



WINFOONG INTERNATIONAL LIMITED

榮 豐 國 際 有 限 公 司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

2008 INTERIM REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

二 零 零 八 年 中 期 報 告

截 至 二 零 零 八 年 六 月 三 十 日 止 六 個 月

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BOARD OF DIRECTORS

Executive directors:

Cheong Pin Chuan, Patrick
Cheong Kim Pong
Cheong Sim Eng

Independent non-executive directors:

Chan Yee Hoi, Robert
Kan Fook Yee
Lai Hing Chiu, Dominic

Non-executive director:

Lim Ghee

RESULTS

The Board of Directors of Winfoong International Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 were as follows:

董事會

執行董事：

鍾斌銓
鍾金榜
鍾燦榮

獨立非執行董事：

陳以海
簡福飴
黎慶超

非執行董事：

林 義

業績

榮豐國際有限公司(「本公司」)董事會公佈本公司及其附屬公司(「本集團」)截至二零零八年六月三十日止六個月之未經審核綜合業績如下：

CONDENSED CONSOLIDATED INCOME STATEMENT 簡明綜合收益表

For the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

		Unaudited six months ended 30 June		
		未經審核		
		截至六月三十日止六個月		
		2008	2007	
		二零零八年	二零零七年	
		HK\$'000	HK\$'000	
		千港元	千港元	
	Note			
	附註			
Turnover	營業額	2	46,721	12,860
Cost of sales	銷售成本		(44,547)	(3,086)
Gross profit	毛利		2,174	9,774
Net valuation gains on investment property	投資物業重估淨收益		-	6,007
Other revenue	其他收益		109	233
Other net (loss)/income	其他(虧損)/收入淨額		(678)	1,056
Operating and administrative expenses	經營及行政開支		(9,043)	(18,899)
Loss from operating activities	經營業務虧損		(7,438)	(1,829)
Finance costs	融資成本	3	(161)	(11,024)
Share of loss of an associate	所佔一間聯營公司之虧損		-	(28,537)
Loss before taxation	除稅前虧損	4	(7,599)	(41,390)
Income tax credit/(expense)	所得稅撥回/(支出)	5	440	(1,090)
Loss for the period	期間虧損		(7,159)	(42,480)
Attributable to:	以下應佔：			
Equity shareholders of the Company	本公司權益股東		(7,159)	(42,480)
Minority interests	少數股東權益		-	-
			(7,159)	(42,480)
Basic loss per share	每股基本虧損	6	(0.30 cents)	(2.85cents)

CONDENSED CONSOLIDATED BALANCE SHEET

30 June 2008

簡明綜合資產負債表

二零零八年六月三十日

			Unaudited 未經審核 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元
	Note 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Fixed assets		固定資產		
Investment properties	8	投資物業	278,366	273,320
Other properties, plant and equipment	9	其他物業、廠房及設備	4,662	3,676
Interests in leasehold land held for own use under operating leases		於經營租約項下持作自用之租賃土地之權益	446	452
			283,474	277,448
Pledged bank balances and time deposits		抵押銀行結存及定期存款	3	10
Other financial assets	10	其他金融資產	1,990	2,534
			285,467	279,992
Current assets		流動資產		
Inventories		存貨	127,403	160,965
Trade and other receivables	11	貿易及其他應收賬項	1,934	3,529
Tax recoverable		可退回稅項	8	8
Cash and cash equivalents		現金及現金等價物	2,955	5,485
			132,300	169,987
Total assets		總資產	417,767	449,979
EQUITY AND LIABILITIES		權益及負債		
Share capital	12	股本	119,620	119,620
Reserves		儲備	161,510	161,029
Total equity attributable to equity shareholders of the Company		本公司權益股東應佔權益總額	281,130	280,649
Minority interests		少數股東權益	-	-
Total equity		總權益	281,130	280,649

CONDENSED CONSOLIDATED BALANCE SHEET

30 June 2008

簡明綜合資產負債表

二零零八年六月三十日

			Unaudited 未經審核	Audited 經審核
		Note	30 June 2008 二零零八年 六月三十日	31 December 2007 二零零七年 十二月三十一日
		附註	HK\$'000 千港元	HK\$'000 千港元
Non-current liabilities	非流動負債			
Bank borrowings	銀行借貸	13	121,000	150,829
Loan from a fellow subsidiary	應收同系一間附屬公司貸款		-	302
Deferred tax liabilities	遞延稅項負債		4,934	5,786
			125,934	156,917
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬項	14	9,578	11,557
Tax payables	應付稅項		1,125	856
			10,703	12,413
Total liabilities	總負債		136,637	169,330
Total equity and liabilities	總權益及負債		417,767	449,979

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動報表

For the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

Equity attributable to equity shareholders of the Company

本公司權益股東應佔權益

		Share capital (Unaudited)	Share premium (Unaudited)	Capital redemption reserve (Unaudited)	Contributed surplus (Unaudited)	Share-based compensation reserve (Unaudited)	Exchange reserve (Unaudited)	Fair value reserve (Unaudited)	Retained profits (Unaudited)	Total (Unaudited)	Minority interests (Unaudited)	Total equity (Unaudited)
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		股本	股份溢價	贖回儲備	撥入盈餘	以股份支付款項之儲備	外匯儲備	公平值儲備	保留溢利	總計	股東權益	總權益
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2008	於二零零八年一月一日	119,620	-	121	-	-	11,876	640	148,392	280,649	-	280,649
Exchange difference on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表之匯兌差額	-	-	-	-	-	7,640	-	-	7,640	-	7,640
Loss for the period	期間虧損	-	-	-	-	-	-	-	(7,159)	(7,159)	-	(7,159)
At 30 June 2008	於二零零八年六月三十日	119,620	-	121	-	-	19,516	640	141,233	281,130	-	281,130
At 1 January 2007	於二零零七年一月一日	74,620	196,873	121	618,098	8,911	(102,892)	832	1,087,727	1,884,290	-	1,884,290
Exchange difference on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表之匯兌差額	-	-	-	-	-	(1,048)	-	-	(1,048)	-	(1,048)
Change in fair value of available-for-sale securities	可供銷售證券公平值之變動	-	-	-	-	-	-	345	-	345	-	345
Share of movements in reserves of an associate	應佔一間聯營公司儲備之變動	-	-	-	-	-	3,133	20	-	3,153	-	3,153
Cancellation of share options	註銷購股權	-	-	-	-	(8,911)	-	-	8,911	-	-	-
Loss for the period	期間虧損	-	-	-	-	-	-	-	(42,480)	(42,480)	-	(42,480)
At 30 June 2007	於二零零七年六月三十日	74,620	196,873	121	618,098	-	(100,807)	1,197	1,054,158	1,844,260	-	1,844,260

**CONDENSED CONSOLIDATED CASH FLOW
STATEMENT**

簡明綜合現金流量表

For the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

		Unaudited six months ended 30 June 未經審核 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Net cash generated from/(used in) operating activities	經營業務產生/(所動用) 之現金淨額	34,957	(15,865)
Net cash used in investing activities	投資活動所動用之 現金淨額	(5,956)	(3,647)
Net cash (used in)/generated from financing activities	融資活動(所動用)/產生 之現金淨額	(31,796)	17,349
Net decrease in cash and cash equivalents	現金及現金等價物之 減少淨額	(2,795)	(2,163)
Cash and cash equivalents as 1 January	於一月一日之現金及 現金等價物	5,485	4,342
Effect of foreign exchange rate changes	外匯匯率變動之影響	265	-
Cash and cash equivalents at 30 June	於六月三十日之現金及 現金等價物	2,955	2,179

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2008

綜合財務報表附註

截至二零零八年六月三十日止六個月

1. SIGNIFICANT ACCOUNTING POLICIES

The interim financial report is unaudited, but has been reviewed by the Company's audit committee. The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2007 annual financial statements except for the accounting policy changes that are expected to be reflected in the 2008 annual financial statements as follows.

In the current interim period, a number of new standards, amendments and interpretations have been issued by the HKICPA, which are effective for accounting periods beginning on or after 1 January 2008.

The following new standards, amendments to standards and interpretations which are relevant to Group's operations are mandatory for financial year ending 31 December 2008.

HK(IFRIC)-Int 11	Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

1. 主要會計政策

中期財務報告乃未經審核，但經本公司審核委員會審閱。中期財務報告按照香港聯合交易所有限公司證券上市規則之適用披露規定，包括遵照香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」而編製。

除下列預期於二零零八年全年財務報表反映之會計政策改動外，此中期財務報告按照二零零七年全年財務報表所採用之相同會計政策編製。

於此回顧期間，香港會計師公會頒佈若干新準則、修訂及詮釋，於二零零八年一月一日或之後開始之會計期間生效。

下列為與本集團業務相關，須於截至二零零八年十二月三十一日止之財政年度強制採用之新準則及對於準則與詮釋之修訂。

香港（國際報告詮釋委員會）詮釋第11號	股份交易
香港（國際報告詮釋委員會）詮釋第12號	服務經營權協議
香港（國際報告詮釋委員會）詮釋第14號	對界定利益資產的 限制、最低資金規定及其互動關係

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The adoption of such standards or interpretations does not result in substantial changes to the Group's accounting policies and has no significant effect on the results reported for the first half of 2008.

The following new standards, amendments to standards and interpretations have been issued but are not effective for year ending 31 December 2008 and have not been early adopted by the Group:

HK(IFRIC)-Int 13	Customer Loyalty Programmes
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
Amendments to HKFRS 2	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 8	Operating Segments

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application but is not in a position to state whether these new standards, amendments and interpretations would have a significant impact on the Group's results of operations and financial position.

In addition, HKFRS 8 Operating Segments, which is effective for annual periods beginning on or after 1 January 2009, may result in new or amended disclosures in the financial statements.

1. 主要會計政策(續)

採納有關準則或詮釋並無導致本集團之會計政策出現重大變動，且未對所呈報之二零零八年上半年之業績造成重大影響。

以下為已頒佈但並未就截至二零零八年十二月三十一日止之年度生效，而本集團亦未予以提早採用之新準則及對於準則與詮釋之修訂：

香港(國際報告詮釋委員會)詮釋第13號	客戶忠誠計劃
香港會計準則第1號(經修訂)	財務報告的呈列
香港會計準則第23號(經修訂)	借貸成本
香港財務報告準則第2號之修訂	以股份為基礎之付款—歸屬條件及註銷
香港財務報告準則第8號	經營分部

本集團正就預期首次應用此等修訂、新準則及新詮釋之期間此等修訂、新準則及新詮釋造成之影響進行評估，但未能指出此等新準則、修訂及詮釋對於本集團之經營業績及財務狀況是否造成重大影響。

另外，香港財務報告準則第8號—經營分部(於二零零九年一月一日或之後開始之財務年度期間生效)或會導致須於財務報表中作出新增或經修訂之披露事項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The preparation of an interim report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2007 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

2. SEGMENT INFORMATION

Segment information is presented on a primary segment reporting basis by business segment because it is more relevant to the Group's internal financial reporting.

Business segments

The Group comprises the following main business segments:

Property investment and management: the leasing of properties to generate rental income and to gain from the appreciation in the properties' value in the long term, and the provision of building management services.

1. 主要會計政策(續)

編製符合香港會計準則第34號規定之中期報告要求管理層作出判斷、估計及假設，影響會計政策之應用及按年初至今基準呈報之資產負債、收入及支出金額。實際結果與估計數字可能有別。

本中期財務報告包括簡明綜合財務報表及經選擇之解釋用附註。附註包括有關若干事件及交易之說明，對於了解本集團自二零零七年全年財務報表以來之財務狀況及業績變動十分重要。簡明綜合中期財務報表及附註並未包括根據香港財務報告準則編製全份財務報表所須之全部資料。

2. 分類資料

由於與本集團之內部財務申報較相關，故分類資料乃以業務分類作為主要分類呈報基準。

業務分類

本集團主要包括以下業務分類：

物業投資及管理：租賃物業以賺取租金收入及獲取長期物業升值收益，及提供樓宇管理服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

2. SEGMENT INFORMATION (Continued)

Property construction and development: the development, construction and sale of properties, and project management.

Horticultural services: the provision of horticultural services.

2. 分類資料(續)

物業建造及發展：發展、建造及銷售物業，以及項目管理。

園藝服務：提供園藝服務。

		Property investment and management	Property construction and development	Horticultural services	Inter-segment elimination	Unallocated	Consolidated
		物業投資及管理	物業建造及發展	園藝服務	內部分類之間撇銷	未分配	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
2008 (Unaudited)	二零零八年(未經審核)						
Revenue from external customers	銷予對外客戶之收益	137	44,852	1,732	-	-	46,721
Inter-segment sales	內部分類之間之銷售	-	4,653	7	(4,660)	-	-
Other revenue from external customers	來自對外客戶之其他收益	8	1	-	-	82	91
Total	總計	145	49,506	1,739	(4,660)	82	46,812
Segment result	分類業績	(987)	4,687	109	(4,660)	(6,605)	(7,456)
Unallocated operating income and expenses	未分配經營收入及開支						18
Loss from operating activities	經營業務虧損						(7,438)
Finance costs	融資成本						(161)
							(7,599)
Income tax credit	所得稅撥回						440
Loss for the period	期間虧損						(7,159)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

2. SEGMENT INFORMATION (Continued)

2. 分類資料(續)

		Property investment and management	Property construction and development	Horticultural services	Inter-segment elimination	Unallocated	Consolidated
		物業投資及管理	物業建造及發展	園藝服務	內部分類之間撇銷	未分配	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
2007 (Unaudited)	二零零七年(未經審核)						
Revenue from external customers	銷予對外客戶之收益	11,208	90	1,562	-	-	12,860
Inter-segment sales	內部分類之間之銷售	360	2,729	4	(3,093)	-	-
Other revenue from external customers	來自對外客戶之其他收益	135	15	-	-	-	150
Total	總計	11,703	2,834	1,566	(3,093)	-	13,010
Segment result	分類業績	13,577	3,337	84	(3,093)	(15,817)	(1,912)
Unallocated operating income and expenses	未分配經營收入及開支						83
Loss from operating activities	經營業務虧損						(1,829)
Finance costs	融資成本						(11,024)
Share of loss of an associate	所佔一間聯營公司之虧損	(28,537)					(28,537)
							(41,390)
Income tax expense	所得稅支出						(1,090)
Loss for the period	期間虧損						(42,480)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

2. SEGMENT INFORMATION (Continued)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers:

	Hong Kong and Mainland China 香港及中國大陸		Singapore 新加坡		Total 總計	
	Unaudited 未經審核 2008 二零零八年 HK\$'000 千港元	Unaudited 未經審核 2007 二零零七年 HK\$'000 千港元	Unaudited 未經審核 2008 二零零八年 HK\$'000 千港元	Unaudited 未經審核 2007 二零零七年 HK\$'000 千港元	Unaudited 未經審核 2008 二零零八年 HK\$'000 千港元	Unaudited 未經審核 2007 二零零七年 HK\$'000 千港元
Revenue from external customers	銷予對外客戶之收益 1,869	12,860	44,852	-	46,721	12,860
Other revenue from external customers	來自對外客戶之 其他收益 91	150	-	-	91	150

3. FINANCE COSTS

Interest on bank loans	銀行貸款利息	
Less: Interest expense capitalized into properties under development*	減：發展中物業內資本化之利息開支*	

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

2. 分類資料(續)

地域分類

在呈報地域分類資料時，分部收入按客戶之所在地區劃分：

3. 融資成本

Unaudited six months ended 30 June 未經審核 截至六月三十日止六個月	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
1,961	12,708
(1,800)	(1,684)
161	11,024

* The borrowing costs have been capitalised at a rate of 2.04%-4.47% (2007: 4.67%-5.25%) per annum.

* 借貸成本已乃按2.04%至4.47%的年利率資本化(二零零七年：4.67%至5.25%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

4. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging / (crediting):

Depreciation and amortisation
Cost of properties sold
Rental receivable from investment property and properties held for sale less direct outgoing of HK\$568,000 (2007: 2,761,000)
Interest income

折舊及攤銷
出售物業之成本
自投資物業及持作出售物業收取之租金收入減直接支出568,000港元(二零零七年: 2,761,000港元)
利息收入

Unaudited six months ended 30 June	
未經審核	
截至六月三十日止六個月	
2008	2007
二零零八年	二零零七年
HK\$'000	HK\$'000
千港元	千港元
524	567
43,726	-
(83)	(8,277)
(18)	(83)

5. INCOME TAX

Current taxation – Singapore Income Tax
Deferred taxation – origination and reversal of temporary difference

本年度稅項 – 新加坡所得稅
遞延稅項 – 暫時差異的產生及撥回

5. 所得稅

Unaudited six months ended 30 June	
未經審核	
截至六月三十日止六個月	
2008	2007
二零零八年	二零零七年
HK\$'000	HK\$'000
千港元	千港元
(655)	-
1,095	(1,090)
440	(1,090)

No Hong Kong Profits Tax has been made as the Group has no assessable profits arising in Hong Kong for the period.

由於本集團於期內於香港並無產生應課稅溢利，故此並無作出香港利得稅撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

6. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the net loss attributable to ordinary equity shareholders of HK\$7,159,000 (2007: HK\$42,480,000) for the period and the weighted average number of 2,392,410,986 (2007: 1,492,410,986) ordinary shares in issue during the period.

(b) Diluted loss per share

Diluted loss per share is not shown because there was no dilutive potential ordinary shares in existence as at the balance sheet date for both years.

7. INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2008 (2007: Nil).

8. INVESTMENT PROPERTIES

The fair value of the investment properties was estimated by the directors.

9. OTHER PROPERTIES, PLANTS AND EQUIPMENT

At 1 January 2008	於二零零八年一月一日
Additions	添置
Disposal	出售
Depreciation	折舊
Exchange adjustments	匯兌調整
At 30 June 2008	於二零零八年六月三十日

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

6. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據期內普通權益股東應佔虧損7,159,000港元(二零零七年: 42,480,000港元)及期內已發行普通股股份之加權平均數2,392,410,986股(二零零七年: 1,492,410,986股)計算。

(b) 每股攤薄虧損

每股攤薄虧損並無在此呈列, 因為該兩年之結算日均沒有具有攤薄潛力的普通股。

7. 中期股息

董事並不建議派付任何截至二零零八年六月三十日止六個月之中期股息(二零零七年: 無)。

8. 投資物業

投資物業之公平值乃由董事估計得來。

9. 其他物業、廠房及設備

Unaudited
未經審核
HK\$'000
千港元

3,676
1,495
(23)
(518)
32
<hr/>
4,662
<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

10. OTHER FINANCIAL ASSETS

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

10. 其他金融資產

		Unaudited 未經審核 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元
Available-for-sale unlisted equity securities at fair value	按公平值可供出售 未上市股本證券	1,990	1,990
Loan to a fellow subsidiary	給予一間同系附屬公司之貸款	-	54
Loan receivable	應收貸款	-	490
		1,990	2,534

11. TRADE AND OTHER RECEIVABLES

11. 貿易及其他應收賬項

		Unaudited 未經審核 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收賬項		
Within 1 month	一個月內	189	366
After 1 month but within 3 months	一個月後但不超過三個月	103	139
More than 3 months but less than 12 months	超過三個月但短於十二個月	2	1
		294	506
Prepayments, deposits and other receivables	預付款項、訂金及其他應收賬項	1,640	3,023
		1,934	3,529

The Group's trade receivables and other receivables are due within 30 days from the date of billing.

本集團之貿易應收賬項及其他應收賬項之信貸期自發票日期起計30日內到期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

12. SHARE CAPITAL

12. 股本

		Unaudited 未經審核 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元
Authorised:	法定：		
3,000,000,000 ordinary shares of HK\$0.05 each	3,000,000,000 股每股 面值 0.05 港元之普通股	150,000	150,000
Issued and fully paid:	已發行及繳足：		
2,392,410,986 ordinary shares of HK\$0.05 each	2,392,410,986 股每股 面值 0.05 港元之普通股	119,620	119,620

13. BANK BORROWINGS, SECURED

13. 銀行借款，有抵押

		Unaudited 未經審核 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元
Repayable:	於下列期間償還：		
After 2 years but within 5 years	兩年後但不超過五年	121,000	150,829
After 1 year as classified under non-current liabilities	一年以上 (歸類為非流動負債)	121,000	150,829

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

14. TRADE AND OTHER PAYABLES

14. 貿易及其他應付賬項

		Unaudited 未經審核 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元
Trade payables	貿易應付賬項		
Within 1 month	一個月內	27	108
After 1 month but within 3 months	一個月後但不超過 三個月	9	5
After 3 months but within 6 months	三個月後但不超過 六個月	8	20
After 6 months but within 12 months	六個月後但不超過 十二個月	6	34
Over 1 year	一年以上	112	144
		162	311
Deposits received	已收訂金	266	1,791
Retentions payable	應付保留金	2,022	1,809
Amount due to the ultimate holding company	應付最終控股公司款項	103	6
Amount due to fellow subsidiaries	應付同系附屬公司款項	11	-
Amount due to a related company	應付一間關連公司款項	2,264	2,489
Other liabilities and accrued charges	其他負債及應計費用	4,750	5,151
		9,578	11,557

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

15. COMMITMENTS

- (a) Capital commitments outstanding as at 30 June 2008 not provided for in the financial statements were as follows:

Contracted for 已訂約

- (b) As at 30 June 2008, the total future minimum lease payments under non-cancellable operating leases in respect of office properties and office equipment are payable as follows:

The Group as lessee

Within 1 year 一年內
After 1 year but within 5 years 一年後但五年內

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

15. 承擔

- (a) 財務報表中未予撥備及於二零零八年六月三十日未償還之資本承擔如下：

Unaudited 未經審核 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元
4,517	7,381

- (b) 於二零零八年六月三十日，就辦公室物業及辦公室設備之不可撤銷經營租約之未來應付最低租賃費用總額如下：

本集團作為承租人

Unaudited 未經審核 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元
2,846	2,833
270	1,115
3,116	3,948

本集團為數項根據經營租約持有之物業之承租人。租約一般初步為期一至三年，可選擇續訂租約，屆時所有條款將予重新磋商。租約均不包括或然租金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

15. COMMITMENTS (Continued)

- (c) The Group leased out properties held for sale under operating leases. The leases typically run for an initial period of one to two years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually reviewed every year to reflect market rentals. None of the leases includes contingent rentals.

All properties held under operating leases that would otherwise meet the definition of investment property are classified as investment property.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

The Group as lessor

Within 1 year	一年以內
After 1 year but within 5 years	一年後但五年內

15. 承擔(續)

- (c) 本集團根據經營租約出租持有作銷售之物業，初步租期通常為一至兩年，到期後可選擇續租，屆時所有條款將予以重新磋商。租金通常每年進行檢討以反映市場租金水平。租賃均不包含或然租金。

所有根據經營租約持有並符合投資物業定義之物業歸類為投資物業。

本集團根據不可撤銷經營租約之未來應收最低租金總額如下：

本集團作為出租人

Unaudited 未經審核	Audited 經審核
30 June 2008 二零零八年 六月三十日	31 December 2007 二零零七年 十二月三十一日
HK\$'000 千港元	HK\$'000 千港元
1,330	928
462	325
1,792	1,253

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

16. CONTINGENT LIABILITIES

- (a) As at 30 June 2008, the Company had given unconditional guarantees to banks to secure loan facilities available to subsidiaries to the extent of approximately HK\$210 million (31 December 2007: HK\$237 million). The extent of such facilities utilised by the subsidiaries amounted to approximately HK\$121 million (31 December 2007: HK\$151 million).

Upon the granting of an additional credit facility of approximately HK\$61 million by the Group's banker subsequent to 30 June 2008, the guarantees given by the Company has increased to approximately HK\$271 million.

- (b) At 30 June 2008, the Company had given corporate guarantees to a bank for issuing letters of indemnity to third parties in respect of contracts undertaken by a subsidiary amounted to approximately HK\$268,000 (31 December 2007: HK\$268,000)

16. 或然負債

- (a) 於二零零八年六月三十日，本公司已向銀行提供無條件擔保，以擔保附屬公司約210,000,000港元(二零零七年十二月三十一日：237,000,000港元)之信貸融資。附屬公司已動用該等融資中約121,000,000港元(二零零七年十二月三十一日：151,000,000港元)。

繼二零零八年六月三十日之後由本集團往來銀行授出額外信貸額度約為61,000,000港元後，本公司提供之擔保已增加至約271,000,000港元。

- (b) 於二零零八年六月三十日，本公司已就銀行為一間附屬公司所承擔之合約向第三者出具彌償證明，向銀行作出公司擔保約268,000港元(二零零七年十二月三十一日：268,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

17. MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2008, the Group had entered into the following material related party transactions:

a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Directors and certain of the highest paid employees, is as follows:

17. 重要關連人士交易

截至二零零八年六月三十日止之期間，本集團已簽訂以下重要關連人士交易：

a) 主要管理人員酬金

主要管理人員薪酬，包括支付予董事及若干最高薪僱員，如下：

		Unaudited six months ended 30 June	
		未經審核	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Short-term employee benefits	短期僱員福利	228	1,808
Post-employment benefits	僱員離職後福利	—	16
		228	1,824

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

17. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

17. 重要關連人士交易(續)

b) Financing arrangements

b) 融資安排

		Amounts owed by related parties 關連人士欠款		Amounts owed to related parties 應付關連人士款項		Related interest (expenses)/income 相關利息(支出)/收入	
		Unaudited 未經審核 30 June 2008 二零零八年 六月三十日	Audited 經審核 31 Dec 2007 二零零七年 十二月三十一日	Unaudited 未經審核 30 June 2008 二零零八年 六月三十日	Unaudited 未經審核 31 Dec 2007 二零零七年 十二月三十一日	Unaudited 未經審核 30 June 2008 二零零八年 六月三十日	Unaudited 未經審核 30 June 2007 二零零七年 六月三十日
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Due to fellow subsidiaries	應付同系附屬公司款項 (i)	11	-	-	-	-	-
Due to a related company	應付一間關連公司款項 (i)	-	-	2,264	2,489	-	-
Due to the ultimate holding company	應付最終控股公司款項 (i)	-	-	103	6	-	-
Loan from a fellow subsidiary	應收同系一間附屬公司之貸款 (ii)	-	-	-	302	-	-
Loan to a fellow subsidiary	給予同系一間附屬公司之貸款 (i),(ii)	-	54	-	-	-	-
Loan to a director of subsidiary	給予附屬公司一位董事之貸款 (ii)	-	490	-	-	6	23

Notes:

附註:

- i) The outstanding balances with these related parties are unsecured, interest free and have no fixed repayment terms.
- ii) The loan from a fellow subsidiary is generally non-trade in nature, unsecured and settlement is neither planned nor likely to occur in the foreseeable future. Interest incurred by the fellow subsidiary on bank borrowings taken to provide financing to this subsidiary is charged to the Company based on utilization of funds by the subsidiary.
- iii) No provision for bad or doubtful debts has been made in respect of these loans.
- i) 該等關連人士之未償還結餘乃無抵押、不計息及無固定還款期。
- ii) 同系一間附屬公司提供之貸款一般屬非貿易性質，無抵押，且無償還計劃，亦不大可能於可預見將來償還。同系附屬公司因獲取銀行借貸以向該附屬公司提供融資而產生之利息由本公司支付，乃根據該附屬公司動用資金之額度計算。
- iii) 並無就該等貸款作出呆壞賬撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2008

綜合財務報表附註(續)

截至二零零八年六月三十日止六個月

17. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

17. 重要關連人士交易(續)

c) Other related party transactions

- i) During the period ended 30 June 2008, the Group paid management fee of approximately HK\$3.3 million (2007: Nil) to a related company for the Group's share of operating and administrative expenses.
- ii) During the period ended 30 June 2008, the Group paid to a fellow subsidiary an amount of approximately HK\$1,031,000 (2007: Nil) for the Group's share of general and administrative expenses.

c) 其他關連交易

- i) 截至二零零八年六月三十日止期內，本集團因分佔經營及行政開支而向一間關連公司支付管理費約3,300,000港元(二零零七年：零)。
- ii) 截至二零零八年六月三十日止期內，本集團因分佔一般及行政開支而向同系一間附屬公司支付行政開支約1,031,000港元(二零零七年：零)。

BUSINESS REVIEW

During the period, the Group continues to engage in property related businesses and provision of horticultural services. The increase in turnover was mainly due to the increase in revenue from disposal of properties in Singapore. The decrease in net loss by 83% to approximately HK\$7 million was a result of the following:

- (i) decrease in net rental income of approximately HK\$8 million;
- (ii) decrease in valuation gains on investment properties, net of deferred tax, of approximately HK\$5 million;
- (iii) decrease in operating and administrative expenses of approximately HK\$10 million;
- (iv) decrease in interest expense of approximately HK\$11 million; and
- (v) decrease in share of loss of an associate of approximately HK\$29 million.

Following the distribution of the property holding business at 15 and 17 Magazine Gap Road in 2007, net rental income, valuation gains, operating and administrative expenses and interest expenses have decreased. Share of loss of an associate decreased as a result of the distribution of interest in the associate in 2007.

The net asset value of the Group per share as at 30 June 2008 was approximately HK\$0.12 (31 December 2007: HK\$0.12) based on the 2,392,410,986 shares issued.

The Group will focus its resources on the existing properties. The redevelopment of the investment properties at 38 Conduit Road is in progress and expected to be completed by the end of 2009.

業務回顧

於期內，本集團繼續從事與物業相關之業務及提供園藝服務。營業額增加是由於出售新加坡之物業收益增加。淨虧損下降83%至約7,000,000港元，此乃由於以下各項所致：

- (i) 淨租金收入下降約8,000,000港元；
- (ii) 投資物業重估收益(扣除遞延稅項)下降約5,000,000港元；
- (iii) 經營及行政開支下降約10,000,000港元；
- (iv) 利息開支下降約11,000,000港元；及
- (v) 應佔一間聯營公司溢利下降約29,000,000港元。

於二零零七年，分派持有香港馬己仙峽道15號及17號物業之業務後，淨租金收入、重估收益、經營及行政開支以及利息開支有所下降。應佔一間聯營公司溢利之下降乃由於於二零零七年分派於聯營公司之權益所致。

根據有2,392,410,986股已發行股份計算，本集團於二零零八年六月三十日之每股資產淨值約為0.12港元(二零零七年十二月三十一日：0.12港元)。

本集團將會將資源集中於現有物業。位於干德道38號之投資物業之重建正在進行，並預期於二零零九年底前完成。

BUSINESS REVIEW (Continued)

All the Group's funding and treasury activities are centrally managed and controlled at the corporate level. There is no significant change in respect of treasury and financing policies from the information disclosed in the Group's latest annual report. The Group's monetary assets and liabilities are denominated and the Group conducted its business transactions principally in Hong Kong dollars or Singapore dollars. The Group aims to utilize the fund for transactions that are denominated in the same currency. The exchange rate risk of the Group is not considered significant and no financial instruments for hedging purpose were employed.

The Group's working capital requirements are met by committed undrawn credit facilities. As at 30 June 2008, the outstanding bank loan amounted approximately HK\$121 million. These loan facilities were arranged on a floating rate basis and secured by the Group's properties. The end of period gearing ratio based on bank loans less cash and bank balances to equity was approximately 42% (31 December 2007: 52%). The Company has provided guarantees in respect of bank facilities made available to subsidiaries totaling approximately HK\$210 million.

Upon the granting of an additional facility of approximately HK\$61 million by the Group's banker subsequent to 30 June 2008, the guarantees provided by the Company has increased to approximately HK\$271 million.

The following is the maturity profile for the Group's bank borrowings as of 30 June 2008:

After 2 years but within 5 years	100%
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業務回顧(續)

本集團所有融資和財資活動均在集團層面由中央管理及控制。財資及融資政策與本集團最近期之年報所披露之資料並無重大變動。本集團主要以港元或新加坡元作為貨幣性資產及負債之單位及開展業務交易。本集團旨在以相同貨幣之資金進行交易。本集團之外匯風險被視為並不重大及並無使用任何金融工具對沖。

本集團以已承諾但未經提取之信貸融資額滿足營運資金需要。於二零零八年六月三十日，尚未清償之銀行借貸累計約為121,000,000港元。該等貸款乃以浮動息率基準安排及以本集團之物業作抵押。按銀行貸款扣除現金及銀行結存再除以總權益計算之期末資本負債比率約為42%（二零零七年十二月三十一日：52%）。本公司已就附屬公司可用之合共約210,000,000港元之銀行信貸提供擔保。

繼二零零八年六月三十日之後由本集團往來銀行授出額外信貸額度約為61,000,000港元後，本公司提供之擔保已增加至約271,000,000港元。

本集團於二零零八年六月三十日之銀行借貸之到期概況如下：

兩年後但五年內	100%
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DIRECTORS' INTERESTS

董事權益

At 30 June 2008, the interests and short positions of directors and chief executive in shares, underlying shares and debentures of the Company and its associated corporations as required to be disclosed under and within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") were as follows:

於二零零八年六月三十日，董事及主要行政人員於本公司及其聯營公司股份、相關股份及債券中擁有須根據證券及期貨條例（「證券及期貨條例」）第XV部予以披露之權益或淡倉如下：

- (i) Long positions in shares and underlying shares of the Company
- (i) 於本公司股份及相關股份之好倉

Name of director 董事姓名	Type of interest and number of shares held 權益類別及所持股份數目		Total 總計	Percentage 百分比
	Corporate 公司 (Note (a)) (附註(a))	Family 家族		
Cheong Pin Chuan, Patrick 鍾斌銓	1,502,645,787	3,397,000	1,506,042,787	63%
Cheong Kim Pong 鍾金榜	1,502,645,787	–	1,502,645,787	63%
Cheong Sim Eng 鍾樂榮	1,502,645,787	–	1,502,645,787	63%
Cheong Hooi Kheng (Note (b)) 鍾惠卿(附註(b))	1,502,645,787	2,000,000	1,504,645,787	63%

Notes:

附註：

- (a) These directors were deemed to have corporate interests in the shares in the Company by virtue of their beneficial interests in the shares in Hong Fok Corporation Limited ("HFC"), a substantial shareholder of the Company. The 1,502,645,787 shares represented the same interests and were duplicated amongst these directors.
- (a) 由於該等董事實益擁有本公司主要股東鴻福實業有限公司（「鴻福實業」）的股份權益，故被視為持有本公司股份之公司權益。該等董事所持有之1,502,645,787股股份均屬同一批股份權益。
- (b) Ms. Cheong Hooi Kheng's directorship is alternate to Madam Lim Ghee.
- (b) 鍾惠卿女士為林義女士之替任董事。

DIRECTORS' INTERESTS (Continued)

董事權益 (續)

(ii) Long positions in shares of an associated corporation-HFC

(ii) 於一間聯營公司—鴻福實業之股份中之好倉

Name of director 董事姓名	Type of interests and number of shares held 權益類別及所持股份數目				Total 總計	Percentage 百分比
	Personal 個人	Family 家族	Corporate 公司 (Note (a)) (附註(a))	Other 其他 (Note (b)) (附註(b))		
Cheong Pin Chuan, Patrick 鍾斌銓	5,679,454	1,237,830	104,058,803	133,469,600	244,445,687	37%
Cheong Kim Pong 鍾金榜	2,829,178	553,300	104,058,803	133,469,600	240,910,881	37%
Cheong Sim Eng 鍾燊榮	69,329,300	227,700	31,263,663	133,469,600	234,290,263	36%
Cheong Hooi Kheng (Note (c)) 鍾惠卿(附註(c))	10,489,000	-	-	133,469,600	143,958,600	22%

Notes:

附註：

- (a) These shares were beneficially held by a number of companies in which the directors had beneficial interests.
- (b) These shares were beneficially held by a company in which the directors had deemed interests.
- (c) Ms. Cheong Hooi Kheng's directorship is alternate to Madam Lim Ghee.

- (a) 該等股份由董事擁有實際權益之多間公司實益擁有。
- (b) 該等股份由該等董事被視作持有權益之一間公司實益擁有。
- (c) 鍾惠卿女士為林義女士之替任董事。

Save as disclosed above, as at 30 June 2008, none of the directors and the chief executive of the Company were under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations, that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be 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 in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

除上文所披露者外，於二零零八年六月三十日，本公司董事及主要行政人員根據證券及期貨條例第XV部第7及第8分部概無於本公司及其聯營公司之股份、相關股份或債券中擁有須記錄於本公司根據證券及期貨條例第352條存置之登記冊，或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)有關上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益或視為擁有之任何其他權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the sections headed "Directors' interests", at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the Company's directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS

At 30 June 2008, the following persons (not being directors or chief executive of the Company) had an interest in the following long positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

董事收購股份之權利

除於「董事權益」一節所披露者外，於期內任何時間，本公司或其任何附屬公司概無參與訂立任何安排，致使本公司董事、彼等各自之配偶或未滿十八歲之子女可藉購入本公司或任何其他法人團體之股份或債券而獲利。

主要股東及其他人士權益

於二零零八年六月三十日，按照本公司根據證券及期貨條例第336條之規定所置存之登記冊所記錄，下列人士（本公司董事或主要行政人員除外）於本公司之股份及相關股份中擁有下列好倉權益：

Name 名稱	Note 附註	Number of shares held 所持股份數目		Total 總計	Percentage 百分比
		Direct 直接	Indirect 間接		
HFL International Consortium Limited ("HFL")		1,455,202,784	-	1,455,202,784	61%
Hong Fok Enterprises Limited ("HFE") 鴻福貿易有限公司(「鴻福貿易」)	(a)	-	1,455,202,784	1,455,202,784	61%
Hong Fok Investment Holding Company, Limited ("HFIH") 鴻福有限公司(「鴻福」)	(b)	47,443,003	1,455,202,784	1,502,645,787	63%
HFC 鴻福實業	(c)	-	1,502,645,787	1,502,645,787	63%
Barragan Trading Corp.		285,312,566	-	285,312,566	12%
Praise Time Co Limited		136,000,000	-	136,000,000	6%

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS (Continued)

Notes:

- (a) HFE was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFL, did in the issued share capital of the Company by virtue of HFE's interest in HFL.
- (b) HFIH was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFE, did in the issued share capital of the Company by virtue of HFIH's interest in HFE. In addition, HFIH was directly interested in approximately 2% of the issued share capital of the Company.
- (c) HFC was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFIH, did in the issued share capital of the Company by virtue of HFC's interests in HFIH.

Save as disclosed above, no other person was recorded in the register required to be kept under section 336 of the SFO as having an interest or short position in the shares and underlying shares of the Company as at 30 June 2008.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code of the Listing Rules. Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the period.

主要股東及其他人士權益(續)

附註：

- (a) 由於鴻福貿易持有其全資附屬公司HFL之權益，故鴻福貿易於本公司已發行股本所擁有之實際權益被視為與HFL所擁有者相同。
- (b) 由於鴻福持有其全資附屬公司鴻福貿易之權益，故鴻福於本公司已發行股本所擁有之實際權益被視為與鴻福貿易所擁有者相同。此外，鴻福直接持有本公司已發行股本約2%之權益。
- (c) 由於鴻福實業持有其全資附屬公司鴻福之權益，故鴻福實業於本公司已發行股本所擁有之實際權益被視為與鴻福所擁有者相同。

除上文所披露者外，依照證券及期貨條例第336條所存置之登記冊所示，於二零零八年六月三十日，概無任何其他人士於本公司之股份及相關股份中擁有任何權益或淡倉。

購回、出售或贖回本公司上市證券

本公司及其任何附屬公司於期內概無購回、出售或贖回任何本公司上市證券。

董事進行證券交易之標準守則

本公司已採納上市規則內之標準守則所載有關董事進行證券交易之行為守則。經本公司作出具體查詢後，全體董事確認彼等在期內已遵守標準守則所載之標準。

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Listing Rules with the following deviations:

- (i) Under Code A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Cheong Pin Chuan, Patrick is both the Chairman of the board, as well as the Group’s chief executive officer (“CEO”)/managing director. Given the size and that the Company’s and the Group’s current business operations and administration have been relatively stable and straightforward, the board is satisfied that one person is able to effectively discharge the duties of both positions. However, going forward, the board will review from time to time, the need to separate the roles of the Chairman and the CEO if the situation warrants it.
- (ii) Under Code A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Non-executive directors of the Company are not appointed for a specific term although they are subject to retirement and rotation and re-election at the annual general meeting under the Company’s Bye-laws and except for the chairman of the board and /or the managing director of the Company, each director is effectively appointed under an average term of three years.
- (iii) Under Code B.1, a remuneration committee should be established with specific written terms of reference which deal clearly with its authority and duties. A majority of the members of the remuneration committee should be independent non-executive directors.

The board has not established a remuneration committee. The board conducts an informal assessment of the individual director’s contribution. No director decides his or her own remuneration.

企業管治

本公司已遵守上市規則附錄14所載之企業管治常規守則(「守則」)，惟有以下偏離：

- (i) 根據守則A.2.1條，主席及行政總裁應為互相職權分立且不可由同一人士擔任。鍾斌銓先生為董事會主席，同時亦為本集團之行政總裁(「行政總裁」)/董事總經理。由於本公司及本集團現時之規模及業務與行政相對穩定及簡單，董事會信納可以由一名人士有效履行該兩個職位之職責。然而，展望將來，董事會將不時審閱(在有需要的情况下)將主席與行政總裁之職位分離之需要。
- (ii) 根據守則A.4.1條，非執行董事須按特定任期委任，並須按規定重選。儘管本公司之非執行董事須根據本公司之公司細則在股東週年大會上依章輪值告退並膺選連任，惟彼等並未指定任期，以及除本公司董事會主席及/或本公司董事總經理外，各董事實際上乃按平均數為三年之年期獲得委任。
- (iii) 根據守則B.1條，應設立薪酬委員會，並須書面制定其職權範圍，列明其職權與職責。薪酬委員會大部分成員須為獨立非執行董事。

董事會不設薪酬委員會。董事會個別地對董事之貢獻進行非正式之評核。概無董事決定本身之酬金。

CORPORATE GOVERNANCE (Continued)

(iv) Under Code C.3.3, the audit committee should have the duties to be primary responsible for making recommendation to the board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor.

The recommendation on the appointment, reappointment and removal of the external auditor, and to approve the remuneration of the external auditors, and any questions of resignation or dismissal of that auditor of the Company is made by the board to the audit committee for approval.

ON BEHALF OF THE BOARD

Cheong Pin Chuan, Patrick
Chairman

Hong Kong
14 August 2008

企業管治(續)

(iv) 根據守則C.3.3條，審核委員會須主要負責向董事會作出委任、重新委任及罷免外聘核數師之建議、批准委聘外部核數師之薪酬及條款，以及審批任何有關該核數師辭任或罷免之問題。

有關委任、重新委任及罷免本公司外聘核數師之建議、批准外聘核數師之薪酬事宜，以及有關辭任或罷免核數師之任何問題，乃由董事會提呈審核委員會審批。

董事會代表

主席
鍾斌銓

香港
二零零八年八月十四日