存量將會在彼等各自之所在地區以圓材形式出售，因綠之嘉集團僅有意經本身廠房處理少量木材。

在實地視察期內，估值師得悉幼樹及半長成樹亦可在市場上出售，惟與接近長成、已長成及年老之樹木相較則價格偏低。基於此理由，估值師已為林產業報告內之全部木材存量進行估值。

估值師在採用市場估值法對現時存活之樹木之存量進行估值時，已採用鋸木廠之圓材平均價(已計入樹木種類、樹齡及所在地點)計算。

估值師之估值意見已計入合理之再購率(已就採伐前及採伐時之損失作準備，並扣除採伐及把木材由樹林運輸至銷售點所需之成本)。估值師在估值時曾考慮之其他成本分別為：採伐及運輸至大路或銷售點之成本、當地及國家稅項基金、林產業津貼及森林管理成本。





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

### 17. INVESTMENTS IN SUBSIDIARIES

### 17. 於附屬公司之投資

		Company 公司	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Unlisted shares, at cost	非上市股份，按成本值	1,761,534	81,159

The balances due from (to) subsidiaries included in the Company's current assets and current liabilities are unsecured, interest-free and repayable on demand. The carrying amount of these amounts due from (to) subsidiaries approximate to their fair value.

計入公司之流動資產及流動負債之應收(付)附屬公司之結餘為無抵押、免息及無固定償還期限。應收(付)附屬公司之此等金額之賬面值接近其公平值。

Particulars of the principal subsidiaries are as follows:

主要附屬公司之詳情如下：

Name 公司名稱	Place of incorporation/ establishment and operations 註冊成立/成立 及營業地點	Nominal value of paid-up share/ registered capital 實繳股本/註冊 資本面值	Percentage of equity attributable to the Company 公司應佔 股本百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Green & Good Group Limited ("Green & Good") 綠之嘉集團有限公司 (「綠之嘉」)	British Virgin Islands 英屬處女群島	Ordinary US\$100 普通股100美元	70	-	Investment holding 投資控股
Leeka Wood Co. Ltd 綠之嘉木業有限公司	PRC 中國	RMB100,000,000 人民幣100,000,000元	-	70	Manufacture, distribution and sales of timber flooring products and furniture 製造、分銷及銷售木地板產品 及傢具
綠之嘉木製品制造有限公司 綠之嘉木製品制造有限公司	PRC 中國	US\$1,280,000 1,280,000美元	-	47.39	Manufacture, distribution and sales of flooring product 製造、分銷及銷售地板產品



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 17. INVESTMENTS IN SUBSIDIARIES

(Continued)

### 17. 於附屬公司之投資(續)

Name 公司名稱	Place of incorporation/ establishment and operations 註冊成立/成立 及營業地點	Nominal value of paid-up share/ registered capital 實繳股本/註冊 資本面值	Percentage of equity attributable to the Company 公司應佔 股本百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
E-Today Technology Limited ("E-Today")	British Virgin Islands 英屬處女群島	Ordinary US\$600 普通股600美元	100	–	Investment holding 投資控股
Deji Electronic Co., Ltd. Putian County, Fujian ("Deji Electronic") (Note 1) 福建省莆田縣德基 電子有限公司 (「德基電子」)(附註1)	PRC 中國	HK\$10,200,000 10,200,000港元	–	100	Manufacture and sales of electronic products 製造及銷售 電子產品
Putian Dexing Electronic Co., Ltd. ("Putian Dexing") (Note 2) 莆田德信電子有限公司 (「莆田德信」)(附註2)	PRC 中國	HK\$118,136,944 118,136,944港元	–	100	Manufacture and sales of electronic products 製造及銷售 電子產品
Putian Derong Electronic Co., Ltd. ("Putian Derong") (Note 3) 莆田市德榮電子有限公司 (「莆田德榮」)(附註3)	PRC 中國	HK\$60,601,000 60,601,000港元	–	100	Manufacture and sales of electronic products 製造及銷售 電子產品



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 17. INVESTMENTS IN SUBSIDIARIES

(Continued)

### 17. 於附屬公司之投資 (續)

Name 公司名稱	Place of incorporation/ establishment and operations 註冊成立/成立 及營業地點	Nominal value of paid-up share/ registered capital 實繳股本/註冊 資本面值	Percentage of equity attributable to the Company 公司應佔 股本百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Zhejiang Yiwu Dexing Electronic Co., Ltd. ("Zhejiang Yiwu") (Note 4) 浙江義烏德信電子有限公司 (「浙江義烏」)(附註4)	PRC 中國	US\$9,950,000 9,950,000美元	-	100	Inactive 暫無營業
Tak Shun (Lam's) Company Limited ("Tak Shun Lam") (Note 5) 德信(林氏)有限公司 (「Tak Shun Lam」)(附註5)	Hong Kong 香港	Ordinary HK\$2 Non-voting deferred HK\$10,000 (Note 5) 普通股2港元 無投票權遞延股 10,000港元(附註5)	-	100	Investment holding and distribution of electronic products 投資控股及分銷 電子產品
Advance Display Technology Limited 創思顯示技術有限公司	Hong Kong 香港	HK\$10,000 10,000港元		100	Sales of Liquid Crystal Display products 銷售液晶體 顯示產品
Tak Shun (Lam's) Macao Commercial Offshore Limited 德信(林氏)澳門離岸 商業服務有限公司	Macau 澳門	MOP500,000 500,000澳門幣	-	100	Distribution of electronic products 分銷電子產品



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 17. INVESTMENTS IN SUBSIDIARIES (Continued)

Note 1: Deji Electronic is a Sole Foreign Investment Enterprise established in the PRC for an operating period of 20 years commencing from its date of establishment on 27 April 1992. The registered and paid-up capital of Deji Electronic amounted to HK\$10,200,000.

Note 2: Putian Dexing is a Sole Foreign Investment Enterprise established in the PRC for an operating period of 50 years commencing from its date of establishment on 18 May 1998. The registered capital of Putian Dexing amounted to HK\$206,480,000, of which HK\$118,136,944 was paid up by the Group as at 31 December 2007.

Note 3: Putian Derong is a Sole Foreign Investment Enterprise established in the PRC for an operating period of 50 years commencing from its date of establishment on 29 April 2001. The registered and paid up capital of Putian Derong amounted to HK\$63,000,000, of which HK\$60,601,000 was paid up by the Group as at 31 December 2007.

Note 4: Zhejiang Yiwu is a Sole Foreign Investment Enterprise established in the PRC for an operating period of 30 years commencing from its date of establishment on 28 November 2003. The registered and paid up capital of Zhejiang Yiwu amounted to US\$9,950,000 (equivalent to HK\$77,610,000).

Note 5: The non-voting deferred shares carry no rights as to dividends, no rights to attend or vote at general meetings and no rights to receive any surplus in a return of capital in a winding-up (other than the nominal amount paid up or credited as paid-up of the non-voting deferred shares, after a sum of HK\$1,000,000,000 per ordinary share has been distributed to the holders of the ordinary shares of Tak Shun Lam in such winding-up).

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

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.

### 17. 於附屬公司之投資(續)

附註1：德基電子為於中國成立之獨資外資投資企業，由一九九二年四月二十七日成立日期起經營年期為20年。德基電子之註冊及繳足資本為10,200,000港元。

附註2：莆田德信為於中國成立之獨資外資投資企業，由一九九八年五月十八日成立日期起經營年期為50年。莆田德信之註冊資本為206,480,000港元，當中118,136,944港元已於二零零七年十二月三十一日由集團支付。

附註3：莆田德榮為於中國成立之獨資外資投資企業，由二零零一年四月二十九日成立日期起經營年期為50年。莆田德榮之註冊資本為63,000,000港元，當中60,601,000港元已於二零零七年十二月三十一日由集團支付。

附註4：浙江義烏為於中國成立之獨資外資投資企業，由二零零三年十一月二十八日成立日期起經營年期為30年。浙江義烏之註冊及繳足資本為9,950,000美元(相當於77,610,000港元)。

附註5：無投票權遞延股並無附帶獲派股息之權利，亦無權出席股東大會及於會上投票及無權在清盤時在資本償還中收取任何盈餘(除非在清盤時Tak Shun Lam普通股之持有人已就每股普通股分派1,000,000,000港元之款項後，則可收回已繳或入賬列作繳足股款之無投票權遞延股之面值)。

並無附屬公司於年底或年內任何時間有任何債務證券附屬公司。

董事認為，上表所載列之公司附屬公司，對本年度業績構成主要影響或佔集團資產淨值之主要部分。董事認為，刊載其他附屬公司之詳細資料會令本文過於冗長。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 18. INVENTORIES

### 18. 存貨

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Raw materials	原料	42,035	39,268
Work in progress	在製品	17,158	14,558
Finished goods	製成品	47,892	54,605
		<b>107,085</b>	<b>108,431</b>

Included in above, none of work in progress (2006: Nil) and finished goods of approximately HK\$6,110,000 (2006: HK\$14,250,000) are carried at net realisable value.

以上不包括在製品(二零零六年：無)及包括製成品約6,110,000港元(二零零六年：14,250,000港元)，均以可變現淨值列賬。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 19. TRADE RECEIVABLES

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Trade receivables	應收貿易賬項	105,296	99,771
Less: Allowance for bad and doubtful trade receivables	減：應收貿易賬項呆壞賬撥備	(1,347)	(1,157)
		<u>103,949</u>	<u>98,614</u>

The Group normally allows credit terms ranging from 30 to 90 days to its customers.

An aging analysis of the trade receivables net of allowance for bad and doubtful trade receivables as at the balance sheet date, based on the date of recognition of the sale, is as follows:

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
1 – 30 days	1 – 30日	46,464	41,277
31 – 60 days	31 – 60日	28,523	29,375
61 – 90 days	61 – 90日	17,873	16,938
Over 90 days	90日以上	11,089	11,024
		<u>103,949</u>	<u>98,614</u>

The fair values of the Group's trade receivables at 31 December 2007 approximated to the corresponding carrying amounts.

### 19. 應收貿易賬項

集團一般給予客戶30至90日之信貸期。

根據銷售確認日期而劃分之結算日應收貿易賬項(扣除應收貿易賬項呆壞賬撥備)之賬齡分析如下：

集團於二零零七年十二月三十一日之應收貿易賬項之公平值接近其相應之賬面值。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 20. AVAILABLE FOR SALES FINANCIAL ASSETS

### 20. 可供出售金融資產

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Listed investments	上市投資		
Equity securities listed in Hong Kong	於香港上市的股票證券	<u>11,610</u>	<u>—</u>
Analysed for reporting purpose as:	分析作呈報目的為：		
Current assets	流動資產	<u>11,610</u>	<u>—</u>





## NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

## 21. TRADE PAYABLES

An aging analysis of the trade payables as at the balance sheet date, based on the receipt of goods purchased is as follows:

1 – 30 days	1 – 30日
31 – 60 days	31 – 60日
61 – 90 days	61 – 90日
91 – 180 days	91 – 180日
Over 180 days	180日以上

The fair values of the Group's trade payables at 31 December 2007 approximated to the corresponding carrying amounts.

## 22. INTEREST-BEARING BANK LOANS

Unsecured bank loans	無抵押銀行貸款
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## 21. 應付貿易賬項

根據所購買之貨物收訖日期而劃分之結算日應付貿易賬項之賬齡分析如下：

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
		24,028	20,410
		13,024	16,390
		6,856	4,904
		7,265	4,674
		8,407	9,818
		<u>59,580</u>	<u>56,196</u>

集團於二零零七年十二月三十一日之應付貿易賬項之公平值接近其相應之賬面值。

## 22. 計息銀行貸款

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
		413,267	50,000



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 22. INTEREST-BEARING BANK LOANS

(Continued)

The above amounts bear interest at prevailing market rates and are repayable as follows:

Within one year	一年內
In the second year	第二年
In the third to fifth years inclusive	第三年至第五年 (包括首尾兩年)
Less: Amounts due within one year shown under current liabilities	減：流動負債所示一年內應付之款項

All bank loans are variable-rate borrowings which carry interest ranging from 4.75% to 6.47% (2006: 4.71% to 5.66% per annum) of which approximately HK\$6,667,000 (2006: HK\$13,333,000) as at 31 December 2007 was hedged by using floating-to-fixed interest-rate swap. Such interest-rate swap has the economic effect of converting the bank loan from floating rate to fixed rate.

The unsecured interest bearing bank loan of HK\$21,400,000 is guaranteed by the Company and certain of its subsidiaries.

The Group's bank loan of HK\$385,200,000 is guaranteed by a loan guarantee service provider, an independent third party. The Group has given a corporate guarantee in favour of this loan guarantee service provider in respect of this bank loan.

The directors consider that the carrying amount of bank borrowings is approximated to their fair values.

### 22. 計息銀行貸款(續)

上述金額乃按現行市場利率計息，並須於以下年期償還：

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
		66,587	33,333
		—	16,667
		346,680	—
		413,267	50,000
		(66,587)	(33,333)
		346,680	16,667

所有銀行貸款均為浮息借貸，按4.75%至6.47%利率計息(二零零六年：年利率為4.71%至5.66%)，當中於二零零七年十二月三十一日之6,667,000港元(二零零六年：13,333,000港元)乃採用浮息至固定息率轉換之方法對沖。有關利率轉換對將銀行貸款由浮息轉為固定利息帶來經濟效益。

無抵押計息銀行貸款21,400,000港元乃由公司及其若干附屬公司提供擔保。

集團之銀行貸款385,200,000港元由一名貸款擔保服務提供者(為獨立第三方)提供擔保。集團已就該銀行貸款向此貸款擔保服務提供者作出一項公司擔保。

董事認為銀行借貸的賬面值接近其公平值。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 22. INTEREST-BEARING BANK LOANS

(Continued)

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

As at 31 December                      於十二月三十一日

### 22. 計息銀行貸款(續)

以有關集團實體之功能貨幣以外之貨幣列值之集團借貸載列如下：

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
		<b>406,600</b>	—

### 23. PLEDGE OF ASSETS

At the balance sheet date, none of property, plant and equipment (2006: Nil) were pledged to secure the Group's banking facilities.

### 23. 資產抵押

於結算日並無物業、廠房及設備(二零零六年：無)已抵押作集團銀行融資之抵押。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 24. DEFERRED TAXATION

The following are the major unprovided deferred tax assets by the Group and movements thereon during the year.

### 24. 遞延稅項資產

以下為集團於年內之主要未撥備遞延稅項資產及其變動：

		Difference between depreciation and tax allowances 折舊與 其免稅額 之差額 HK\$'000 千港元	Group 集團  Estimated tax losses 估計稅務 虧損 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	459	—	459
Movement for the year	年內變動	(478)	508	30
At 31 December 2006	於二零零六年 十二月三十一日	(19)	508	489
Movement for the year	年內變動	(197)	90	(107)
At 31 December 2007	於二零零七年 十二月三十一日	<u>(216)</u>	<u>598</u>	<u>382</u>

No provision for deferred tax had been made as the Group did not have any significant unprovided deferred tax assets in respect of the year (2006: Nil).

集團於年內並無任何重大未撥備遞延稅項資產，故並無就遞延稅項作出撥備（二零零六年：無）。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 25. SHARE CAPITAL

### 25. 股本

Shares 股份		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定：		
At 1 January 2006, and 31 December 2006	於二零零六年一月一日及 二零零六年十二月三十一日	4,000,000,000	40,000
Increase in authorized share Capital (Note (a))	法定股本增加(附註(a))	96,000,000,000	960,000
At 31 December 2007	於二零零七年十二月三十一日	100,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2006	於二零零六年一月一日	1,440,004,800	14,400
Issue of Offer Shares	發行發售股份	576,001,920	5,760
Issue of Placing Shares	發行配售股份	288,000,000	2,880
At 31 December 2006	於二零零六年十二月三十一日	2,304,006,720	23,040
Issue of Placing Shares (Note (b))	發行配售股份(附註(b))	460,800,000	4,608
Issue of new shares upon exercise of options	於購股權獲行使時 發行新股份	16,432,000	164
Issue of new shares upon exercise of warrants (Note (c))	於認股權證獲行使時 發行新股份(附註(c))	190,660,000	1,907
Issue of consideration shares (Note (d))	發行代價股份(附註(d))	556,247,000	5,562
Issue of bonus shares (Note (e))	發行紅股(附註(e))	14,101,782,880	141,018
At 31 December 2007	於二零零七年十二月三十一日	17,629,928,600	176,299



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

### 25. SHARE CAPITAL (Continued)

*Notes:*

The movements in the ordinary share capital during the year ended 31 December 2007 are as follows:

- (a) Pursuant to the ordinary resolutions passed at the extraordinary general meeting of the Company held on 19 March 2007 and 20 September 2007, the authorised share capital of the Company was increased by the creation of 16,000,000,000 and 80,000,000,000 additional shares respectively of HK\$0.01 each, ranking pari passu in all respect with the existing share capital of the Company.
- (b) On 9 January 2007, the Company completed a placing of 460,800,000 shares of the Company at a price of HK\$0.215 each under general mandate, which was granted to the directors pursuant to the resolution passed by extraordinary meeting held on 18 December 2006.
- (c) During the year ended 31 December 2007, registered warrant holders exercised their rights to subscribe for 190,660,000 ordinary shares at a consideration of HK\$83,882,500 of which HK\$1,906,600 was credited to share capital and the balance of HK\$81,975,900 was credited to the share premium account.
- (d) On 8 October 2007, the Company completed the acquisition of 70% equity interest in Green & Good Group Limited and issued 556,247,000 consideration shares, credited as fully paid at HK\$0.99 per share, as part of the total consideration payable for the acquisition.
- (e) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 20 September 2007, the Company had issued and allotted the 14,101,782,880 bonus shares on the basis of four bonus shares for every one share held, credited as fully paid, to the shareholders of the Company.

### 25. 股本(續)

*附註:*

截至二零零七年十二月三十一日止年度之普通股股本變動如下:

- (a) 根據於二零零七年三月十九日及二零零七年九月二十日舉行之股東特別大會通過之普通決議案，公司之法定股本分別藉增設16,000,000,000股及80,000,000,000股每股面值0.01港元之股份而增加，有關股份於所有方面與公司之現有股本享有同等地位。
- (b) 於二零零七年一月九日，公司完成根據於二零零六年十二月十八日舉行之股東特別大會所通過之決議案授予董事之一般授權以每股0.215港元之價格配售460,800,000股公司股份。
- (c) 於截至二零零七年十二月三十一日止年度，註冊認股權證持有人行使彼等之權利以認購190,660,000股普通股，代價為83,882,500港元，其中1,906,600港元計入股本，而結餘81,975,900港元則計入股份溢價賬。
- (d) 於二零零七年十月八日，公司完成收購綠之嘉集團有限公司之70%股本權益，並按每股0.99港元發行556,247,000股入賬列作繳足之代價股份，作為收購之總應付代價部分。
- (e) 根據於二零零七年九月二十日舉行之股東特別大會通過之普通決議案，公司已按每持有一股股份獲發四股紅股之基準發行及配發14,101,782,880股入賬列作繳足之紅股予公司股東。



## NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

## 26. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

## 26. 綜合現金流量表附註

## (a) Acquisition of a subsidiary company

## (a) 收購附屬公司

On 8 October 2007, the Group completed the acquisition of 70% interest in share capital of Green and Good Group Limited, which owned 100% interest in Leek Wood Co. Ltd (“Shares Group”) from Superview International Limited, an independent unconnected party. The share of consolidated net assets of Green and Good Group Limited and its subsidiaries acquired were as follows:

於二零零七年十月八日，集團完成向獨立無關連第三方超景國際有限公司收購綠之嘉集團有限公司之70%股本權益，而綠之嘉集團有限公司則擁有綠之嘉木業有限公司（「股份集團」）之100%權益。應佔所收購綠之嘉集團有限公司及其附屬公司之綜合資產淨值如下：

Details of fair value of net assets acquired and goodwill are as follows:

所分佔之已收購資產淨公平值及商譽之詳情如下：

		2007 HK\$'000 二零零七年 千港元
Lease premium for land	土地租約費用	25,239
Property, plant and equipment	物業、廠房及設備	265,465
Biological assets	生物資產	3,138,375
Inventories	存貨	12,501
Trade receivables	應收貿易賬項	45,714
Cash and cash equivalents	現金及現金等值項目	33,514
Prepayment, deposits and other receivables	預付款項、訂金及其他應收款項	15,578
Other current assets	其他流動資產	25,237
Trade payables	應付貿易賬項	(12,080)
Other payables	其他應付款項	(318,133)
Other non-current liabilities	其他非流動負債	(371,809)
		2,859,601
Minority interests	少數股東權益	(947,574)
Share of net fair value assets acquired	應佔已收購資產淨公平值	1,912,027
Total consideration	總代價	(1,680,373)
Gain on acquisition – negative goodwill	收購之權益 – 負商譽	231,654





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

### 26. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (Continued)

### 26. 綜合現金流量表附註(續)

#### (a) Acquisition of a subsidiary company (Continued)

#### (a) 收購附屬公司(續)

		2007 HK\$'000 二零零七年 千港元
Satisfied by:	如下支付：	
Cash	現金	200,000
Consideration shares (Note 1)	代價股份 (附註1)	550,685
Convertible notes (Note 2)	可換股票據 (附註2)	929,688
		<u>1,680,373</u>
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：	
Cash consideration	現金代價	(200,000)
Cash and cash equivalents acquired	已收購現金及現金等值項目	33,514
		<u>(166,486)</u>

*Note 1* The consideration shares comprise 556,247,000 ordinary shares in capital of the Company credited as fully paid at issue price of HK\$0.99 per consideration share. The share issue price of HK\$0.99 was determined by reference to the average price of the Company's shares on 8 October 2007 as quoted in The Stock Exchange of Hong Kong Limited.

*附註1* 代價股份公司資本中556,247,000股普通股股份，並以每股代價股份0.99港元之發行價計入繳足。0.99港元之股份發行價乃參考於二零零七年十月八日公司股份在香港聯合交易所有限公司之平均報價而釐定。

*Note 2* The Consideration of HK\$929,688,850 was satisfied by issue of the Convertible Notes with a conversion price of HK\$0.45 per conversion share to the Vendor. Further details of the convertible notes payable are set out in Note 29.

*附註2* 代價929,688,850港元以發行每股0.45港元交換股價之可換股票據予賣方支付。應付可換股票據之進一步詳情載於附註29。



## NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

## 26. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (Continued)

## 26. 綜合現金流量表附註(續)

## (b) Disposal of a subsidiary company

## (b) 出售附屬公司

On 30 November 2007, the Group had disposed of its entire 99% interest in 靖州縣綠之嘉林業有限公司 to an independent third party. The net assets of 靖州縣綠之嘉林業有限公司 disposed of were as follows:

於二零零七年十一月三十日，集團已出售其於靖州縣綠之嘉林業有限公司之所有99%權益予一名獨立第三方。已出售之靖州縣綠之嘉林業有限公司資產淨值如下：

		2007 HK\$'000 二零零七年 千港元
Aggregate net assets disposed at date of disposal:	於出售日期之已出售總資產淨值：	
Property, plant and equipment	物業、廠房及設備	2,492
Trade receivables	應收貿易賬項	1,851
Cash and cash equivalents	現金及現金等值項目	1,746
Prepayment, deposits and other receivables	預付款項、訂金及其他應收款項	461
Other current assets	其他流動資產	2,425
Trade payables	應付貿易賬項	(5)
Other payables	其他應付款項	(5,566)
		3,404 (743)
Loss on disposal	出售之虧損	
Total consideration	總代價	2,661
Satisfied by:	如下支付：	
Cash	現金	(2,661)
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	2,661
Cash and cash equivalents disposed of	已出售現金及現金等值項目	(1,746)
		915



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 27. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Option Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, any person or entity providing research, development or other technological support to the Group, and any other person or entity determined by the directors as having contributed or may contribute to the development and growth of the Group. The Option Scheme became effective on 18 September 2001 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. At 31 December 2007, the total number of shares issuable under the share options granted and not yet granted under the Option Scheme was approximately 1,762,992,860, which represented approximately 10% of the Company's shares in issue as at that date. The maximum number of shares issuable under share options to each eligible participant in the Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

### 27. 購股權計劃

公司設有購股權計劃(「購股權計劃」)藉此獎勵及回饋對集團營運業績有實質貢獻之合資格參與者。購股權計劃之合資格參與者包括公司之董事(獨立非執行董事亦包括在內)、集團其他僱員、集團之貨品或服務供應商、集團客戶、為集團提供研究、開發或其他技術支援之個人或實體以及董事認為曾為或將為集團發展及成長帶來貢獻之任何其他人士或實體。購股權計劃於二零零一年九月十八日生效，除非另有取消或修訂，否則由該日起計10年將一直有效。

日前根據購股權計劃容許授出之未行使購股權之最高數目為相等於購股權行使後公司任何時間之已發行股份之10%。於二零零七年十二月三十一日，根據購股權計劃可予但尚未授出之購股權而可供發行之股份總數約為1,762,992,860股，佔公司於該日已發行股份約10%。在十二個月期內根據購股權計劃可向購股權計劃內之合資格參與者發行之最高股份數目不得超出公司已發行股份之1%。任何進一步授出超出此限額之購股權，則須在股東大會上取得股東批准。

授予公司董事、行政總裁或主要股東或任何彼等之聯繫人士購股權均須事先取得獨立非執行董事批准。此外，於任何十二個月期間如授予公司之主要股東或獨立非執行董事或任何彼等之聯繫人士之購股權超出公司任何時間之已發行股份之0.1%或總面值(根據公司股份於授出日期之價格計算)超出5,000,000港元者，均須在股東大會上事先取得股東批准。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 27. SHARE OPTION SCHEME (Continued)

The offer of a grant of share options may be accepted within 21 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 directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the share options.

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

Share options do not confer rights on the holders to dividends or to vote at shareholder's meetings.

### 27. 購股權計劃(續)

授出購股權之建議須於授出購股權建議之日期起計21日內獲接納，承授人亦須就此繳交合共1港元之名義代價。所授出之購股權之行使期由董事決定，期限在購股權歸屬承授人後開始，而屆滿日期不得遲於購股權授出日期起計10年。

購股權之行使價由董事決定，惟不得低於以下之較高者(i)公司股份於授出購股權建議當日(該日必需為營業日)在聯交所每日報價表所列之收市價；(ii)緊接授出購股權建議日期前五個交易日聯交所每日報價表列示之公司股份平均收市價；及(iii)公司股份之面值。

購股權並不附予其持有人獲派股息及於股東大會上投票之權利。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 27. SHARE OPTION SCHEME (Continued)

### 27. 購股權計劃(續)

The following share options were outstanding under the Option Scheme during the year:

年內，根據購股權計劃尚未行使之購股權如下：

Name or category of participant	Number of share options 購股權數目					At 31 December 2007 於二零零七年十二月三十一日	Date of grant of share options <sup>1</sup> 授出購股權日期 <sup>1</sup>	Exercise period of share options 購股權行使期限	Exercise price of share options <sup>2,3</sup> 購股權行使價 <sup>2,3</sup>
	At 1 January 2007 於二零零七年一月一日	Granted during the year 年內已授出	Exercised during the year 年內已行使	Adjustment for Bonus Issue <sup>3</sup> 就發行紅股 股調整 <sup>3</sup>	Cancelled during the year 年內已註銷				
Directors 董事									
Li Jun 李珺	-	15,000,000	-	60,000,000	-	75,000,000	13/10/2007	15/10/2007 to 13/9/2011	0.194
Jing Bin 景濱	-	15,000,000	-	60,000,000	-	75,000,000	13/10/2007	15/10/2007 to 13/9/2011	0.194
Cheng Man For 鄭文科	-	10,000,000	-	40,000,000	-	50,000,000	13/10/2007	15/10/2007 to 13/9/2011	0.194
Consultants in aggregate 顧問合共	-	175,000,000	-	700,000,000	-	875,000,000	13/10/2007	15/10/2007 to 13/9/2011	0.194
Other employees 其他僱員									
In aggregate 合計	3,889,600	-	(3,670,810)	875,160	(364,650)	729,300	3/1/2005	24/1/2005 to 25/1/2010	0.05628
	5,834,400	-	(5,506,215)	1,312,740	(546,975)	1,093,950	3/1/2005	24/1/2006 to 25/1/2010	0.05628
	7,779,200	-	(7,254,975)	2,083,520	(760,545)	1,847,200	3/1/2005	24/1/2007 to 25/1/2010	0.05628
	9,724,000	-	-	36,221,900	(2,795,650)	43,150,250	3/1/2005	24/1/2008 to 25/1/2010	0.05628
	11,668,800	-	-	43,466,280	(3,354,780)	51,780,300	3/1/2005	24/1/2009 to 25/1/2010	0.05628
	-	15,000,000	-	60,000,000	-	75,000,000	13/10/2007	15/10/2007 to 13/9/2011	0.194
	<u>38,896,000</u>	<u>230,000,000</u>	<u>(16,432,000)</u>	<u>1,003,959,600</u>	<u>(7,822,600)</u>	<u>1,248,601,000</u>			



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 27. SHARE OPTION SCHEME (Continued)

- (1) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- (2) The exercise price of the share option is subject to adjustment in the case of a capitalisation issue, rights issue, sub-division or consolidation of the Company's shares or reduction of the Company's share capital.
- (3) The number of share options and exercised price had been adjusted following the completion of bonus issue of shares on 18 October 2007.

These fair value of the share options granted on 24 January 2005 and 13 October 2007 were calculated using the Black-Scholes pricing model. The inputs into the model at their respective dates of grant of options were as follows:

		24 January 2005 二零零五年 一月二十四日	13 October 2007 二零零七年 十月十三日
Weighted average share price	加權平均股價	\$0.31	\$0.194
Exercise price	行使價	\$0.342	\$0.194
Expected volatility	預計波幅	41.94%	91.32%
Expected life	預計期限 (年)	5	4
Risk-free rate	無風險利率	4%	3.75%
Expected dividend yield	預計股息率	0%	0%
Employee exit rate pre-vesting	歸屬前僱員離職率	10%	N/A 不適用

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 1 year prior to the date of grant of options. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

The Group recognised the total expense of approximately HK\$104,492,000 for the year ended 31 December 2007 (2006: HK\$802,000) in relation to share options granted by the Company.

### 27. 購股權計劃(續)

- (1) 購股權之歸屬期乃自授出日期起直至行使期開始止。
- (2) 購股權之行使價可就資本化發行、供股、公司股份分拆或合併或公司股本削減予以調整。
- (3) 購股權數及行使價於二零零七年十月十八日完成發行紅股後已作調整。

該等於二零零五年一月二十四日及二零零七年十月十三日發行紅股授出之購股權之公平值乃採用「柏力克－舒爾斯」定價模式進行計算。於授出購股權當日，該定價模式之輸入數值列明如下：

	24 January 2005 二零零五年 一月二十四日	13 October 2007 二零零七年 十月十三日
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預計波幅乃依據公司股價於授出購股權當日前過往一年內之歷史波幅測算。就非轉讓性、行使限制及行為考慮而言，根據管理層之最佳估計，使用該模式之所使用之預計年期已作出調整。

截至二零零七年十二月三十一日止年度，集團就公司所授出購股權確認之總開支約為104,492,000港元(二零零六年：802,000港元)。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 27. SHARE OPTION SCHEME (Continued)

At 31 December 2007, the Company had 1,248,601,000 share options (2006: 38,896,000 share options) outstanding under the Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 1,248,601,000 additional ordinary shares of HK\$0.01 each of the Company and additional share capital of HK\$12,486,010 (2006: HK\$388,960) and share premium of approximately HK\$216,163,254 (2006: HK\$10,556,000) (before share issue expenses).

### 27. 購股權計劃(續)

於二零零七年十二月三十一日，根據購股權計劃尚未行使之購股權有1,248,601,000份(二零零六年：38,896,000份)。根據公司目前之資本架構，倘若尚未行使之購股權獲悉數行將致使額外發行1,248,601,000股每股面值0.01港元之普通股，帶來未計發行股份開支前之額外股本約12,486,010港元(二零零六年：388,960港元)及股份溢價約216,163,254港元(二零零六年：10,556,000港元)。

### 28. RESERVES

#### Company 公司

		Share premium	Share options Reserve	Warrants reserve	Conversion note equity reserve	Retained profits	Total
	附註 Note	股份溢價 HK\$'000 千港元 (Note) (附註)	購股權儲備 HK\$'000 千港元	認股權證儲備 HK\$'000 千港元	可換股票據權益儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2006	於二零零六年一月一日	113,665	1,964	-	-	49,946	165,575
Employee share option benefits	僱員購股權福利	-	802	-	-	-	802
Premium on issue of open shares	發行發售股份溢價	25(a) 22,039	-	-	-	-	22,039
Premium on issue of placing shares	發行配售股份溢價	25(b) 22,183	-	-	-	-	22,183
Loss for the year	本年度虧損	-	-	-	-	(1,568)	(1,568)
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	157,887	2,766	-	-	48,378	209,031
Premium on issue of placing shares	發行配售股份之溢價	91,922	-	-	-	-	91,922
Proceed from issue of warrants	發行認股權證所得款項	-	-	23,728	-	-	23,728
Premium on issue of share upon exercise of options	行使購股權時發行股份之溢價	4,459	-	-	-	-	4,459
Premium on issue of shares upon exercise of warrant	行使認股權證時發行股份之溢價	90,555	-	(8,580)	-	-	81,975
Issue of conversion shares	發行兌換股份	545,122	-	-	-	-	545,122
Employee share option benefits	僱員購股權福利	-	104,281	-	-	-	104,281
Issue of Convertible note	發行可換股票據	-	-	-	93,123	-	93,123
Bonus issues	發行紅股	(141,018)	-	-	-	-	(141,018)
Loss for the year	本年度虧損	-	-	-	-	(88,045)	(88,045)
At 31 December 2007	於二零零七年十二月三十一日	748,927	107,047	15,148	93,123	(39,667)	924,578





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 28. RESERVES (Continued)

Note:

The share premium of the Company represents: (i) the excess of the then combined net assets of the subsidiaries acquired pursuant to the Group Reorganisation over the nominal value of the share capital of the Company issued in exchange therefor; (ii) the premium utilised as a result of the capitalisation issue and bonus issue of shares of the Company; and (iii) the premium arising from the new issue of shares of the Company.

In accordance with the Companies Law (Revised) of the Cayman Islands, the share premium is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

### 29. CONVERTIBLE NOTE PAYABLE

On 17 October 2007, pursuant to the acquisition of 70% interest in Green & Good Group Limited (Green & Good) from Superview International Limited ("Vendor"), the Company issued convertible notes (the "Convertible Notes") as partial settlement of the acquisition consideration.

The principal terms of the Convertible Notes are as follows:

Date of issue	8 October 2007
Aggregate principal amount	HK\$929.7 million
Denomination In multiple of	HK\$10,000,000
Interest rate per annum	1.0%, payable semi-annually in arrears
Conversion price applicable	HK\$0.09 (Note), subject to adjustments
Maturity date	2 years from the date of issue

Note: Conversion price was adjusted from HK\$0.45 to HK\$0.09 for bonus issue of share on 17 October 2007.

### 28. 儲備(續)

附註：

公司之股份溢價包括：(i)根據集團重組收購之附屬公司當時之合併資產淨值超出公司就交換有關資產而發行之股本面值之差額；(ii)因資本化發行及發行紅股所動用之溢價；及(iii)公司發售新股產生之溢價。

根據開曼群島公司法(經修訂)之規定，股份溢價可分派予公司股東，惟緊隨作出股息分派後，公司須能償付日常業務過程中到期應付之債務。股份溢價賬亦可以繳足紅股之方式分派。

### 29. 應付可換股票據

於二零零七年十月十七日，根據向超景國際有限公司(「賣方」)收購綠之嘉集團有限公司(「綠之嘉」)之70%權益，公司發行可換股票據(「可換股票據」)以結付部分收購代價。

可換股票據之主要條款如下：

發行日期	二零零七年十月八日
本金總額	929,700,000港元
定值倍數	10,000,000港元
年利率	1.0%，須每滿半年付息一次
適用換股價	0.09港元(附註) (可予調整)
到期日	發行日期起計2年

附註：換股價已就於二零零七年十月十七日之發行紅股由0.45港元調整至0.09港元。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 29. CONVERTIBLE NOTE PAYABLE (Continued)

The movement on the liability component of the convertible notes as follows:

		Company 公司	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Issue of convertible notes	發行可換股票據	836,566	—
Interest expenses	利息支出	2,165	—
		<b>838,731</b>	<b>—</b>

#### (a) Conversion period

Apart from the portion of Restricted Convertible Notes (as described below), the holders of the Convertible Notes shall have the rights at any time and from time to time, following the date of issue of the Convertible Notes, to convert the whole or any part of the outstanding principal amount into new ordinary shares in the Company. The shares to be issued and allotted upon conversion shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue.

#### (b) Restricted Convertible Note

Part of the Convertible Notes in principal amount of HK\$300 million (the "Restricted Convertible Notes") was under security to the Company for the purpose of ensuring that the Profit Guarantee (as described below) is fulfilled.

### 29. 應付可換股票據 (續)

可換股票據負債部分之變動如下：

		Company 公司	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Issue of convertible notes	發行可換股票據	836,566	—
Interest expenses	利息支出	2,165	—
		<b>838,731</b>	<b>—</b>

#### (a) 換股期

除有限制可換股票據(詳見下文)部分外，可換股票據持有人有權在可換股票據發行日期後隨時及不時把全部或任何部份之有關尚未償還本金額兌換為公司新普通股。於兌換時將予發行及配發之股份將在所有方面各自及與於有配發及發行當日公司之所有其他已發行普通股享有同等地位。

#### (b) 有限制可換股票據

可換股票據本金額300,000,000港元之部分(「有限制可換股票據」)由公司管存，以確保溢利保證(詳見下文)得以達成。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 29. CONVERTIBLE NOTE PAYABLE (Continued)

#### (c) Profit Guarantee

The Vendor and the Guarantors, Mr. Ho Kam Hung, Mr. Yiu Yat On and Ms Qian Mingjin, who are shareholders of the Vendor, jointly and severally undertake to the Company that:

- (1) the aggregate profits after tax shown in the audited consolidated accounts of Green & Good Group in accordance with Hong Kong GAAP compliance for the financial year ended 31 December 2007 and the financial year ending 31 December 2008 shall not be less than HK\$300 million and will compensate the Company for any shortfall between the guaranteed profits and the actual aggregate profits after tax shown in the audited consolidated accounts of Green & Good Group in accordance with Hong Kong GAAP compliance for the financial year ended 31 December 2007 and the financial year ending 31 December 2008. The Restricted Convertible Notes will be stakeheld by the Company for the purpose of ensuring the Profit Guarantee requirement is fulfilled according to the Acquisition Agreement entered into by the Company and the Vendor on 16 May 2007 while the Vendor undertakes not to exercise the conversion rights attaching on the Restricted Convertible Notes during the Profit Guarantee Period and up to 31 March 2009. In the event that the Restricted Convertible Notes under security to the Company is not sufficient to cover the compensation amount due to the shortfall from the Profit Guarantee, the Vendor will be liable to pay the Company in cash for any outstanding compensation amount on a dollar-for-dollar basis after off-setting the amount represented by the Restricted Convertible Notes. Based on the Directors' assessment on the business prospect of Green & Good Group in meeting the Profit Guarantee, the Directors are satisfied that there is reasonable assurance of fulfilling the Profit Guarantee requirement in view of the operational scale and business activities of Green & Good Group with the contractual provisions put in place to safeguard compensation to the Company should the Profit Guarantee cannot be fulfilled by Green & Good Group; and

### 29. 應付可換股票據(續)

#### (c) 溢利保證

賣方與擔保人何錦鴻先生，姚逸安先生及錢銘今女士(彼等為賣方之股東)共同及個別向公司承諾：

- (1) 綠之嘉集團根據香港公認會計準則而編製截至二零零七年十二月三十一日止財政年度及截至二零零八年十二月三十一日止財政年度之經審核綜合賬目所示之除稅後溢利總額不會少於300,000,000港元，而倘有關之保證溢利與綠之嘉集團根據香港公認會計準則而編製截至二零零七年十二月三十一日止財政年度及截至二零零八年十二月三十一日止財政年度之經審核綜合賬目所示之除稅後實際溢利總額相較下出現任何短缺款額，則會向公司作出補償。有限制可換股票據將會由公司管存，以確保溢利保證之規定會根據公司與賣方於二零零七年五月十六日訂立之收購協議獲履行，而賣方亦承諾在溢利保證期內及直至二零零九年三月三十一日為止不會行使有限制可換股票據所附之換股權。倘有限制可換股票據(已抵押予公司)不足以彌償因溢利保證短缺而須予補償之款額，則賣方將按等額現金之基準向公司支付在對銷有限制可換股票據之有關款額後所結欠之任何補償款額。根據董事對綠之嘉集團之業務前景及其達到溢利保證之可能性作出之評估，董事鑑於綠之嘉集團之營運規模及業務活動，加上有約束性的規定以保障公司在綠之嘉集團未能達到溢利保證之情況下獲得補償；故認為可合理確保綠之嘉集團會遵照溢利保證之規定；及



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 29. CONVERTIBLE NOTE PAYABLE (Continued)

#### (c) Profit Guarantee (Continued)

- (2) the fair market value of the net assets of Green & Good Group, to be assessed by an independent appraiser and to be confirmed in a valuation report, shall be not less than HK\$2,500 million or such other value as may be agreed between the Company and the Vendor. Where the appraised value of the assets held by Green & Good Group is less than HK\$2,500 million, the Company shall be entitled to terminate the Acquisition Agreement at its sole discretion without any compensation to the Vendor. Upon termination, all the deposits stakeheld by the escrow agent together with interest accrued thereon shall be refunded to the Company.

During the year, no conversion rights attached to the Convertible Notes was exercised. At 31 December 2007, the aggregate outstanding principal amount of Convertible Notes was HK\$929,688,850. The fair value of liability component and equity component of the Convertible Notes are approximately HK\$836.6 million and HK\$93.1 million respectively. These amounts were ascertained with reference to the professional appraisal. The adopted discount rate of 6.522% in calculation of the liability component, which equals the cost of capital of the Company, was derived by reference to the total of risk-free rate and risk premium.

### 30. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at the balance sheet date.

At 31 December 2007, the Company had provided corporate guarantees to the extent of HK\$20 million (2006: HK\$70 million) to banks for banking facilities granted to certain subsidiaries. The extent of such facilities utilised by the subsidiaries at 31 December 2007 amounted to approximately HK\$6.7 million (2006: HK\$50.7 million).

### 29. 應付可換股票據 (續)

#### (c) 溢利保證 (續)

- (2) 綠之嘉集團之資產淨值之公平市值(如獨立估值師所評估及將會以估值報告之形式予以確認)不會少於2,500,000,000港元或由公司與賣方同意之其他價值。倘綠之嘉集團所持之資產之估值少於2,500,000,000港元,則公司可全權酌情終止收購協議,而毋須向賣方作出任何賠償。在終止收購協議時,所有由託管代理人管存之按金連同就此累計之利息將會退還予公司。

年內,概無可換股票據所附之換股權獲行使。於二零零七年十二月三十一日,可換股票據之未償還本金總額為929,688,850港元。可換股票據負債及權益部分之公平值分別約為836,600,000港元及93,100,000港元。該等金額乃參考專業評值後確定。計算負債部分所採納之折現率6.522%(其相當於公司之資本成本)乃參考無風險利率及風險溢價之總和得出。

### 30. 或然負債

集團於結算日並無任何重大或然負債。

於二零零七年十二月三十一日,公司就若干附屬公司獲授之銀行信貸向銀行提供20,000,000港元(二零零六年:70,000,000港元)之公司擔保。於二零零七年十二月三十一日,該等銀行信貸獲附屬公司動用約6,700,000港元(二零零六年:50,700,000港元)。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

### 31. OPERATING LEASE ARRANGEMENTS

The Group leases certain leasehold land and buildings under operating lease arrangements. The original lease terms for these leasehold land and buildings ranged from eighteen to twenty years.

At 31 December 2007, the Group had commitment for future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)
Over five years	超過五年

The Company did not have any operating lease arrangements as at 31 December 2007 (2006: Nil).

### 31. 經營租約安排

集團根據經營租約安排租賃若干租賃土地及樓宇。該等租賃土地及樓宇之原定租約年期介乎十八年至二十年。

於二零零七年十二月三十一日，集團於下列年期內屆滿之不可撤銷經營租約之未來最低租金付款承擔總額如下：

		Group 集團	
		2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Within one year	一年內	4,717	269
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	6,012	-
Over five years	超過五年	16,330	-
		<u>27,059</u>	<u>269</u>

於二零零七年十二月三十一日，公司並無任何經營租約安排(二零零六年：無)。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 32. COMMITMENTS

- (a) The Group had the following commitments in respect of its property, plant and equipment as at the balance sheet date:

Contracted for, but not provided in:	已訂約但未撥備：
Leasehold land and buildings	租賃土地及樓宇

- (b) At 31 December 2007, the Group had contracted commitments in respect of capital investments in the PRC subsidiaries amounting to approximately HK\$90,743,000 (2006: HK\$129,522,000). Details of which were disclosed in note 17 to the financial statements.

The Company did not have any significant commitment as at 31 December 2007 (2006: Nil).

### 33. POST BALANCE SHEET EVENTS

The following event occurred subsequent to 31 December 2007 up to the date of approval of these consolidated financial statements by the Board of Directors:

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 25 January 2008, the name of the Company was changed from "Tak Shun Technology Group Limited 德信科技集團有限公司" to "Superb Summit International Timber Company Limited 奇峰國際木業有限公司".

### 32. 承擔

- (a) 集團於結算日就其物業、廠房及設備之承擔如下：

Group 集團	
2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
19,057	1,234

- (b) 於二零零七年十二月三十一日，集團就中國附屬公司之資本投資所擁有之已訂約承擔約為90,743,000港元(二零零六年：129,522,000港元)。詳情載於財務報表附註17。

公司於二零零七年十二月三十一日並無任何重大承擔(二零零六年：無)。

### 33. 結算日後事項

以下為於二零零七年十二月三十一日之後及直至董事會批准此等綜合財務報表之日期間發生之事項：

根據於二零零八年一月二十五日舉行之公司股東特別大會上通過之特別決議案，公司之名稱由「Tak Shun Technology Group Limited 德信科技集團有限公司」更改為「Superb Summit International Timber Company Limited 奇峰國際木業有限公司」。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

### 34. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 2, management has made the following judgments that have significant effect on the amounts recognised in the financial statements. 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 also discussed below.

#### Impairment loss on loans and receivables

The policy for impairment of loans and receivables of the Group is based on the evaluation of collectability and aging analysis of the loans and receivables and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these loans and receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

#### Write-down of inventories to net realisable value

The management of the Group reviews an aging analysis at each balance sheet date, and makes provision for obsolete and slow-moving inventory items identified. The management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision for obsolete items.

### 34. 關鍵會計判斷及估計不確定性之主要來源

於應用集團之會計政策(如附註2所述)時,管理層作出下列對於財務報表中已確認之數額產生重大影響之判斷。涉及日後之主要假設及於結算日估計不明朗因素之其他主要來源(彼等均擁有導致下個財政年度之資產及負債之賬面值出現大幅調整之重大風險)亦討論如下。

#### 貸款及應收款項之減值虧損

集團就貸款及應收款項減值之政策以可收回性評估、賬齡分析及管理層判斷為基礎。評估該等貸款及應收款項之最終變現能力需要進行大量判斷,包括客戶之現時信譽及過往收款歷史記錄。倘集團客戶財務狀況日趨惡化,削弱其付款能力,則須提撥額外準備。

#### 撇減存貨至可變現價值

集團管理層於各結算日審核賬齡分析,並就已識別之陳舊及滯銷存貨品提供撥備。管理層估計,該等存貨之可變現淨值主要根據最近期之發票價格及現行市況而釐定。集團於各結算日進行存貨盤點,並就陳舊品種作出撥備。





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007  
截至二零零七年十二月三十一日止年度

### 34. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Allowances for bad and doubtful debts

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in impairment of their ability to make payments, additional allowances may be required.

#### Estimated impairment of goodwill

Management tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Management has not identified any indications that the goodwill has or would have suffered any impairment in term of its value to the Group.

#### Fair values of biological assets

Management estimates the balance sheet date fair values less estimated point-of-sale costs of biological assets of paper mulberry trees and pine trees with reference to market prices and professional valuations. Management considers that these are presently an absence of effective financial instruments for hedging against the pricing risks with the underlying agricultural produce. Un-anticipated volatile changes in market prices of the underlying agricultural produce could significantly affect the fair values of these biological assets and result in fair value re-measurement losses in future accounting periods.

### 34. 關鍵會計判斷及估計不確定性之主要來源 (續)

#### 呆壞賬撥備

集團呆壞賬撥備之政策以評估可收回性及賬目之賬齡分析及管理層之判斷為基準。評估此等應收款項之最終變現需要使用一定程度的判斷，包括目前信譽及過往各客戶收回款項的記錄。倘集團客戶的財務狀況變差，導致其支付能力出現減值，則可能須作出額外的撥備。

#### 商譽之估計減值

管理層每年均按照附註2所述之會計政策之規定，為商譽進行減值檢測。而現金產生單位之可收回金額，則按照使用價值計算。計算過程中須作出估算。管理層並無發現任何顯示商譽對集團之價值已經或將會出現減值之跡象。

#### 生物資產之公平值

管理層乃參考市價及專業估值而估計紙桑樹樹苗及松樹之生物資產之結算日公平值減估計銷售點成本。管理層認為，現時缺乏有效之金融工具對沖有關農產品之價格風險。有關農產品市價之未能預測波動對該等生物資產之公平值造成重大影響，致使於日後會計期間出現公平值重新計量虧損。





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

YEAR ENDED 31 DECEMBER 2007

截至二零零七年十二月三十一日止年度

### 34. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

#### Fair values of biological assets *(Continued)*

The Group's forestry business is subject to the usual agricultural hazards from fire, wind and insects. Forces of nature such as temperature and rainfall may also affect harvest efficiency. Management considers adequate preventive measures are in place and the relevant legislation under forestry laws in the PRC will assist in minimizing exposure. Nevertheless, to the extent that un-anticipated factors affecting harvestable agricultural produce may result in re-measurement or harvest losses in future accounting periods.

### 35. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.

### 34. 關鍵會計判斷及估計不確定性之主要來源 *(續)*

#### 生物資產之公平值 *(續)*

集團之林業業務受到火災、風暴及蟲害等一般農業災害影響。氣溫及雨量等大自然力量亦可能影響收成效率。管理層認為已採取足夠預防措施，而中國林業法之相關法例將有助減低風險。然而，影響可收成農作物之不可預測因素可致使於日後會計期間出現重新計量或收成虧損。

### 35. 比較數字

若干數字已重新分類以符合本年度之呈列。