



AMVIG HOLDINGS LIMITED

澳科控股有限公司

Stock Code 股份代號:2300

Annual Report 2008 年報







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Corporate Information and Shareholders' Calendar

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Chan Chew Keak, Billy (Chairman)
Mr. Chan Sai Wai (Vice Chairman)
Mr. Ng Sai Kit
Mr. Lee Cheuk Yin, Dannis

NON-EXECUTIVE DIRECTORS

Mr. David John Cleveland Hodge
Mr. Saw Kee Team, Alan
Mr. Jerzy Czubak

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tay Ah Kee, Keith
Mr. Au Yeung Tin Wah, Ellis
Mr. Oh Choon Gan, Eric

AUDIT COMMITTEE

Mr. Tay Ah Kee, Keith (Chairman)
Mr. Au Yeung Tin Wah, Ellis
Mr. Oh Choon Gan, Eric

REMUNERATION COMMITTEE

Mr. Au Yeung Tin Wah, Ellis (Chairman)
Mr. Tay Ah Kee, Keith
Mr. Oh Choon Gan, Eric

NOMINATION COMMITTEE

Mr. Chan Chew Keak, Billy (Chairman)
Mr. Tay Ah Kee, Keith
Mr. Au Yeung Tin Wah, Ellis
Mr. Oh Choon Gan, Eric

RISK MANAGEMENT COMMITTEE

Mr. Saw Kee Team, Alan (Chairman)
Mr. Chan Sai Wai
Mr. Lee Cheuk Yin, Dannis

INVESTMENT COMMITTEE

Mr. Oh Choon Gan, Eric (Chairman)
Mr. David John Cleveland Hodge
Mr. Lee Cheuk Yin, Dannis

COMPANY SECRETARY

Mr. Lee Cheuk Yin, Dannis, CPA

AUDITORS

RSM Nelson Wheeler
Certified Public Accountants

PRINCIPAL BANKERS

Bank of China Limited
Bank of Communications Co., Ltd.
China Construction Bank Corporation
Citic Ka Wah Bank Limited
Commonwealth Bank of Australia
DBS Bank (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
KBC Bank N.V.
The Royal Bank of Scotland
Shenzhen Development Bank Co., Ltd.
Standard Chartered Bank (Hong Kong) Limited

Corporate Information and Shareholders' Calendar

SHAREHOLDERS' CALENDAR

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Bank of Butterfield International (Cayman) Ltd.
Butterfield House
68 Fort Street
P. O. Box 705
George Town
Grand Cayman
Cayman Islands
British West Indies

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

REGISTERED OFFICE

Century Yard
Cricket Square
Hutchins Drive
P. O. Box 2681 GT
George Town
Grand Cayman
Cayman Islands
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1803-04, 18/F,
Li Po Chun Chambers,
No.189 Des Voeux Road Central,
Hong Kong

STOCK CODE

2300

REGISTER OF SHAREHOLDERS

Close of Register

15 May 2009 to 22 May 2009 (both days
inclusive)

ANNUAL GENERAL MEETING

10:00 a.m. on 26 May 2009 at Room 1803,
18/F Li Po Chun Chambers, No.189 Des
Voeux Road Central, Hong Kong

DIVIDENDS

Interim dividend: HK8.9 cents per share
Paid on 15 October 2008

Proposed final dividend: HK4.3 cents per share
Payable on or about 21 June 2009

Maximize **shareholders' value**

Strengthen **corporate governance** and
achieve **international environmental standards**

Seize every opportunity to **propel forward**



MISSION
VISION

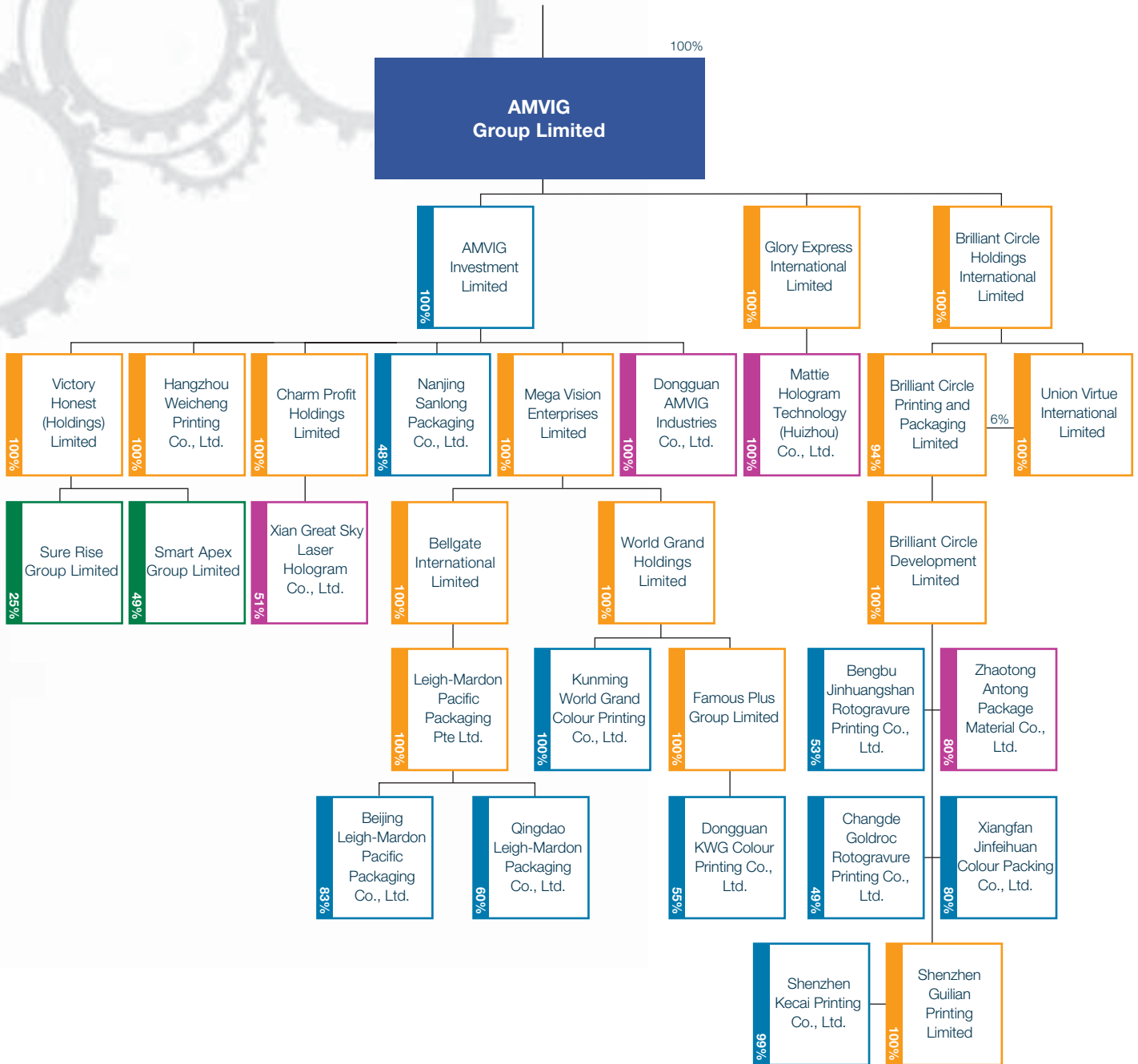
Maintain as the **market leader** in the cigarette packaging
printing industry in the People's Republic of China

Sustain as **the best** packaging partner for tobacco
manufacturers with **world class** standards

Corporate Structure



AMVIG HOLDINGS LIMITED





Cigarette packaging printing plant

Transfer paper and laser film manufacturing plant

Investment holding company

Material sourcing / research and development company

Geographical Coverage

-  Cigarette packaging printing plant
-  Transfer paper and laser film manufacturing plant



1  **Kunming**
Kunming World Grand Colour Printing Co., Ltd.
("Kunming Plant")
Cigarette packaging printing plant

2  **Zhaotong**
Zhaotong Antong Package Material Co., Ltd.
("Zhaotong Plant")
Transfer paper manufacturing plant

3  **Xian**
Xian Great Sky Laser Hologram Co., Ltd.
("Xian Plant")
Laser film manufacturing plant

4  **Beijing**
Beijing Leigh-Mardon Pacific Packaging Co., Ltd.
("Beijing Plant")
Cigarette packaging printing plant

5



Qingdao

Qingdao Leigh-Mardon Packaging Co., Ltd.
("Qingdao Plant")

Cigarette packaging printing plant

6



Bengbu

Bengbu Jinhuangshan Rotogravure Printing Co., Ltd.
("Bengbu Plant")

Cigarette packaging printing plant

7



Nanjing

Nanjing Sanlong Packaging Co., Ltd.
("Nanjing Plant")

Cigarette packaging printing plant

8



Xiangfan

Xiangfan Jinfeihuan Colour Packing Co., Ltd.
("Xiangfan Plant")

Cigarette packaging printing plant

9



Hangzhou

Hangzhou Weicheng Printing Company Limited
("Hangzhou Weicheng")

Cigarette packaging printing plant

10



Changde

Changde Goldroc Rotogravure Printing Co., Ltd.
("Goldroc Plant")

Cigarette packaging printing plant

11



Dongguan

("Dongguan One-Stop Plant")
Dongguan KWG Colour Printing Co., Ltd.

Cigarette packaging printing plant



Dongguan AMVIG Industries Co., Ltd.

Transfer paper manufacturing



Mattie Hologram Technology (Huizhou) Co., Ltd.

Laser film manufacturing plant

12



Shenzhen

Shenzhen Kecai Printing Co., Ltd.
("Kecai Plant")

Cigarette packaging printing plant

2008 Achievements

April

Relocation of laser film operation to Dongguan

Having commenced the operations of new Dongguan plant in 2007, AMVIG Holdings Limited (the “Company” or “AMVIG”, together with its subsidiaries the “Group”) has further relocated the laser film operation from Huizhou to Dongguan in April 2008. Our Dongguan plant is now a “one-stop” shop with film and transfer paper production as well as cigarette packaging printing all housed in one location. This vertically integrated plant enables us to better utilize resources, reduce wastage and transportation costs effectively.

May

Major acquisition

The Group entered into an agreement for the acquisition of Hangzhou Weicheng. Being one of the best operated cigarette packaging printing companies in China, Hangzhou Weicheng is a key supplier to China Tobacco Zhejiang Industrial Co., Limited which is one of the top ten tobacco groups in the People’s Republic of China (the “PRC”). The acquisition was completed in October 2008 and our market share has increased from approximately 17% to 19%, securing AMVIG’s position as the largest tobacco packaging printing company in China.

June

Shares subscription by Amcor Fibre Packaging-Asia Pte Limited (“Amcor Fibre”)

The Company entered into a Shares Subscription Agreement with Amcor Fibre, our single largest shareholder. Amcor Fibre subscribed for 78,300,000 shares at HK\$8.94 per share, which represented a premium of approximately 6% over the then market price. Accordingly, around HK\$699 million cash was raised for our further expansion, and this shares subscription has secured further long term support from our largest shareholder.



July

Investment

The Group entered into an agreement for the acquisition of a 25% equity interest in Sure Rise Group Limited through which the Group conducted certain of its sourcing operations to leverage the benefits of its expanded manufacturing footprint.

Aug

Investment

The Group entered into an agreement for the acquisition of a 49% equity interest in Smart Apex Group Limited through which will develop anti-counterfeiting features to help expand the Group's operations.

October



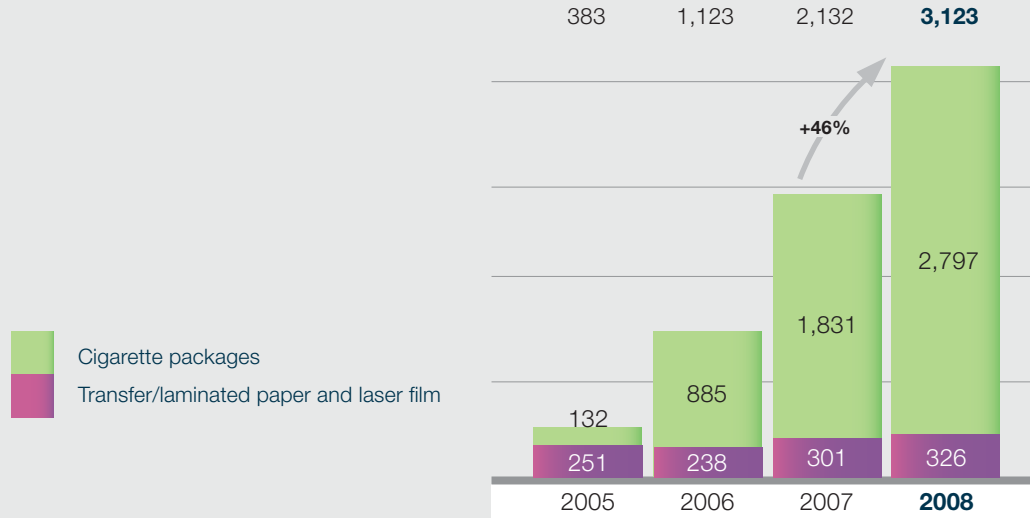
Appointment of new Director

Welcome to Mr. Jerzy Czubak who joined the board of directors (the "Board") as a non-executive Director with effect from 16 October 2008. Mr. Jerzy Czubak has more than 24 years of operations experience, of which more than 14 years have been working with Amcor Rentsch Europe. Mr. Czubak is the Managing Director in Amcor Rentsch and a member of Amcor global executive team.

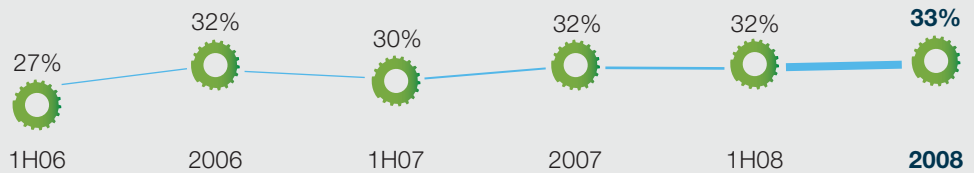
Financial Highlights

Turnover

HK\$ million

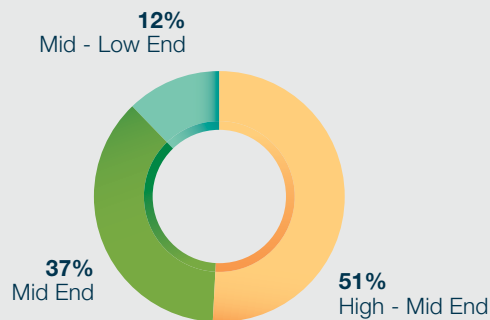


Gross Margin



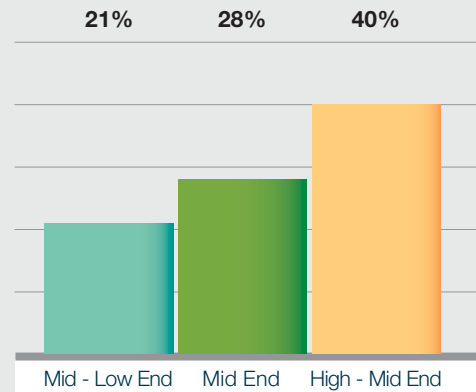
Product Mix - Turnover for 2008

Cigarette Packages



Product Mix - Gross margins for 2008

Cigarette Packages

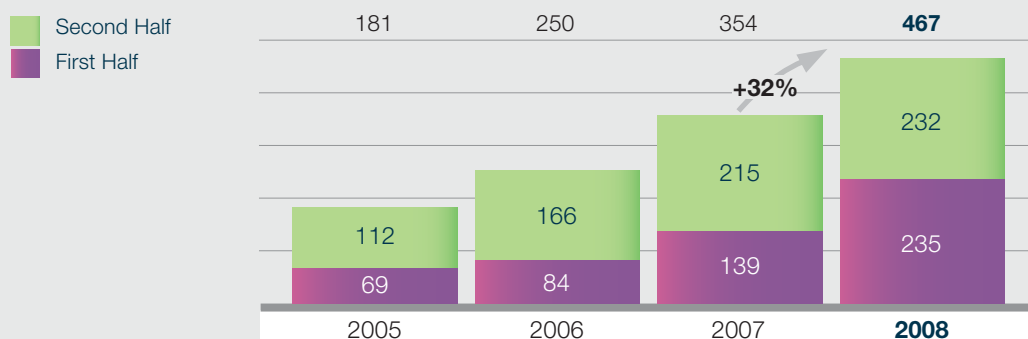


	2008 HK\$ million	2007 HK\$ million	Change %
Turnover	3,123	2,132	↑ 46%
Gross profit	1,031	689	↑ 50%
Profit attributable to equity holders	467	354	↑ 32%
Net asset value*	5,275	3,835	↑ 38%
Net debt	775	681	↑ 14%
<hr/>			
Earnings per share (HK cents)	46.0	43.4	↑ 6%
Total dividend per share (HK cents)	13.2	15.9	↓ 17%
Net asset value* per share (HK cents)	484.0	392.3	↑ 23%

* attributable to equity holders

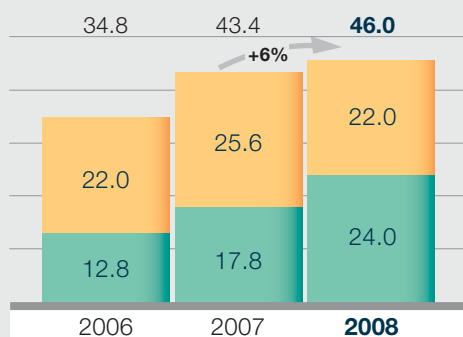
Profit attributable to equity holders

HK\$ million



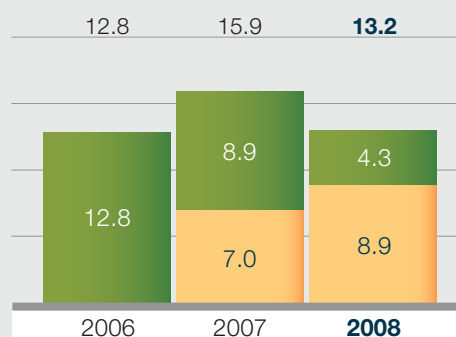
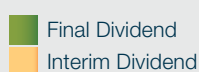
Earnings per share

HK cents



Total dividend per share

HK cents





Strategy

Taking necessary initiatives to ensure our business remain efficient and resilient during this challenging time of economic uncertainty.

“To leverage AMVIG’s position as a leading tobacco packaging printing specialist in the PRC, to consistently deliver strong results through the up and down of economic cycles, **to build long term value for our shareholders.**”



Chairman's Statement

Chan Chew Keak, Billy
Executive Chairman

Chairman's Statement

It is my pleasure to report on behalf of the Board and Company on AMVIG's 2008 annual results. As AMVIG celebrates a milestone of more than 5 years as a listed company, it can be justifiably proud of its achievements in cementing its position as the largest tobacco packaging company in the PRC.

In 2008, the Group's total sales exceeded HK\$3.1 billion for the first time and accordingly achieved another record profit.

The result was particularly encouraging against a background of unprecedented global financial turmoil that continues to have an impact throughout many of the world's economies that creating uncertainty and difficulty for many businesses. Fortunately in the PRC, the China Tobacco industry demonstrated its ongoing resilience and was one of the few industries in the PRC to grow in what was a difficult year.



In 2008, AMVIG firmly established its position as the leader in the tobacco packaging printing industry in the PRC. The acquisition of Hangzhou Weicheng in October 2008, for a consideration of RMB350 million, has increased our market share to approximately 19%, further extended AMVIG's unique diversified manufacturing footprint, and allowed AMVIG to leverage its position as the leading supplier to the top tobacco groups and brands.

During the year, AMVIG has continued its focus on integration and allocation of our production capacity, with the aim of achieving the most cost-effective manufacturing footprint to better satisfy the various needs of our customers. We have accelerated our integration plan to streamline some of our existing production operations where we could reduce costs and improve efficiency.

Chairman's Statement

AMVIG's unique manufacturing network of production plants in the PRC enables us to more effectively utilize our production capacity by relocating orders and streamlining facilities, so as to minimize distribution costs and to offer timely technical support and responses to our customers. These initiatives will improve our competitiveness by reducing over capacity and using our scale to deliver better, more efficient services to our customers.

The Board is confident that AMVIG can continue to deliver profit growth in the year ahead.

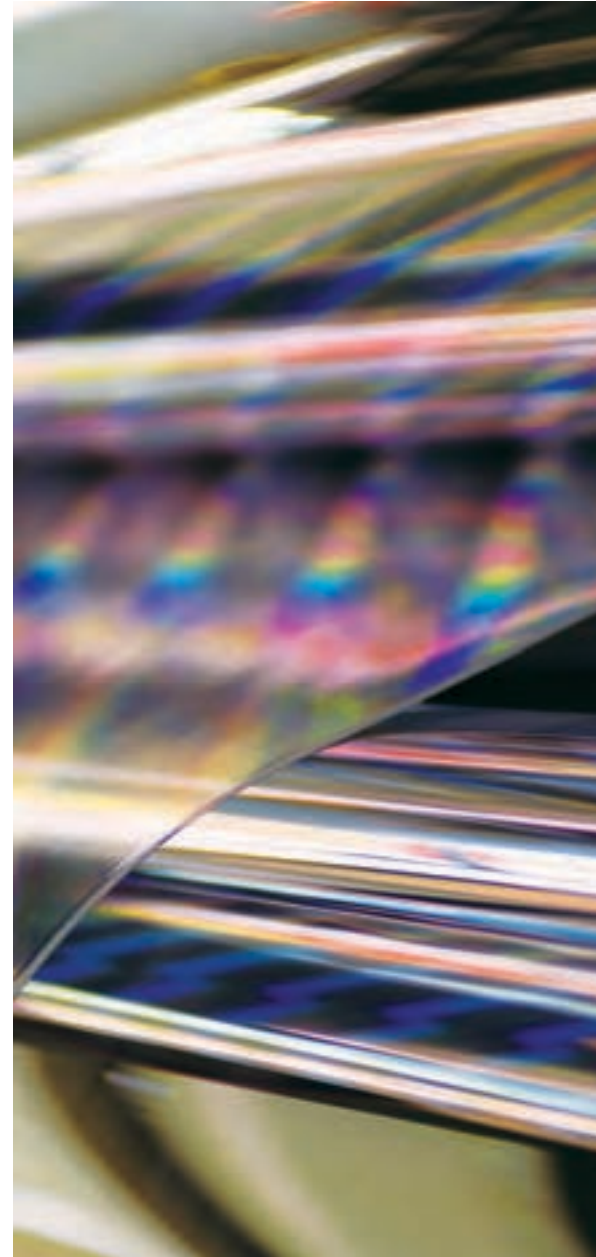
Our single largest shareholder, Amcor Fibre, has again demonstrated its commitment to AMVIG and helped us raise substantial funds for continued expansion. With the current liquidity constraints, AMVIG has adopted a set of stringent working capital management measures to preserve and maximize operating cash flow. The Company is committed to maintain a strong balance sheet that allows it to continue to take advantage of expansion opportunities.

On behalf of the AMVIG Board, I would like to thank our customers for their enduring support in helping AMVIG to create sustainable partnerships that are mutually beneficial for all stakeholders.

I would also like to take this opportunity to thank my Board colleagues for their counsel and support and my management team who have performed admirably during a difficult year; their contribution is the key to the Group's success. I would also like to thank all the intermediates and communities who have been supportive and assisted us during the year.

EARNINGS AND DIVIDENDS

For the year ended 31 December 2008 ("Reporting Period"), the Group's revenue increased from HK\$2,132 million to HK\$3,123 million, an increase of 46% as compared to last year. This significant increase in turnover is due to the full year consolidation of the Brilliant Circle Holdings International Limited and its subsidiaries (collectively known as "Brilliant Circle Group"). Profit attributable to equity shareholders of the Company increased to HK\$467 million, representing an increase of 32% as compared to last year. Basic earnings per share were HK46 cents representing an increase of 6%. This low increase was because



Chairman's Statement

of the increase of our equity base when we issued 78.3 million shares to Amcor Fibre in June 2008 and additional 34.2 million shares in October 2008 for the Hangzhou Weicheng acquisition. The full effect of this acquisition will be reflected in the next year's account as we have only completed the acquisition of Hangzhou Weicheng in the fourth quarter of 2008. Our improved performance has reflected the effectiveness of our strategies and cost reduction initiatives, which will continue to grow our business, thereby creating value for our shareholders. The Board recommended the payment of a final dividend of HK 4.3 cents per share, bringing a total of HK13.2 cents per share for the year ended 31 December 2008.

The cash flow from operations for the Reporting Period was HK\$547 million and after the payment of approximately HK\$47 million final dividends to shareholders, the free cash flow was HK\$500 million.

MAJOR DEVELOPMENTS

In April 2008, the Company relocated its laser film operation from Huizhou to our new Dongguan plant and transformed the Dongguan plant into a "one-stop" shop, so that production of film and transfer paper, as well as tobacco packaging printing operations, can all be done in one single location. This has enabled us to cut down a significant number of workforce and overheads. This action enhances the utilization of resources and trims down our transportation costs and fits in well with our integration plan to streamline our facilities for efficiency.

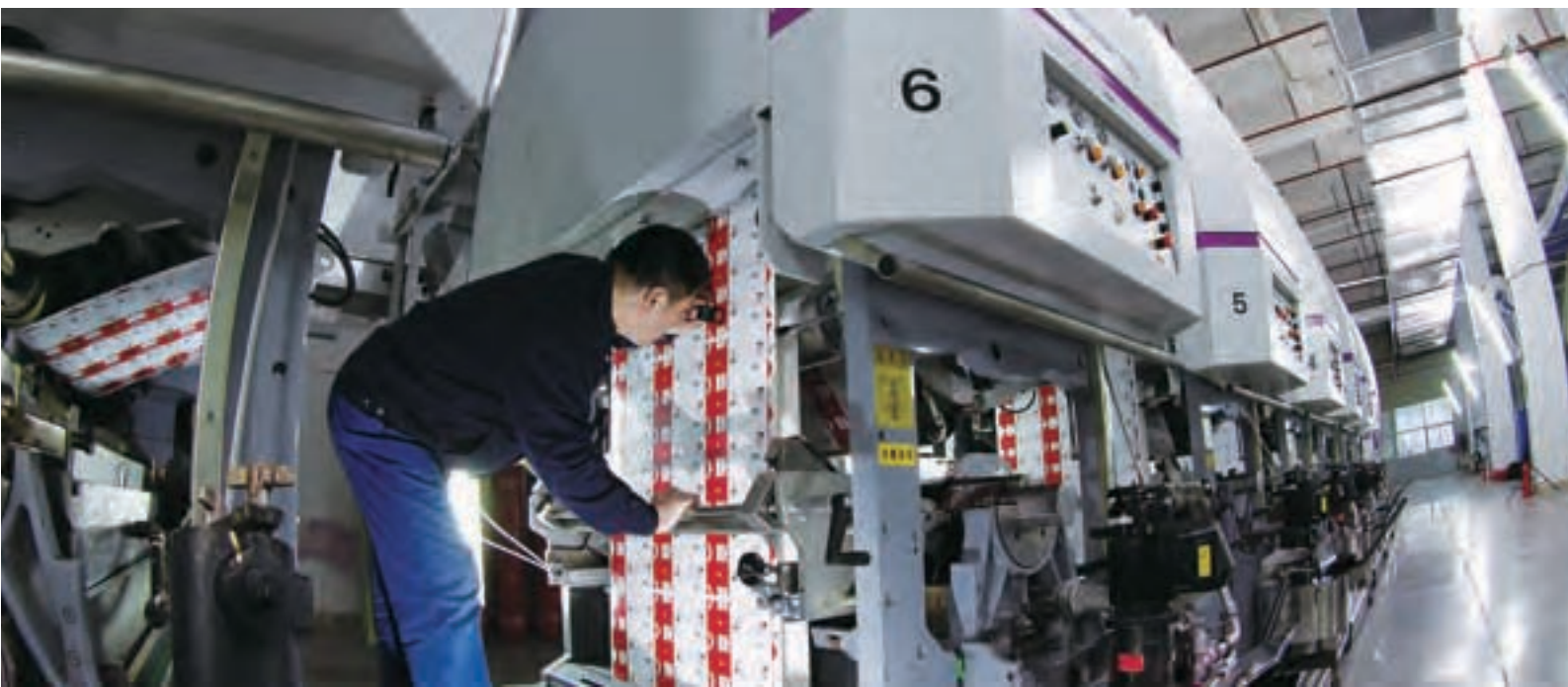
In June 2008, with the aim of equipping ourselves for further expansion through acquisitions, AMVIG entered into a Shares Subscription Agreement with our single largest shareholder, Amcor Fibre, by placing 78,300,000 shares at HK\$8.94 per share. This allowed AMVIG to raise approximately HK\$699 million cash and helped fund the acquisition of Hangzhou Weicheng, that was completed in October 2008.

Hangzhou Weicheng is one of the best operated tobacco packaging printing companies in the PRC supplying the high value-added brands to China Tobacco Zhejiang Industrial Co., Limited, which is one of the top ten tobacco Groups in the PRC. Since Hangzhou Weicheng is a key supplier to the Zhejiang province, our product mix has broadened to include Liqun, Xiongshi and Suyan, all of which are top cigarette brands in the PRC.

Chairman's Statement

CORPORATE GOVERNANCE

The Board believes that good corporate governance and transparency are fundamental to a creditable and responsible corporation to protect and enhance the value of the Company. This becomes even more important during periods of global financial turmoil leading to weaker demand, greater uncertainty and potentially higher risks. AMVIG is focusing on putting more resources to improving its internal controls and managing operating risks and will continue to train its employees to adopt international management practices in its day to day operations.



SAFETY AND ENVIRONMENTAL POLICY

Being the No.1 cigarette packaging printing specialist in the PRC, AMVIG benchmarks itself against international standards on safety and environmental concerns. AMVIG is among the first batch of companies in the PRC that have complied with the Volatile Organic Compounds emission standard set by the PRC government. This is one of the results brought forth by the continuous effort of our research and development centres. Our engineers at the R&D centres will continue to develop and improve production operations and technologies. We will strive for the most efficient use of energy, as well as minimize waste and adverse environment impacts, in order to operate our business in an environmentally responsible manner at all times.

The Board also believes that employees are the most valuable assets to the Group. For this reason, the safety and security of employees are always the prioritized task of AMVIG. Proactive and comprehensive measures are implemented to prevent occupational and health risks and to handle any emergencies.

Chairman's Statement

BOARD CHANGES

During the year, despite the resignation of Mr. Li Shui Dang, the Board was strengthened with the appointment of Mr Jerzy Czubak as a non-executive director, Mr Czubak brings with him a wealth of experience in the tobacco packaging field, having been in this industry since 1994 and currently managing seven tobacco packaging plants spread across Europe, namely in Poland and Russia, for Amcor.

OUTLOOK

Year 2009 is expected to be a difficult year for almost every business as a consequence of the global economic recession. AMVIG's response will be to continue to implement cost reduction initiatives and focus on supplying differentiated competitive product and service offerings to meet the needs of its customers. The stable tobacco market in the PRC is expected to help propel AMVIG forward during this challenging time of economic uncertainty. Management has taken the necessary initiatives to reduce cost and leverage its purchasing source, tighten management of working capital, and adopt stringent financial disciplines to remain efficient. These measures are not only to cope with any further deterioration in the economic conditions, but more importantly, also to maximize the profitability and cash flow of AMVIG for 2009.

In addition, there will be an intensive program to develop capabilities in customer servicing, market focus, capital discipline, cost reduction and talent management. These are the necessary foundations that will enable the Company to grow strongly and effectively. The benefit of these efforts will no doubt increasingly be reflected in the results over the next few years. This focus is a key requirement in this turbulent time and we recognize that succession planning and building a suitably broad pool of management talents is necessary for our continued success. It is our people and our relationship with customers more than anything else that will drive our business to success.



Chairman's Statement

The Board and I are cautiously optimistic for another year of growth in 2009. The management has planned to deploy more resources for further consolidation and integration of the Group after a series of major acquisitions over the past few years. With the visibility of the order status ahead, more cost-effective job allocation among our production bases will be implemented, so as to make best use of the capacity utilization and productivity of the Group. Within each plant, AMVIG will continue to drive for organic growth in the business by improving product mix, uplifting the efficiency with stringent process control system and maximizing the benefits of economies of scale, as well as implementing even more rigorous cost control measure and benchmarking system to reduce wastage. Following the acquisition of Hangzhou Weicheng in the fourth quarter of 2008, AMVIG has a greater exposure of new cigarette brands and customers. The product mix of the Group is expected to further improve in 2009.

The Board believes that although it will be a challenging year ahead, AMVIG is well positioned to meet any challenges and take advantage of opportunities. The Board and all of our senior executives are committed to establishing rigorous risk assessment processes for identifying and handling potential risks across all parts of our operations. In 2009, we seek to further secure AMVIG's leading position in the tobacco packaging printing industry with its cutting-edge technology and the advantages of its vertical integration business structure, which will further strengthen our partnership with the China National Tobacco Corporation.

AMVIG will remain focused on our vision of being a leading printing specialist in the tobacco packaging industry in the PRC. By pursuing our vision relentlessly, we believe our ability to consistently deliver strong results through a variety of economic and market cycles will enable us to build long term value for our shareholders.

Chan Chew Keak, Billy

Executive Chairman

Hong Kong, 7 April 2009



Growth

To propel forward and continue to strive for substantial growth and expansion.

BUSINESS REVIEW

The management of AMVIG is pleased to report the final results of a satisfying year in 2008. In spite of the unprecedented economic turmoil, AMVIG has benefited from the relatively stable and recession-proof tobacco market in the PRC and achieved increased operating margins and progressive earnings growth. At the same time, AMVIG has maintained its leading position as the largest tobacco packaging printing specialist in the PRC.

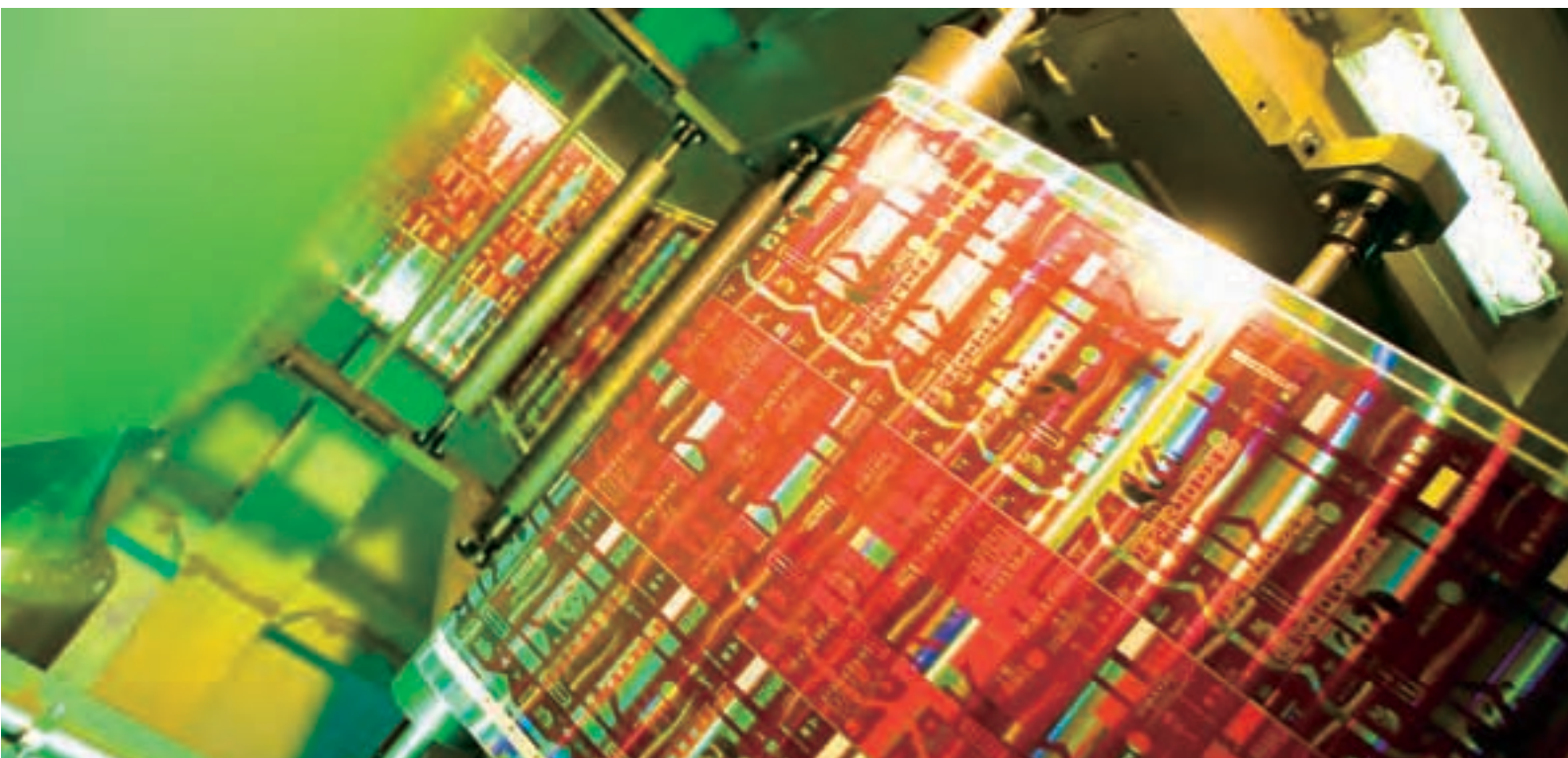


Management Discussion and Analysis

By the end of 2008, AMVIG's market share was approximately 19% underpinned by its dual growth strategy of integration and targeted acquisition. In step with the steady growth of the Chinese tobacco industry in both volume and value, AMVIG successfully acquired additional orders from its existing customers and became the core printing supplier of certain newly launched series, as well as improved our product mix. Currently, AMVIG is the major supplier of seven out of the top ten tobacco groups and the single largest supplier to six out of the top ten cigarette brands.

As the leader in the market, AMVIG possesses an extensive manufacturing network, with a scale of twelve production bases spreading across the nation. This unique footprint not only brings AMVIG stronger printing capacity to cope with the tobacco groups' growing demand, but also enables AMVIG to serve its customers in a more effective and timely basis.

Management Discussion and Analysis



During the year, AMVIG has been actively reallocating the printing machineries across our production plants to handle different market demands in different regions, thus fully utilizing the Group's resources and minimizing the capital expenditures. We believe that the ongoing integration will continue to generate synergy, through reducing the manufacturing costs and increasing productivity for the Group, and that these economies of scale continue to provide AMVIG with a competitive edge.

In view of the challenging economic environment and credit crunch in 2008, AMVIG has adopted a set of working capital management measures to maintain a strong balance sheet to withstand any external pressures and support its ability to deliver on its operational objectives. The Group has been gradually applying the just-in-time scheme in stocking raw materials, which lowers the inventory level in-house and the associated carrying costs. Tightening the working capital under reasonable negotiation also allows the Company to preserve and maximize the operating cash flow to sustain a healthy financial position for further development.

Meanwhile, AMVIG has implemented stringent cost control measures to ensure our business remains vigorous and resilient. Despite a double-digit growth last year, we have not slowed down but rather accelerated our integration of the previous acquisitions. We have been benchmarking the performance among all plants with centralized reporting system and budget analysis to further bring down the capital expenditures and the operating expenses, and more importantly, to improve the efficiency of each plant. Pleasingly, this has resulted in improved gross margins and lower operating expense ratios.

Management Discussion and Analysis

OPERATIONS IN DONGGUAN ONE-STOP PLANT

Following the establishment of our new Dongguan plant, AMVIG relocated the laser film operation from Huizhou to Dongguan in April 2008, so that the manufacturing of both laser film and transfer paper, as well as the package printing, are all operated in a single site. In October 2008, we also merged the printing divisions of Dongguan KWG Colour Printing Company Limited (“Dongguan KWG”) and of Dongguan AMVIG Industries Company Limited for better management of orders and production schedules, so that we can improve our ability to serve customers in the southern part of China. As a result, overhead costs were further reduced.

ACQUISITION AND INVESTMENTS

Hangzhou Weicheng, one of the best operated cigarette packaging printing companies in the PRC, has been merged into AMVIG since October 2008. The purchase consideration for the acquisition of Hangzhou Weicheng was RMB350 million. The transaction has significantly broadened the customer bases of AMVIG by bringing in Liqun, Xiongshi and Suyan, all of which are the top cigarette brands in the PRC. A positive full year impact of the acquisition is expected to be reflected in 2009.

The Group acquired a 49% equity interest in Smart Apex Group Limited through which will develop certain anti-counterfeiting features to help expand its operations.

The Group acquired a 25% equity interest in Sure Rise Group Limited through which the Group conducted certain of its sourcing operations to leverage the benefits of its expanded manufacturing footprint.

SHARES SUBSCRIPTION BY AMCOR FIBRE

In June 2008, the Company entered into a Shares Subscription Agreement with our single largest shareholder, Amcor Fibre, by placing 78.3 million new shares at HK\$8.94 per share. The subscription not only raised approximately HK\$699 million cash for continued expansion of AMVIG, but also reinforced the long term support from our largest shareholder.

RESEARCH AND DEVELOPMENT

Research and development (“R&D”) is another competitive edge AMVIG possesses in maintaining its leadership position. In 2008, we strived to be creative in our designs and be environmentally friendly in the manufacturing process to cater for the needs of our customers. During the year, AMVIG successfully developed certain anti-counterfeiting features that enabled our customers to migrate their products up the value chain and command a premium price. As a result, our product margin has also improved. In addition, we have also streamlined the printing procedures by re-engineering our equipment. This upgrade has lowered the level of wastage and inefficiency in the production process, thus improving the passing rate of the production lines and reducing the manufacturing costs.

Management Discussion and Analysis

On the environmental front, AMVIG has been among the first batch of printing companies which have passed the Volatile Organic Compounds emission standard set by the PRC government last year. All these achievements are the results brought forth by our skilled engineers and the advanced product development technology at the R&D centers. In the coming year, AMVIG will continue to conduct innovative R&D actively and maintain AMVIG at the forefront of the cigarette packaging printing industry.

OUTLOOK

Year 2009 is expected to be a challenging year for business generally in view of the unfavorable business environment resulting from the global economic slowdown. However, the management of AMVIG is confident that AMVIG will deliver yet another year of profit growth as the PRC tobacco industry continues to perform strongly, despite the depressed economy. The management will continue to deploy initiatives for cost reduction and maintain capital discipline, to ensure a healthy business with a strong cash flow.

At the same time, AMVIG will be more focused on comprehensive product development and consistent service reliability to strengthen our competitiveness in the ongoing consolidation in the market. With our sophisticated R&D and technical know-how, AMVIG will put more effort on innovative and cost-effective designs to cater for the needs of our customers in this fast-changing market, and meanwhile to improve our product mix and profitability.

In 2009, integration remains one of the top priorities of AMVIG in order to assimilate the acquisitions made in recent years. With the acquisition of Hangzhou Weicheng, the advantages of economies of scale and resource sharing will be further leveraged from our well-established organizational structure. AMVIG will also cautiously review and streamline our existing plants and facilities to improve the productivity and efficiency, and more importantly, to lay a firm and solid foundation for further expansion.

Under this unpredictable and fast-changing business environment, a proactive and comprehensive risk management system will be another prioritized task of AMVIG in 2009. The management will continuously identify and handle potential risks individually and collectively across all parts of our operations to mitigate any threats that would hinder our growth.

With the vision of being a leading printing specialist in the tobacco packaging industry in the PRC, AMVIG is well-prepared to propel forward in the challenging year 2009 and will continue to strive for substantial growth and expansion. We will continue to assess strategic development opportunities as they may arise in this unique Chinese tobacco market to reinforce our business and maximize the return of our shareholders.

Management Discussion and Analysis

Last but not least, the management would like to thank our customers and all business partners for their enduring support during the year, and our devoted employees for their outstanding performance in achieving this successful 2008. The management and our professional team are committed to striving for continuous customer service excellence and providing value-added services in 2009.



FINANCIAL REVIEW

TURNOVER

During the Reporting Period, the Group benefited from the continuous consolidation and the growth of the tobacco industry in China. In addition, with the inclusion of the full year results of Brilliant Circle Group, together with part of the annual results of Hangzhou Weicheng, acquired in October 2008, the Group was able to achieve significant growth in turnover through both organic and inorganic means. Accordingly, the Group achieved a turnover of HK\$3,123 million in 2008, representing an increase of HK\$991 million or 46% as compared to last year.

GROSS PROFIT

During the Reporting Period, the overall gross profit rate was 33%, an improvement of 1 percentage point when compared to last year. Gross profit was HK\$1,031 million in 2008, increased by HK\$342 million or 50% as compared to last year. The Group is able to enjoy economies of scale and integration benefits through sharing of resources and capacities among different plants within the Group that has favourably impacted gross profit margins. As part of its growth strategies, the Group continues to strive for an improvement in its product mix. The acquisition of Hangzhou Weicheng, which produces high-end products has favourably impacted product mix.

Management Discussion and Analysis

OTHER INCOME

Other income represents interest income, exchange gain and sales of scrapped materials. Increase in interest income was in line with the increase in cash and bank balances mainly resulting from operating cash inflow, the shares placement to Amcor Fibre and the draw-down of bank borrowings. On the other hand, the increase in gain on sales of scrapped materials was in line with the increase in the Group's scale of operations.

OPERATING COSTS

The inclusion of full year's expenses of Brilliant Circle Group and part of the annual expenses of Hangzhou Weicheng caused a significant increase in operating costs (including administrative expenses, selling and distribution costs and other operating expenses) from HK\$322 million in 2007 to HK\$427 million in 2008. Nevertheless, operating costs expressed as a percentage of turnover reduced from 15% in 2007 to 14% in 2008, which is largely due to the Group's persistent efforts in containing operating costs since the outbreak of financial crisis.

NON-OPERATING EXPENSES

Included in non-operating expenses are (1) loss of HK\$17 million incurred upon the de-recognition of shares purchased for the benefits of employees pursuant to an Employees' Share Award Scheme adopted on 13 June 2007 as financial assets at fair value through profit or loss and the recognition of loan receivables; and (2) loss upon de-registration of Changde Jinfurong Aluminium Foil Packing Materials Company Limited, a subsidiary acquired through the acquisition of Brilliant Circle Group in 2007 amounted to HK\$13 million.

FINANCE COSTS

Finance costs increased from HK\$24 million in 2007 to HK\$63 million in 2008. The significant increase was mainly due to syndicated loans drawn down in May 2007 and August 2007, respectively; and additional borrowings drawn down in October 2008 to finance the acquisition of Hangzhou Weicheng.

SHARE OF PROFIT OF ASSOCIATES

Share of profit of associates comprised mainly share of net profit of Nanjing Plant and Goldroc Plant, which are 48% and 48.85% owned by the Group, respectively. In 2008, the Group benefited from the inclusion of its share of the full year's results of Goldroc Plant, as opposed to the share of only part of the annual results in the previous year. Share of profit of associates amounted to HK\$173 million in 2008, increased by HK\$102 million, or 143% when compared to last year.

Both Nanjing Plant and Goldroc Plant showed encouraging growth during the Reporting Period.

Management Discussion and Analysis

TAXATION

The effective tax rate of the Group rose by 4 percentage points from 15% in 2007 to 19% in 2008. This was mainly due to deferred tax for the first time implementation of withholding tax charged on future dividends payable from PRC subsidiaries and associates to overseas shareholders in relation to these entities' earnings from 1 January 2008 under the Corporate Income Tax Law approved by the National People's Congress on 16 March 2007. Moreover, the expiry of tax holidays of several subsidiaries also contribute to the increase in effective tax rate. The increase, however, was offset to some extent by the tax free status obtained by Dongguan KWG.

NET PROFIT AND PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The Group's profit attributable to shareholders increased by 32% to HK\$467 million in 2008 from HK\$354 million in 2007. The increase was due to a combination of factors, including organic growth in business and the inclusion of full year's results of Brilliant Circle Group and the contribution of the post-acquisition results of Hangzhou Weicheng.

SEGMENTAL INFORMATION

During 2008, turnover from cigarette packaging printing amounted to HK\$2,797 million, a year-on-year increase of HK\$966 million and accounted for 90% of the Group's turnover. The increase was mainly due to the inclusion of full year results of Brilliant Circle Group and the contribution of the post-acquisition results of Hangzhou Weicheng.

Going forward, the percentage of cigarette packaging printing over the Group's turnover will continue to increase as the Group's transfer paper and film sales will be mainly for internal use and will be eliminated on consolidation.



Management Discussion and Analysis

DIVIDENDS

The Board recommended a final dividend of HK4.3 cents per share, taken together with the interim dividend of HK8.9 cents per share, making a total dividend of HK13.2 cents per share, representing a payout ratio of 30%. The Board considers this is a prudent payout ratio in the current economic environment.

FINANCIAL POSITION

As at 31 December 2008, total assets of the Group amounted to HK\$8,358 million and its total liabilities amounted to HK\$2,783 million, representing an increase of HK\$1,574 million and HK\$92 million, respectively as compared to 2007. The increase in total assets was mainly attributable to the acquisition of Hangzhou Weicheng during the year. The increase in total assets was not matched by a corresponding increase in total liabilities as the acquisition of Hangzhou Weicheng was partly funded by proceeds raised by placement of new shares to Amcor Fibre.

BORROWINGS AND BANKING FACILITIES

As at 31 December 2008, the Group has gross interest-bearing borrowings of approximately HK\$1,674 million (2007: HK\$1,492 million), representing an increase of HK\$182 million over the previous year. The increase was mainly due to the bank borrowing drawn for the acquisition of Hangzhou Weicheng.

33% of the interest-bearing borrowings are secured. 22%, 40% and 37% of the interest-bearing borrowings are denominated in Renminbi, Hong Kong Dollars and United States Dollars, respectively. Substantially interest-bearing borrowings are at floating interest rates. However, taking into account the cross currency swaps entered into with a view to hedge both the interest rate risks and currency risks of certain interest-bearing borrowings, 85% and 14% of the interest-bearing borrowings are denominated in Renminbi and Hong Kong Dollars, respectively, and 36% of the interest-bearing borrowings are at floating interest rate. The maturity profile of the Group's gross interest-bearing borrowings is as follows:

	2008	2007
	HK\$'000	HK\$'000
On demand or within one year	858,594	374,423
In the second year	718,235	509,976
In the third to fifth years, inclusive	97,281	607,907
	1,674,110	1,492,306
Less: Amount due for settlement within 12 months (shown under current liabilities)	(858,594)	(374,423)
Amount due for settlement after 12 months	815,516	1,117,883

Management Discussion and Analysis

CAPITAL STRUCTURE

As at 31 December 2008, the Group had net assets of HK\$5,575 million comprising non-current assets of HK\$6,049 million (including property, plant and equipment of HK\$1,306 million, prepaid land lease payments of HK\$52 million, goodwill of HK\$3,956 million, interests in associates of HK\$373 million, financial assets at fair value through profit or loss of HK\$6 million, loan receivables of HK\$305 million, available-for-sale financial asset of HK\$2 million, other financial assets of HK\$1 million and other assets of HK\$48 million), net current assets of HK\$437 million and non-current liabilities of HK\$911 million.

Gearing ratio, measured by total interest-bearing borrowings less cash and cash equivalent as a percentage of equity, decreased from 17% in 2007 to 14% in 2008. The decrease in gearing ratio was mainly due to the expansion in equity base by HK\$699 million through the shares placement to Amcor Fibre.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2008, assets of HK\$603 million (2007: HK\$287 million) were pledged to banks in respect of banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2008, the Group did not have any significant contingent liabilities (2007: Nil).

CAPITAL COMMITMENTS

As at 31 December 2008, the Group had capital commitments contracted but not provided for in respect of acquisition of property, plant and equipment of HK\$71 million (2007: HK\$33 million).

WORKING CAPITAL

The current ratio decreased from 157% at last year end to 123% at 31 December 2008 due to an additional HK\$484 million of bank loan which will fall due within one year.

FOREIGN CURRENCY EXPOSURE

During 2008, the Group's business transactions were mainly denominated in Renminbi, Hong Kong Dollars and United States Dollars.

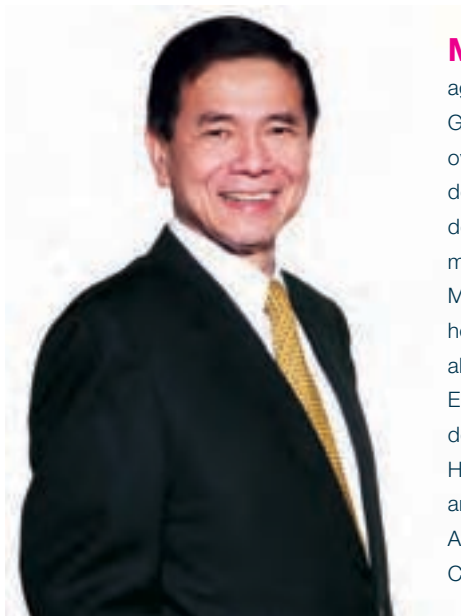
The Group entered into cross currency swap contracts with a view to hedge both the interest rate and currency risks of certain long-term interest-bearing borrowings drawn as discussed under the paragraph "Borrowings and banking facilities" above. Save as aforementioned, the Group does not have any other hedging activities against its foreign exchange exposure.

TREASURY POLICIES

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Profile of Directors and Senior Management

EXECUTIVE DIRECTORS



Mr. Chan Chew Keak, Billy,

aged 58, was appointed as Executive Chairman of the Group in April 2006. He is also the Chief Executive Officer overseeing the overall management of the Group and development of corporate policies and strategies for development of the business. Mr. Chan has extensive management experience having held the position of Managing Director of Amcor Asia since 1995. He also holds various directorships and has direct responsibility for all Amcor's operations within Asia. Mr. Chan is a Chartered Engineer (UK) with a Master of Business Administration degree from University of Strathclyde in United Kingdom. He is a member of the Chartered Engineer Institution (UK) and also a member of the Royal Institution of Naval Architect. Mr. Chan is also the Chairman of the Nomination Committee of the Company.



Mr. Chan Sai Wai,

aged 51, was appointed as the Vice Chairman of the Group in June 2007. Mr. Chan is the director of several subsidiaries of the Company. He has been primarily responsible for overall management and operation of World Grand Holdings Limited and its subsidiaries. Mr. Chan has been engaging in the trading of cigarette packaging business since 1982. He had been the Assistant Managing Director of Yunnan Nine-Nine Colour Printing Co., Ltd. since 1996 until he set up Kunming World Grand Colour Printing Co., Ltd. in 2002. Mr. Chan is the brother of Mr. Ng Sai Kit and he joined the Group in June 2006. Mr. Chan is also a member of Risk Management Committee of the Company.

Profile of Directors and Senior Management



Mr. Lee Cheuk Yin, Dannis,

aged 38, is the Director of Operations and Company Secretary of the Company and is responsible to oversee the operation of the production plants as well as financial and regulatory compliance of the Group. Mr. Lee is a first class honors graduate of Bachelor of Business Administration from Texas A & M University in the US and is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Before Mr. Lee joined the Group in September 2001, he had worked in an international accounting firm and an international cigarette manufacturer. Mr. Lee is a non-executive director of another listed company in Hong Kong. He is also a member of the Investment Committee and the Risk Management Committee of the Company.



Mr. Ng Sai Kit,

aged 46, is the director of World Grand Holdings Limited and Kunming World Grand Colour Printing Co., Ltd., Mr. Ng has been primarily responsible for sales and marketing of World Grand Holdings Limited and its subsidiaries. Mr. Ng has been engaging in the trading of cigarette packaging business since 1982. Mr. Ng had been the director of Yunnan Nine-Nine Colour Printing Co., Ltd. since 1996 until he set up Kunming World Grand Colour Printing Co., Ltd. in 2002. Mr. Ng is the brother of Mr. Chan Sai Wai and he joined the Group in June 2006.

Profile of Directors and Senior Management

NON-EXECUTIVE DIRECTORS



Mr. David John Cleveland Hodge, aged 49, has been working for Amcor Limited, the major shareholder, for more than 13 years responsible for various corporate and business developments in Asian, Australian, and global business. Prior to joining Amcor Limited, Mr. Hodge had been a merchant banker for 13 years. He is a director of Bellgate International Limited and Beijing Leigh-Mardon Pacific Packaging Company Limited. Mr. Hodge holds a Bachelor of Economics and a Bachelor of Laws from Monash University in Melbourne, Australia. He joined the Group in May 2006 and is also a member of the Investment Committee of the Company.



Mr. Saw Kee Team, Alan, aged 42, has 16 years of accounting and finance operations experience in leading information technology and global technology corporations, of which more than 12 years are held on managerial positions focusing on regional finance activities. Mr. Saw holds a Bachelor of Accountancy from Royal Melbourne Institute of Technology. He was qualified as a Certified Public Accountant of Australian Society Practising Accountants. Apart from being a non-executive Director, Mr. Saw is a director of Leigh-Mardon Pacific Packaging Pte Ltd., Leigh-Mardon Singapore Pte Ltd., Amcor Flexibles Singapore Pte Ltd. and Amcor Fibre Packaging-Asia Pte Ltd. He is also the finance director of Amcor Asia. He joined the Group in June 2007 and is also the chairman of the Risk Management Committee of the Company.

Profile of Directors and Senior Management



Mr. Jerzy Czubak

aged 50, has more than 24 years of operations experience, of which more than 14 years have been working with Amcor Rentsch Europe. Mr. Czubak has assisted Amcor group of companies in the setting up and management of production plants in Poland, Ukraine, Russia and various investment projects in Europe. Mr. Czubak holds a Master of Art degree from University of Lodz in Poland and a Master of Business Administration degree from University of Bristol in United Kingdom. Mr. Czubak is the Managing Director in Amcor Rentsch and a member of Amcor's global executive team. During the period from January 2003 to December 2007, Mr. Czubak had been a member of the Board of directors of PCW SA (Poland) – Sigma Kalon Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS



Mr. Tay Ah Kee, Keith,

aged 64, was the Chairman and a managing partner of KPMG Peat Marwick Singapore from 1984 to 1993 and concurrently the Chairman of KPMG ASEAN and a member of KPMG International Board and its Executive Committee. He served as the President of the Institute of Certified Public Accountants of Singapore from 1982 to 1992. He was the Chairman of the Singapore International Chamber of Commerce from 1995 to 1997 and he continues to serve as a Board member. He is a founding member and currently the Vice Chairman of the Singapore Institute of Directors. He has also served as an Adjunct Professor in the School of Accountancy and Business of The Nanyang Technological University. Mr. Tay is a fellow of the Institute of Chartered Accountants in England & Wales and he was awarded the First International Award by the Institute in 1988 for his contribution to the profession. He was conferred the Bintang Bakti Masyarakat (Public Service Star) by the President of the Republic of Singapore in 1990. Mr. Tay also serves on the boards of several public companies in Singapore; he is currently the Chairman of Aviva Ltd. and Stirling Coleman Capital Ltd. Mr. Tay was appointed as an independent non-executive Director of the Group in April 2006 and he is also the chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company.

Profile of Directors and Senior Management



Mr. Au Yeung Tin Wah, Ellis,

aged 46, is the director of Lau & Au Yeung CPA Limited. Before starting his CPA practice in mid 1992, he worked in an international accountancy firm responsible for auditing of a number of renowned listed companies in Hong Kong. He also acted as a finance manager of Paramount Printing Group Limited (currently known as Next Media Limited), a listed company in Hong Kong and a sizeable private limited company in Hong Kong. Mr. Au Yeung is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Society of Registered Financial Planners. Mr. Au Yeung was appointed as an independent non-executive Director of the Group in May 2006 and he is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company.



Mr. Oh Choon Gan, Eric,

aged 47, is currently the chief executive officer of a financial consultancy and an advisory company specialising in initial public offering, fund raising and private equity investment. Mr. Oh has more than 15 years of commercial experience in financial management, business development, corporate finance and restructuring areas. Mr. Oh is a fellow member of the Chartered Association of Certified Accountants and a non-practising member of the Institute of Certified Public Accountants of Singapore. He also holds a diploma in business studies from Ngee Ann Polytechnic majoring in accountancy.

Mr. Oh was appointed as an independent non-executive Director of the Group in May 2006 and he is the chairman of the Investment Committee and a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

Profile of Directors and Senior Management

SENIOR MANAGEMENT

Mr. Tsoi Tak,

aged 54, is currently the chairman of the board of Brilliant Circle Holdings International Limited. From 1978 to 1982, he worked in the field of education in the PRC. He engaged himself in the printing of cigarette packages and books from 1990. Starting from 1995, he has established proprietorships, equity joint ventures and co-operative joint ventures in Hunan, Hubei, Yunnan, Anhui and Shenzhen.

Mr. Gao Pi Xing,

aged 57, is currently the chief executive officer of Brilliant Circle Holdings International Limited. Mr. Gao served as the general manager of Changde Furong Real Estate Management Company and Changde Goldroc Rotogravure Printing Co., Ltd. Mr. Gao is a member of the Communist Party of China. He has received tertiary education and is qualified as an electrical engineer.

Ms. Huang Xin Yi,

aged 61, is currently the vice president of Brilliant Circle Holdings International Limited. Ms. Huang served as the financial controller of Changde Goldroc Rotogravure Printing Co., Ltd. and the chief accountant of Brilliant Circle Holdings International Limited. She has received tertiary education and is qualified as a senior accountant.

Mr. Qin Song,

aged 37, is currently the vice president of Brilliant Circle Holdings International Limited. Mr. Qin was the general manager of Huizhou Bai Lu Travelling Enterprise Development Co. Ltd., and the sales director of Shenzhen Kecai Printing Co. Ltd.. Mr. Qin holds a university degree.

Mr. Liu Shun Fai,

aged 38, is the chief financial officer of the Group. He is responsible for the accounting, finance and treasury function of the Group. He graduated from the Chinese University of Hong Kong in 1992 and is an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Liu has more than 16 years of auditing and accounting experience. Before joining the Company in August 2007, Mr. Liu had been the financial controller and the qualified accountant of two listed companies in Hong Kong for 8 years and had also worked in an international accounting firm for 7 years.

Mr. Cheung Chun Ming,

aged 43, is the general manager (Huadong Region) of the Group. He is responsible for the operations in Zhejiang, Jiangsu and Shanghai areas. Mr. Cheung graduated from Kiangsu Chekiang College and has over 20 years of working experience in international trading, sales and marketing. He joined the Group in October 1997.

Mr. Guo Shu Guang,

aged 42, is currently the general manager of Beijing Leigh-Mardon Pacific Packaging Co., Ltd. and the director of regional business (China) of the Group. He holds a Degree in Accounting from Renmin University of China in 1997. He also holds a degree in Business Administration of Industry from Beijing Institute of Petrochemical Technology in 1990. He joined Beijing Leigh-Mardon Pacific Packaging Co., Ltd. in 1998 and was promoted to general manager in May 2006.

Mr. Zhu Cheng Jian,

aged 45, is the director of Nanjing Sanlong Packaging Co., Ltd.. Mr. Zhu joined Nanjing Sanlong Packaging Co., Ltd. when it was incorporated in April 1998 and he is primarily responsible for the overall production and technical affairs of Nanjing Sanlong Packaging Co., Ltd..

Mr. Song Wei Dong,

aged 54, is the assistant director of Nanjing Sanlong Packaging Co., Ltd.. Mr. Song joined Nanjing Sanlong Packaging Co., Ltd. when it was incorporated in April 1998 and is primarily responsible for overall management, administration and corporate affairs of Nanjing Sanlong Packaging Co., Ltd.. Mr. Song holds a degree in Management from the Jiangsu Radio and Television University.

Mr. Boh Sang Pang, Derrick,

aged 52, is currently the general manager of Qingdao Leigh-Mardon Packaging Co., Ltd. He graduated from Technical Institute of Singapore in Mechanical and has over 25 years of working experience in engineering industry. From 1982 to 1988, Mr. Boh worked as an engineer in several international companies in Singapore. He worked in Amcor's Asia operations since 1989 and was appointed as a general manager in Qingdao Leigh-Mardon Packaging Co., Ltd. in March 2003.



Transparency

Good corporate governance and transparency are fundamental to a credible and responsible corporation to protect and enhance the value of the Company.



Corporate Governance Report

INTRODUCTION

It is always one of the Group's duties to ensure corporate governance is being recognised as a fundamental and important value that contributes to the building of a credible and responsible corporate. Amid the global financial turmoil, we prepare for weaker demand, greater uncertainty and potentially higher risks by conducting stringent corporate governance practices. During 2008, AMVIG is focusing on putting more resources to improve its internal controls and manage its operating risks. We will also continue to train our employees to adopt international management practices and maintain smooth, effective and transparent day to day operations of the Company.

Corporate Governance Report

CODE ON CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company has complied in general with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

This report summarises the Company’s corporate governance practices and structures that were in place during the financial year.

BOARD MATTERS

BOARD’S CONDUCT OF ITS AFFAIRS

The Board directs and supervises the Company’s affairs in a responsible and effective manner. Each Director has a duty to execute his actions in the best interests of the Company. The Board is responsible for the Company’s overall strategic direction, key operational initiatives, major funding and investment proposals. It is also charged with monitoring the operational and financial position and performance, as well as corporate governance practices. Where appropriate, the Board is obliged to approve and remove the Chief Executive Officer, approve other key executive appointments and succession planning. The Board also provides leadership and guidance to management. The Company has in place financial authorisation and approval limits for capital expenditures as well as acquisitions and disposal of investments. Within these guidelines, the Board approves transactions above certain thresholds. The Board also approves the annual budget and the financial results of the Group.

Various Board committees were formed to assist in the execution of the Board’s responsibilities.

The Board is supported by:

- The Audit Committee
- The Nomination Committee
- The Remuneration Committee
- The Investment Committee and
- The Risk Management Committee

The Board meets periodically at least four times a year and also meets as warranted by particular circumstances between the scheduled meetings. In the financial year ended 31 December 2008, a total of seven Board meetings were held. The attendance of the Directors at Board meetings and Board committee meetings, as well as the frequency of such meetings, are disclosed in this report.

Corporate Governance Report

BOARD COMPOSITION AND GUIDANCE

The Nomination Committee's main function is to ensure that the size of the Board is adequate for effective discussions and decision-making. It also has the responsibility that the Board has an appropriate balance of independent Directors, with a mix of business experience in relevant disciplines.

There have been certain changes of directorship during the year. Mr. Li Shui Dang resigned on 7 April 2008. Mr. Jerzy Czubak has been appointed as a non-executive Director with effect from 16 October 2008.

The Board now comprises ten Directors including four executive Directors, three non-executive Directors ("NEDs"), and three independent non-executive Directors ("INEDs"). The composition of the Board and representation on Board committees are set out below:

EXECUTIVE DIRECTORS:

Mr. Chan Chew Keak, Billy (*Chairman of the Board and Chairman of Nomination Committee*)

Mr. Chan Sai Wai (*Vice-Chairman*)

Mr. Ng Sai Kit

Mr. Lee Cheuk Yin, Dannis

NON-EXECUTIVE DIRECTORS:

Mr. David John Cleveland Hodge

Mr. Saw Kee Team, Alan (*Chairman of Risk Management Committee*)

Mr. Jerzy Czubak

Corporate Governance Report

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Tay Ah Kee, Keith (*Chairman of Audit Committee*)

Mr. Au Yeung Tin Wah, Ellis (*Chairman of Remuneration Committee*)

Mr. Oh Choon Gan, Eric (*Chairman of Investment Committee*)

Our Directors are experienced in a range of industry expertise such as accounting, finance and business and operation management. The diversity of the Directors' experience provides useful exchange of ideas and views to ensure that decisions are made with a more balanced judgement.

All NEDs (including INEDs) of the Company have been appointed for a term of two years from the date of their appointments. They are eligible for re-appointment and subject to re-election on retirement by rotation in accordance with the Articles of Association of the Company.

The Nomination Committee reviews the independence of each Director. It considers a Director as independent if he has no relationship with the Group or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.

Other than (i) Mr. Chan Chew Keak, Billy, Mr. David John Cleveland Hodge, Mr. Saw Kee Team, Alan and Mr. Jerzy Czubak, who are senior management of Amcor group of companies, and (ii) Mr. Chan Sai Wai who is the brother of Mr. Ng Sai Kit, there is no financial, business, family or other material or relevant relationship among the Directors.

The biographical details of the Directors are set out on pages 30 to 34 of this annual report.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company does not have a separate Chairman and Chief Executive Officer. Mr. Chan Chew Keak, Billy currently holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership, as it allows for more effective planning and execution of long-term business strategies, and enhances the efficiency of decision-making processes in response to the changing environment. The Board also believes that the Company has a strong corporate governance structure which effectively oversees the management. Nevertheless, the Board will continue to assess the effectiveness of the corporate governance structure and make any changes when necessary.



BOARD MEMBERSHIP

The Nomination Committee reviews and assesses candidates for directorships (including executive directorships) before making recommendations to the Board. The Nomination Committee normally considers the current composition of the Board, the skills and experiences required, and ensures that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and ability.

BOARD AND MANAGEMENT COMMITTEES

The Board has established various Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee, the Investment Committee and the Risk Management Committee to assist itself in the execution of its duties. In considering the composition of the membership in different committees, several key factors are taken into account, such as equitable distribution of responsibilities among Board members, promotion of active participation and maximization of the effectiveness of different committees.

Corporate Governance Report

NOMINATION COMMITTEE

The Nomination Committee comprised Mr. Chan Chew Keak, Billy (Chairman), Mr. Au Yeung Tin Wah, Ellis, Mr. Tay Ah Kee, Keith and Mr. Oh Choon Gan, Eric.

The responsibilities of the Nomination Committee include the following:

- reviews and assesses candidates for directorships (including executive directorships) before making recommendations to the Board for appointment of Directors;
- reviews and recommends to the Board the retirement and re-election of Directors in accordance with the Company's Articles of Association;
- reviews the composition of the Board to ensure that the Board has an appropriate balance of independent Directors and to ensure an appropriate balance of expertise, skills, attributes and ability among the Directors;
- reviews the independence of Directors;
- reviews the composition of the boards of subsidiary and associated companies and where appropriate, provides guidance on the appointment of suitable directors to those companies; and
- oversees the selection, appointment and succession planning processes for the Company's Chief Executive Officer and senior executives.

During the year, the Nomination Committee had recommended Mr. Jerzy Czubak as a non-executive Director with effect from 16 October 2008.

The Nomination Committee held one meeting during the financial year.

REMUNERATION COMMITTEE

The Remuneration Committee comprised Mr. Au Yeung Tin Wah, Ellis (Chairman), Mr. Tay Ah Kee, Keith and Mr. Oh Choon Gan, Eric.

The Remuneration Committee held three meetings during the financial year.

The key responsibilities of the Remuneration Committee are stated in the Remuneration Report set out in this report on pages 50 to 57.

Corporate Governance Report

AUDIT COMMITTEE

During the financial year, the Audit Committee comprised the three INEDs: Mr. Tay Ah Kee, Keith (Chairman), Mr. Au Yeung Tin Wah, Ellis and Mr. Oh Choon Gan, Eric.

The main responsibilities of the Audit Committee include the following:

- assists the Board in discharging its statutory responsibilities on financial and accounting matters;
- reviews the audit plans and reports of the external auditors and internal auditors and considers the effectiveness of the actions taken by management on the auditors' recommendations;
- appraises and reports to the Board on the audits undertaken by the external auditors and the adequacy of disclosure of information;
- reviews the cost effectiveness of the audit and the independence and objectivity of the external auditors; and
- reviews connected transactions and continuing connected transactions, as defined under the Listing Rules.

The Audit Committee held eight meetings during the financial year. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal controls. It has authority to investigate any matters within its terms of reference and has full access to and cooperation from management, in addition to its direct access to the external auditors. The external auditors, in the course of conducting their normal audit procedures on the statutory financial statements of the Company, also considered the Company's internal control relevant to the Company's preparation and true and fair presentation of the financial statements in order to design their audit procedures. If required, the Audit Committee has authority to seek external resources to enable it to discharge its functions properly.

The Audit Committee has also reviewed the interim financial statements and the annual financial statements of the Group for the financial year ended 31 December 2008 as well as the auditors' reports thereon. Connected transactions and continuing connected transactions of the Group in the financial year have been reviewed by the Audit Committee; in cases of practical difficulties, the Audit Committee provides guidance to management to assist in their resolution. Appropriate disclosure is made in the annual report.

The Audit Committee has not taken a different view from the Board regarding the selection, appointment, resignation or dismissal of the external auditors.

Corporate Governance Report

INVESTMENT COMMITTEE

The Investment Committee comprised Mr. Oh Choon Gan, Eric (Chairman), Mr. David John Cleveland Hodge and Mr. Lee Cheuk Yin, Dannis.

The main responsibilities of the Investment Committee include the following:

- considers and approves strategic and portfolio investments and divestments within certain prescribed thresholds;
- reviews the Company's investment and treasury policies; and
- manages the Company's Group's assets and liabilities in accordance with the policies and directives of the Board.

The Investment Committee held one meeting during the financial year.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprised Mr. Saw Kee Team, Alan (Chairman), Mr. Chan Sai Wai and Mr. Lee Cheuk Yin, Dannis.

The main responsibilities of the Risk Management Committee include the following:

- oversees the establishment, implementation, and ongoing review of the Company's risk management;
- reviews the overall risk management system and process and makes recommendations on changes as and when considered appropriate, having regard to costs and benefits; and
- reviews the Company's material risk exposures and evaluates the adequacy and effectiveness of the mitigating measures implemented by management.

A formal risk management framework for assessing, monitoring and managing strategic, operational and financial risks is in place.

The Risk Management Committee held two meetings during the financial year.

The Risk Management Report is set out in this report on pages 62 to 67.

Corporate Governance Report

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

The attendance of each Director at Board meetings and Board committee meetings during the financial year ended 31 December 2008 was as follows:

	Board	Audit Committee	Nomination Committee	Remuneration Committee	Investment Committee	Risk management Committee
Number of Meetings Held	7	8	1	3	1	2
Name of Directors						
<i>Executive Directors</i>						
Mr. Chan Chew Keak, Billy	7/7	-	1/1	-	-	-
Mr. Chan Sai Wai	7/7	-	-	-	-	2/2
Mr. Ng Sai Kit	6/7	-	-	-	-	-
Mr. Lee Cheuk Yin, Dannis	7/7	-	-	-	1/1	2/2
<i>Non-Executive Directors</i>						
Mr. David John Cleveland Hodge	7/7	-	-	-	1/1	-
Mr. Saw Kee Team, Alan	7/7	-	-	-	-	2/2
Mr. Jerzy Czubak (1)	1/1	-	-	-	-	-
<i>Independent Non-executive Directors</i>						
Mr. Tay Ah Kee, Keith	7/7	8/8	1/1	3/3	-	-
Mr. Au Yeung Tin Wah, Ellis	6/7	8/8	1/1	3/3	-	-
Mr. Oh Choon Gan, Eric	6/7	8/8	1/1	3/3	1/1	-
<i>Former Directors</i>						
Mr. Li Shui Dang (2)	1/1	-	-	-	-	-

Notes:

- (1) Mr. Jerzy Czubak was appointed as NED with effect from 16 October 2008.
- (2) Mr. Li Shui Dang resigned as executive Director on 7 April 2008.

Corporate Governance Report

INTERNAL CONTROLS

The Board recognises the importance of the establishment and maintenance of a system of internal control and the review of its effectiveness in order to safeguard the shareholders' investment and the Group's assets. The Board is reasonably satisfied that there are sufficient resources of staff with appropriate qualifications and experience in its accounting and financial reporting team and that sufficient training and budget have been provided.

(A) REVIEW ON INTERNAL CONTROL SYSTEM

The Group's internal control system consists of various policies, procedures and control activities to provide reasonable assurance against material misstatement or loss, and to manage risks of failure in the Group's operational systems. The system of internal control is intended to safeguard the Group's assets and resources against unauthorised use or disposition, ensure compliance with applicable laws and regulations, ensure transactions are executed in accordance with management's authorization and ensure accounting records are reliable for preparing financial information internally and publicly.

The Audit Committee has reviewed, with the assistance of the internal auditors, the effectiveness of the system of internal control of the Group. Management has used its best endeavor to ensure that there was no material internal control deficiencies, weaknesses or areas of concern identified which might affect shareholders.

(B) MANAGEMENT OF INTERNAL AUDIT FUNCTION

The Group has utilized its Internal Audit Department to assist the Board to independently review the Group's internal controls throughout the year ended 31 December 2008.

Internal Audit Charter

The mission, objectives, accountability, responsibility, independence and authority of the Internal Audit Department are clearly stated in a written Internal Audit Charter, which is approved and periodically reviewed by the Audit Committee.

Reporting Structure

The Internal Audit Department reports directly to the Chairman of the Audit Committee, although it also reports administratively to the Chairman. The Internal Audit Department brings appropriate matters identified during the course of audits to the Audit Committee's attention and also has the right to consult the Audit Committee without reference to the management. This reporting structure allows the Internal Audit Department to maintain its independence.

Corporate Governance Report

Internal Audit Plan

An annual internal audit plan for the Group, which is reviewed by the Audit Committee, is formulated based on the results of the annual assessment of risks and review of internal control. The Internal Audit Department also conducts other projects and investigations as may be required.

Ongoing Internal Control Review

The Internal Audit Department adopts a risk and control based audit approach in assessing the adequacy and effectiveness of the Group's internal control system on an on-going basis.

During the year, the Internal Audit Department has assisted the Board to conduct an internal control review to identify significant risks faced by the Group and evaluate the existing internal controls to mitigate these risks.

(C) CONTROLS ON PRICE-SENSITIVE INFORMATION

In respect of procedures and internal controls for the handling and dissemination of price-sensitive information, a mechanism has been established to identify, analyse and disclose any material price-sensitive information with reference to the "Guide on disclosure of price-sensitive information" issued by the Hong Kong Exchanges and Clearing Limited. Besides, the Group's employee handbook contains the general prohibition from disclosing such information to persons who do not have a demonstrable need to know the information. Group staff are required to acknowledge the receipt and comply with all the contents contained in the employee handbook.



Corporate Governance Report

Responsibilities in Respect of Financial Statements

The Directors are responsible for overseeing the preparation of financial statements for each financial period to ensure 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 judgment and estimates made are prudent and reasonable.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 84 to 85 of the annual report.

Auditors' Remuneration

RSM Nelson Wheeler has been re-appointed as the Company's external auditor by shareholders at the 2008 annual general meeting until the conclusion of the coming annual general meeting. They are primarily responsible for providing audit services in connection with the annual consolidated financial statements. During the year, the total remuneration payable to the Company's external auditor amounted to approximately HK\$5.1 million of which approximately HK\$3.7 million was incurred for statutory audit and approximately HK\$1.4 million was incurred for non-audit services.

Communication with Shareholders

The Company believes in engaging in regular, effective and fair communication with shareholders and is committed to conveying important and relevant information to shareholders on a timely basis.

The Company takes care to ensure that information is made publicly available on a timely basis. Disclosure of information is made through announcements to the Stock Exchange, the Company's annual and interim reports, press releases, as well as the corporate website (www.amvig.com) which has a dedicated investor relations section.

Corporate Governance Report

Greater Shareholders' Participation

The Company believes in encouraging shareholders' participation at general meetings. The Company's Articles of Association allows a shareholder entitled to attend and vote to appoint a proxy who need not be a shareholder of the Company to attend and vote at general meetings.

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Articles of Association. In compliance with the new Listing Rules which come into effect on 1 January 2009, all general meetings of the Company will be conducted by way of poll. Detailed procedures for conducting a poll will be explained at the commencement of the meeting.

Results on any voting conducted by poll will be published in an announcement to be issued on the business day following the general meeting.

Dealings in Securities

The Company has adopted a code of conduct governing securities transactions by Directors on terms no less exacting than that required under the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix 10 of the Listing Rules. Having made specific enquiry with all Directors, each of them confirms that he has complied in full with the Model Code regarding Directors' securities transactions for the year ended 31 December 2008.



Performance

A Prudent, appropriate and yet effective approach to the remuneration policy is of utmost importance to ensure its alignment with the Company's goals, objectives and performance.

The financial crisis that started in September 2008 has swamped the world and has caused a sharp downturn in worldwide economies. Under such circumstances, a prudent, appropriate and yet effective approach to the remuneration policy is of utmost importance to ensure its alignment with the Company's goals, objectives and performance while maintaining the healthy financial situation of the Company.

This remuneration report sets out the Group's policy on the remuneration of Chairman, Executive Directors and NEDs, together with



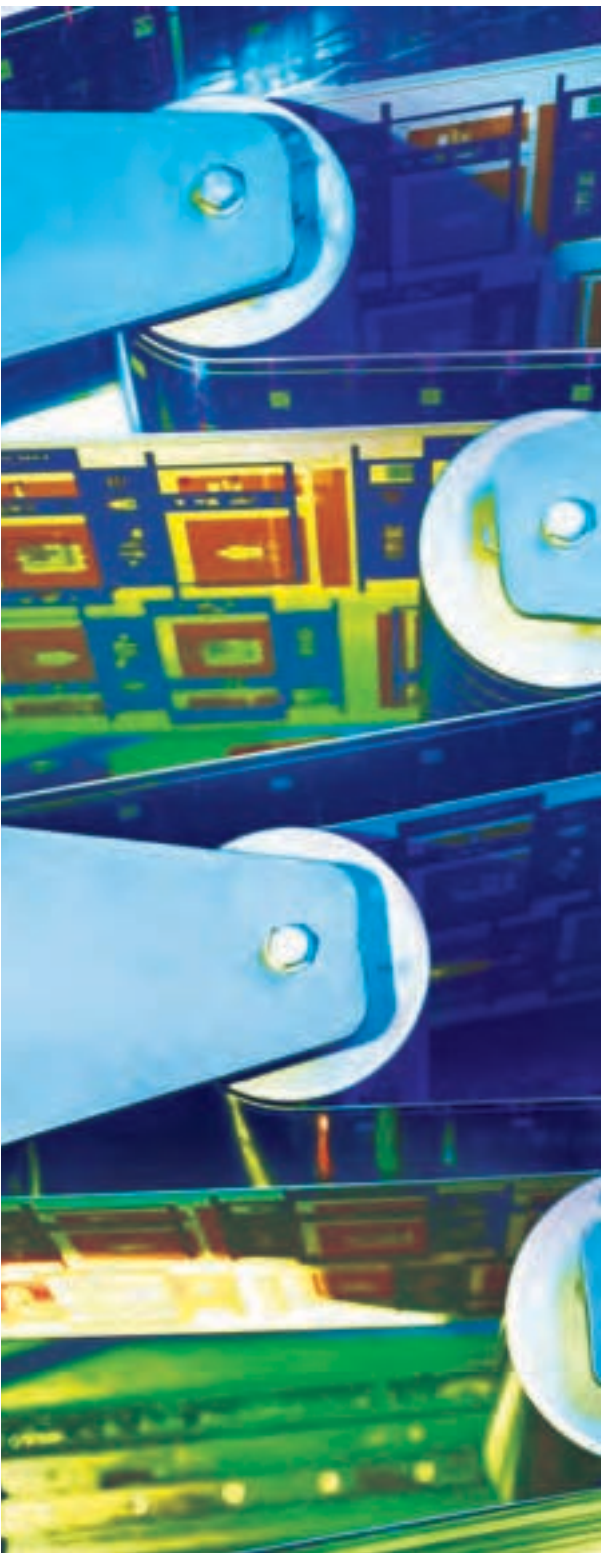
Remuneration Report

details of Directors' remuneration packages for the financial year 2008. This Remuneration Report has been reviewed and approved by the Remuneration Committee of the Company and the detail is set out on pages 50 to 57.

1. INTRODUCTION

As an experienced and effective management is crucial for the Company to continue to confront the present critical situation. Attractive, fair and yet prudent remuneration policies should be implemented to strike the balance between staff reinforcement and shareholders' interests. In order to ensure the best use of resources, the Group's remuneration package and policies as well as Incentive System have been revised accordingly. Full details of the Chairman's, executive Directors' and NEDs' remuneration are set out in the report that follows.

Remuneration Report



2. REMUNERATION COMMITTEE

The Remuneration Committee has been set up since 2006 to review both the remuneration structure and package of the senior management and NEDs.

TASKS

The committee's tasks are:

- to review and determine, on behalf of the Board of Directors, the broad policies for executive remuneration and to report on those to the shareholders;
- to revise and recommend to the Board, the remuneration system for the NEDs; and
- to monitor the implementation of remuneration policies being applied by the Company.

The present remuneration package of AMVIG's senior management has been compared with the prevailing market practice in Hong Kong and corresponding recommendations were proposed to the Board of Directors for their consideration and approval.

CONSTITUTION AND OPERATION

The committee comprises solely INEDs and is chaired by Mr. Au Yeung Tin Wah, Ellis. The other members are Mr. Tay Ah Kee, Keith and Mr. Oh Choon Gan, Eric.

The committee held three meetings in the period under review. There was a full attendance record of all members. The committee has reported to the Board on its activities after each meeting. The Terms of Reference of the Committee is available at Room 1803, 18/F, Li Po Chun Chambers, No. 189 Des Voeux Road Central, Hong Kong.

The committee is accountable to the shareholders through its annual report on executive Directors' remuneration and the opinions of shareholders are taken into account when making decisions.

Remuneration Report

3. REMUNERATION POLICY

The main elements of the Company's remuneration policies are:

- no individual should determine his or her own remuneration.
- remuneration should be broadly aligned with companies with whom the Company competes for human resources.
- remuneration should reflect performance, complexity and responsibility so as to attract and retain high calibre individuals.
- motivate Directors to achieve challenging performance levels.
- align executive rewards with shareholders' value.
- recognise both individual and corporate achievement.

4. REMUNERATION PRINCIPLES FOR EXECUTIVE DIRECTORS IN 2008

The committee has followed the remuneration policy and system adopted in 2007 on proposing remuneration packages of executive Directors for the Board's consideration and approval.

The committee seeks to ensure linking the remuneration for top management with their performance and the Company's operating results by structuring remuneration packages to include both fixed and variable components.

The following key principles guide its policy:

- policy for the remuneration of executive Directors will be determined and regularly reviewed by the Remuneration Committee which will set the tone for the remuneration of the senior executives.
- the remuneration structure will support and reflect AMVIG's stated purpose to maximise long-term shareholders' value.
- the remuneration structure will reflect a fair system of rewards for the participants.

Remuneration Report

- the remuneration will be based on the fixed compensation and performance bonus. The performance bonus will be linked to the achievement of demanding performance targets that are independently set and reflect the creation of long-term shareholders' value.
- a performance share scheme will be developed in order to align executive and shareholders' interests.
- certain key performance indicators, which can be quantitative and qualitative, will be set objectively by the management within a framework that is approved by the Remuneration Committee to evaluate the performance of Directors.
- remuneration policy and practices will be as transparent as possible, both for participants and shareholders.

The remuneration package consists of fixed compensation and performance bonus in which the performance bonus is suggested to play a more significant part in individual rewards as part of the policy to attract, motivate and retain high performing individuals. The three components of executive Directors' remuneration are as follows:

I. FIXED COMPENSATION

Fixed compensation includes base salary, allowances and benefits-in-kind. Base salary and allowances are set and reviewed annually for each Director taking into consideration the competitive market position, market practice, and the Company's and individual's performance.

II. ANNUAL INCENTIVE PROGRAM

The levels of performance bonus are set by the Remuneration Committee. No executive Directors serve on the committee. The annual incentive can be paid in form of performance bonus as determined by the Board.

III. LONG-TERM INCENTIVE

The executive Directors are recommended to take part in the long-term Incentive Plan ("LTIP"). The LTIP will be designed to align the interests of the executive Directors with those of the shareholders by an award in the form of performance shares that is linked with shareholders' value.

Remuneration Report

5. REMUNERATION FOR EXECUTIVE DIRECTORS

The remuneration paid to the executive Directors of the Company for the year ended 31 December 2008 is set out below:

For the year ended	Fees	Salaries and other benefit	Discretionary bonus	Retirement benefit scheme contributions	Total
31 December 2008	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive Directors					
Mr. Chan Chew Keak, Billy (The Chairman)	491	–	–	–	491
Mr. Chan Sai Wai	–	2,000	1,200	12	3,212
Mr. Ng Sai Kit	–	1,500	900	12	2,412
Mr. Lee Cheuk Yin, Dannis	–	1,650	900	12	2,562
	491	5,150	3,000	36	8,677

For the year ended	Fees	Salaries and other benefit	Discretionary bonus	Retirement benefit scheme contributions	Total
31 December 2007	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive Directors					
Mr. Chan Chew Keak, Billy (The Chairman)	491	–	–	–	491
Mr. Chan Sai Wai	–	2,000	2,400	12	4,412
Mr. Ng Sai Kit	–	1,500	1,800	12	3,312
Mr. Lee Cheuk Yin, Dannis	–	1,250	500	12	1,762
Mr. Li Wei Bo (1)	–	616	–	27	643
Mr. Li Shui Dang (2)	–	514	–	–	514
	491	5,880	4,700	63	11,134

Notes:

- (1) Mr. Li Wei Bo was not re-elected by a majority of shareholders by way of a poll as Director at the Annual General Meeting on 30 April 2007.
- (2) Mr. Li Shui Dang resigned as Director on 7 April 2008.

Remuneration Report

6. REMUNERATION PRINCIPLES FOR NON-EXECUTIVE DIRECTORS IN 2008

The existing remuneration packages and policies, which were based on the qualification, professional experiences, time spent and work load of individual NED, proved to be fair, attractive and effective in 2007 and therefore, the same policies and principles were adopted continually in 2008.

7. REMUNERATION FOR NON-EXECUTIVE DIRECTORS

The fees paid to each of our NEDs for their services to the Group and, as applicable, on its Board committees are set out below. The fees were proposed by the Remuneration Committee and reviewed by the Board of Directors.

For the year ended	Fees	Salaries and other benefit	Discretionary bonus	Retirement benefit scheme contributions	Total
31 December 2008	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-Executive Directors					
Mr. David John					
Cleveland Hodge	437	–	–	–	437
Mr. Saw Kee Team, Alan	376	–	–	–	376
Mr. Tay Ah Kee, Keith	754	–	–	–	754
Mr. Au Yeung Tin Wah, Ellis	729	–	–	–	729
Mr. Oh Choon Gan, Eric	727	–	–	–	727
Mr. Jerzy Czubak (1)	79	–	–	–	79
	3,102	–	–	–	3,102

Notes:

(1) Mr. Jerzy Czubak was appointed as a NED on 16 October 2008.

Remuneration Report

For the year ended	Fees	Salary and other benefit	Discretionary bonus	Retirement benefit scheme contributions	Total
31 December 2007	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-Executive Directors					
Mr. David John					
Cleveland Hodge	437	–	–	–	437
Mr. Saw Kee Team, Alan (1)	208	–	–	–	208
Mr. Peter Roderick Downing (2)	197	–	–	–	197
Mr. Tay Ah Kee, Keith	754	–	–	–	754
Mr. Au Yeung Tin Wah, Ellis	729	–	–	–	729
Mr. Oh Choon Gan, Eric	727	–	–	–	727
	3,052	–	–	–	3,052

Notes:

- (1) Mr. Saw Kee Team, Alan was appointed as a NED on 13 June 2007.
- (2) Mr. Peter Roderick Downing resigned as a NED on 13 June 2007.

8. CONTINUED SCRUTINY AND DISCLOSURE

The Remuneration Committee remains committed to continued scrutiny of remuneration levels, and to high standards of disclosure and transparency to shareholders on such matters.





Professional

Developing the targets and enhancing the career development of our staff are necessary for our continuous success.

INTRODUCTION

Human resource has always been one of the core elements in AMVIG's business development. AMVIG values every employee and believes people are the most important asset in the Group. Over the years, AMVIG strives to recruit and retain people with high competence to grow together with the Group. We continued to develop the potential and enhance the career development of our staff by implementing business-oriented training programs. In 2008, we focused on the smooth integration of the expanded operations not only by benchmarking human resource policies and practices in every plant, but also holding conferences to offer



Human Resource Report

opportunities for senior management in all plants to share their expertise, experience, and market information which help to align work cultures as well as improve communication between plants in different locations.

STAFF

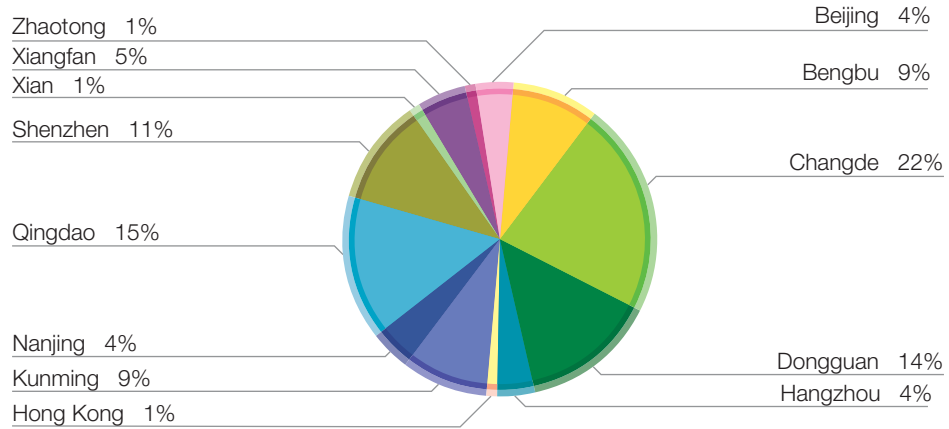
The Group's employees have increased again in 2008 when compared with 2007 as a result of the completion of the acquisition of Hangzhou Weicheng. The number of employees had increased from 4,928 in 2007 to 5,029 at the end of the Reporting Period. The following table and charts show the employee profile of the Group:

EMPLOYEES BY PROFILE

	2006	2007	2008
Total at Year End	2,228	4,928	5,029

Human Resource Report

Total Number of Employees (By Location)



Total Number of Employees (By Function)



Human Resource Report

PEOPLE DEVELOPMENT

Human capital is the foundation of our business development. It has always been one of AMVIG's major tasks to strengthen the competence of our staff and implement good corporate governance. We frequently organize business-oriented programs for staff to train up their skills and widen their knowledge on up-to-date technical knowhow, so that our staff is well prepared and equipped to grow with the dynamic tobacco packaging printing industry. In 2008, with the ongoing consolidation of the industry as well as integration within the group, we managed to amalgamate and refine the Group's human resource structure. We streamlined our workforce and reduced significant number of headcounts by combining our operations in Dongguan. We believe this would help to better allocate our resources and thereby elevate the efficiency of the Group as a whole.

In view of the extensive network AMVIG is creating throughout the PRC, we continued to enhance our business integration in the past year. In 2008, we organized a two-day General Manager Conference in September and a two-day Finance Manager Conference in November for directors and senior management in all plants. The conferences acted as a platform for key management in different locations to exchange their expertise, share their knowledge as well as market information through direct communication, which enables them to understand the Group's culture and vision more thoroughly, and unites one and another towards the same goal. The conferences have also paved the road for future sharing and reallocation of different resources between all plants, which will further uplift the utilization and productivity of the Group.

LOOKING AHEAD TO 2009

Many expect 2009 will be a tough year for business as a consequence of the global economic downturn. AMVIG will continue to focus on development of our people to ensure the Group is positioned to continue to prosper regardless of external economic circumstance.

To remain competitive in a tough environment, we believe everyone must strive for self improvement. Therefore, the Group will continue to organize frequent training programs for employees from all operations. In these programs, safety and business ethics will be stressed to strengthen our corporate governance, with an aim to maintain the Group's international operating standard. We also plan to introduce a management training program for fresh graduates and other management trainees, to cultivate potential management candidates who will help build a well managed company with an organized human resource structure as well as a harmonious working environment.

As for senior management level, more frequent communications will be encouraged among different locations, giving management more opportunities to visit other plants and offices of the Group for better sharing and understanding. Topics such as risk management and integration will be discussed and opinions will be valued. We hope that through various programs and conferences, different plants can bind and cooperate more closely to deliver strong synergy to our clients, and facilitate further growth of the Group to secure its leading position in the tobacco packaging printing industry in the PRC.



Awareness

Rigorous risk assessment processes for identifying and transforming potential risks to opportunities.

Risk is inherent and inevitable in all businesses. What grounds us in this unpredictable turbulence is our ability to manage risks and transform it into potential opportunities. To AMVIG, effective and proactive risk management can be one of the competitive advantages that helps us to stand out in the crowd. Throughout 2008, AMVIG rigorously implemented its risk management policy to identify potential risks and implement effective risk management action to tackle and mitigate such risks.



Risk Management Report

1. MARKET RISK

With the on-going consolidation in the tobacco industry in China, the positions of our customers in the market are constantly changing. Some may see this as causing uncertainty in the market, but to AMVIG it presents both opportunities and challenges in a competitive environment.

AMVIG identifies the industry consolidation as a valuable chance to leverage our customer service excellence and hasten our design and technology innovation – both are crucial elements to differentiate ourselves in the dynamic market environment. The on-going consolidation implies the importance of gaining a mutual relationship with the Chinese National Tobacco Corporation (“CNTC”), and provides us an excellent chance to strive for a wider customer base and bigger market share. AMVIG will closely monitor the development of the tobacco industry, and come up with a well-thought strategy to foster and solidify strong relationships with CNTC as well as tobacco companies at all levels.

Risk Management Report

2. OPERATIONAL RISK

Operational risk is the risk of potential financial loss and/or business instability arising from:

- (i) failure in internal controls and operational processes
- (ii) inability to manage cost
- (iii) inability to integrate new ventures acquired
- (iv) inability to continue product development and innovation to prevent counterfeiting
- (v) inability to hire and retain talent
- (vi) failures to comply with government and environmental regulations

The group manages these risks through the following processes, among others:

- (i) Operational risks relating to internal controls and operational processes are monitored through regular internal and external audits.
- (ii) 2008 saw the inflation rate spiked to multi-years high amid increased oil and commodities price. The Group's costs are affected by inflation. However, the Group has lessened the impact of cost increases by actively controlling its overall costs structure and introducing productivity-enhancing measures. Given paper forms bulk of our cost of production, we manufacture and supply some transfer paper in-house to reduce reliance on external suppliers.
- (iii) Apart from managing cost brought about by inflationary pressure, the Group also implemented the following initiatives to generate integration synergies:
 - Coordinated effort in production and capacity scheduling to improve utilization and reduce wastage and redundancy.
 - Sharing of resources such as technical know-how and printing capacity.
 - Coordinated effort in sales strategies.
 - Centralized procurement activities to reap the benefits of bulk purchase of raw materials.

Risk Management Report

- (iv) Innovation is the vital essence for players to remain competitive in this ever-changing tobacco packaging printing industry. The Group owns advanced technology which opens up many value-added possibilities. In recent years, we developed outstanding and innovative anti-counterfeiting features on different packages which effectively support our customers to charge a higher price and successfully migrate products up the value chain. AMVIG understands that while it is essential for us to invest in new technology, it is also important to deploy reasonable capital expenditure to maintain the operation processes. We are stringent in benchmarking discipline capital among all our plants so that the value for shareholders is maximized.
- (v) The Group strongly believes in human capital investment. During good or bad times, we make a deliberate effort to recruit, retain and motivate talented people with the right set of skills. We implemented appropriate incentive schemes, training programs and succession planning for key employees to build up a strong pipeline of in-house business leaders. For details of our human resource plan, please refer to the human resource report set out on pages 58 to 61.
- (vi) The Group closely monitors changes in legislation and government regulations affecting the group's business. The Group's environmental and corporate social responsibility efforts have not gone unnoticed. In 2008, AMVIG is among the first batch of companies which have passed the Volatile Organic Compounds emission standard set by the PRC government, a result which is brought forth by our well equipped R&D centers and our commitments to sustainable environmental improvement and pollution prevention.

3. FINANCIAL RISKS

The Company is exposed to various types of financial risks, including foreign currency risks, credit risk, liquidity risk, interest rate risk and fair value risk. Amid the recent financial crisis, it is more crucial for the Group to manage its financial risks effectively and efficiently.

Risk Management Report

(A) FOREIGN CURRENCY RISK

The Group has limited exposure to foreign currency risk as only a small amount of transactions are denominated in currencies other than the functional currency of respective group entities, such as Hong Kong Dollars (“HKD”) and United States Dollars (“USD”). On the other hand, the Group entered into borrowings denominated in foreign currencies, namely, USD and HKD. For such borrowings not naturally hedged against foreign currency assets, the Group entered into cross currency swaps in order to hedge its foreign exchange risk. The Group will not accept significant foreign currency exposure.

(B) CREDIT RISK

The Group has no significant credit risk, which is primarily attributable to its trade receivables. In addition to regular reviews of the recoverable amount of trade receivables, the management has also placed stringent controls over the working capital management for each operation. Such measures enable the Group to shorten its working capital cycle and enhance cash flows.

There is limited counterparty risk related to credits, since the Group’s customers are mainly state-owned tobacco groups, which according to the assessment of the management are financially healthy and are relatively unaffected by the recent financial crisis.

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

(C) LIQUIDITY RISK

Since the financial crisis broke off in late 2008, liquidity has been one of the main concerns in the market. It is one of the Group’s policies to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash in the short and longer term to repay its bank loans when they fall due. In order to counteract the increasing liquidity risk amid the current global financial turmoil, stringent controls on capital expenditures and measures in reducing working capital cycles have been applied throughout the Group. In addition, different sources of financing are explored in order to mitigate the liquidity risk.

Risk Management Report



(D) INTEREST RATE RISK

The Group's bank deposits bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's cash flow interest rate risk primarily relates to variable-rate bank borrowings and obligations under finance leases. The Group has entered into interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows of certain bank borrowings. The critical terms of these interest rate swaps are similar to those of hedged bank borrowings. These interest rate swaps are designated as effective cash flow hedges of interest rate risk. The Group has a manageable level of borrowings with variable interest rates.

(E) FAIR VALUES

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated balance sheet approximate their respective fair values.



Experience

The diversity of experience brought by Directors covers a range of industry knowledge, expertise and experience.

The Directors have pleasure in submitting their annual report together with the audited financial statements of the Company (together with its subsidiaries, the “Group”) for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 37 to the financial statements.



Directors' Report

The Group's turnover and contribution to operating result for the year is attributable to printing of cigarette packages and manufacturing of transfer paper. The analysis of the principal activities and geographical location of the operations of the Group are set out in note 36 to the financial statements.

RESULTS AND APPROPRIATIONS

The profit of the Group for the year ended 31 December 2008 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 86 to 184.

The Board has declared an interim dividend of HK8.9 cents per share for the six months ended 30 June 2008 (2007: HK7 cents per share). The board of Directors now recommend the payment of a final dividend of HK4.3 cents per share to the members of the Company whose names appear on the register of members of the Company on 22 May 2009 in respect of the year ended 31 December 2008 (2007: HK8.9 cents per share).

Directors' Report

RESERVES

Movements in the reserves of the Company and the Group during the year are set out in the consolidated statement of changes in equity on page 89.

DISTRIBUTABLE RESERVES

At 31 December 2008, the Company's reserves available for cash distribution and/or distribution in specie amounted to approximately HK\$3,998 million. Under the Companies Law of the Cayman Islands, the share premium of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the distribution or 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 bonus shares.

SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2008 are set out in note 37 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

BORROWINGS

Details of the Group's borrowings as at 31 December 2008 are set out in notes 26 and 27 to the financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 30 to the financial statements.

Details of the Company's share option scheme and the Company's share award scheme are set out in the paragraph headed "Share option scheme and award scheme" of this report.

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group is set out on pages 185 to 186.

Directors' Report

DIRECTORS

The Directors who held office during the year and up to the date of this report were as follows:

EXECUTIVE DIRECTORS

Mr. Chan Chew Keak, Billy (Chairman)
Mr. Chan Sai Wai (Vice-Chairman)
Mr. Ng Sai Kit
Mr. Lee Cheuk Yin, Dannis
Mr. Li Shui Dang (resigned on 7 April 2008)

NON-EXECUTIVE DIRECTORS

Mr. David John Cleveland Hodge
Mr. Saw Kee Team
Mr. Jerzy Czubak (appointed on 16 October 2008)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tay Ah Kee, Keith
Mr. Au Yeung Tin Wah, Ellis
Mr. Oh Choon Gan, Eric

In accordance with article 87 of the articles of association of the Company, one-third of the Directors shall retire but, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company. Any new Director appointed as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election pursuant to article 86(3) of the articles of association of the Company. Details of the Directors to be retired and subject to re-election at the forthcoming annual general meeting of the Company are contained in the circular to be despatched together with this annual report.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 10 to the financial statements.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit schemes of the Group and the employer's costs charged to the consolidated income statement for the year are set out in notes 11 and 9 to the financial statements respectively.

Directors' Report

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 30 to 35 of the annual report.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2008 are set out in note 32 to the financial statements.

CONNECTED TRANSACTION

On 20 June 2008, the Company entered into the Subscription Agreement with Amcor Fibre, which is a substantial shareholder of the Company interested in approximately 35.4% of the then entire issued share capital of the Company, pursuant to which the Company conditionally agreed to allot and issue and Amcor Fibre conditionally agreed to subscribe in cash for 78,300,000 new shares at the subscription price of HK\$8.94 per share for the purposes of providing long term equity funding to the Group. The net proceeds of the subscription have been applied to finance the expansion of the Group including acquisition of target companies in the similar business of the Group with growth potential. Details of the Subscription Agreement are set out in the announcement and the circular of the Company dated 24 June 2008 and 14 July 2008 respectively.

CONTINUING CONNECTED TRANSACTIONS

On 1 March 2006, the Group entered into a master purchases agreement ("Amcor Purchases Agreement") with Amcor Fibre pursuant to which the Amcor group will supply raw materials, such as speciality ink and solvent, to the Group for use in its production for a period of three years. As Amcor group is a substantial shareholder of the Company interested in approximately 44% of the then issued share capital of the Company, it is a connected person of the Company within the meaning of the Listing Rules. The annum caps for the purchase of raw materials from Amcor group for each of the three years ended 31 December 2006, 2007 and 2008 are RMB8 million, RMB9 million and RMB10 million respectively. Details of the Amcor Purchases Agreement are set out in the announcement and circular of the Company dated 27 January 2006 and 6 February 2006 respectively. There has not been any purchase of raw materials from Amcor group during the year ended 31 December 2008.

Directors' Report



On 23 November 2007 (as supplemented on 10 October 2008), the Group entered into several master sales agreements (together the “Master Sales Agreements”) with each of Wuhan Tobacco (Group) Company Limited, Xiangfan Cigarette Factory, Changsha Cigarette Factory and Changde Cigarette Factory pursuant to which the Group shall sell cigarette packages and/or paper to them. Wuhan Tobacco (Group) Company Limited and Xiangfan Cigarette Factory are part of the Wuhan Tobacco Group interested in approximately 20.4% of Xiangfan Jinfeihuan Colour Packing Co., Ltd. which is of a subsidiary of the Company. Changsha Cigarette Factory and Changde Cigarette Factory are part of the Hunan Tobacco Group interested in approximately 26.03% of Changde Jinfurong Aluminium Foil Packing Materials Co., Ltd. which was then a subsidiary of the Company. As such, each of Wuhan Tobacco Group and Hunan Tobacco Group is/was substantial shareholder of certain members of the Group and therefore connected person of the Company within the meaning of the Listing Rules.

Under the master sales agreement with Wuhan Tobacco (Group) Company Limited (as supplemented), the maximum annual amount of sales of cigarette packages by the Group to Wuhan Tobacco Group for each of the three years ending 31 December 2008, 2009 and 2010 is RMB56 million, RMB77 million and RMB87 million respectively. Under the master sales agreements with Changsha Cigarette Factory and Changde Cigarette Factory, the maximum annual amount of sales of cigarette packages and papers by the Group to Hunan Tobacco Group for each of the three years ending 31 December 2008, 2009 and 2010 is RMB170 million, RMB135 million and RMB150 million respectively. Under the master sales agreement with Xiangfan Cigarette Factory (as supplemented), the maximum annual amount of sales of cigarette packages by the Group to Wuhan Tobacco Group for each of the three years ending 31 December 2008, 2009 and 2010 is RMB133 million, RMB154 million and RMB166 million respectively. The term of the Master Sales Agreements is three years commencing from 4 February 2008 and the selling price of the cigarette packages and/or

Directors' Report

paper under the Master Sales Agreements shall be agreed upon between the parties and shall be determined based on normal commercial terms through arm's length negotiation or on terms no more favourable than the terms available to independent third parties by reference to various factors including the costs of production, prevailing market price, the time of delivery and the quantity required.

With the de-registration of Changde Jinfurong Aluminium Foil Packing Materials Company Limited in 2008, Hunan Tobacco Group has ceased to be a connected person of the Company and the master sales agreements with Changsha Cigarette Factory and Changde Cigarette Factory have ceased to be continuing connected transactions of the Company.

On 23 November 2007, the Group also entered into two master purchases agreements (together "Master Purchases Agreements") with each of Maoming Bincheng Trading Co., Ltd. and Dongguan Brilliant Packaging Materials Co., Ltd. in respect of the purchases of printing ink, paper and solvent. Both Maoming Bincheng Trading Co., Ltd. and Dongguan Brilliant Packaging Materials Co., Ltd. are beneficially owned by Mr. Tsoi Tak (who is a substantial shareholder interested in approximately 22% of the then issued share capital of the Company) or his brother ultimately and thus connected persons to the Company within the meaning of the Listing Rules. The maximum annual amount for purchase of printing ink, paper and solvent from Maoming Bincheng Trading Co., Ltd. for the year ended 31 December 2008 is RMB90 million and the maximum aggregate annual amount for purchase of printing ink, paper and solvent from Dongguan Brilliant Packaging Materials Co., Ltd. for the year ended 31 December 2008 is RMB5 million. The purchase price of the printing ink, paper and solvent under the Master Purchases Agreements shall be agreed upon between the parties and shall be determined based on normal commercial terms through arm's length negotiation by reference to various factors including the prevailing market price, the time of delivery, the quantity required etc. or on terms no less favourable than the terms available to independent third parties for purchase of such printing ink, paper and solvent of comparable quality and quantity.

Details of the Master Sales Agreements and the Master Purchases Agreements are set out in the announcements of the Company dated 6 December 2007 and 13 October 2008 and the circulars of the Company dated 17 January 2008 and 3 November 2008.

The independent non-executive Directors have reviewed and confirmed that the above continuing connected transactions have been entered into:

- (i) in the ordinary and usual course of business of the Company;
- (ii) either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
- (iii) in accordance with the Amcor Purchases Agreement, Master Sales Agreements and the Master Purchases Agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Directors' Report

The auditors of the Company have also reviewed and confirmed that the above continuing connected transactions:

- (i) have received the approval of Board;
- (ii) are in accordance with the pricing policies of the Group;
- (iii) have been entered into in accordance with the Amcor Purchases Agreement, Master Sales Agreements and the Master Purchases Agreement governing the transactions; and
- (iv) have not exceeded the relevant annual caps under the Amcor Purchases Agreement, Master Sales Agreements and the Master Purchases Agreement.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

On 18 May 2007, a term loan facility agreement (the "Loan Facility Agreement") was entered into by the Company as borrower pursuant to which a term loan facility (the "Loan Facility") in the sum of US\$80,000,000 is made available to the Company repayable as to 20%, 40% and 40% on the days which are 24 months, 30 months and 36 months respectively from the date of the Loan Facility Agreement. It is one of the conditions of the Loan Facility that Amcor Limited, the single largest shareholder of the Company, must maintain its legal and beneficial ownership of at least 30 percent of the issued share capital of the Company throughout the life of the Loan Facility. A breach of the aforesaid condition will constitute an event of default under the Loan Facility allowing the lenders to cancel all or any part of the commitments under the Loan Facility and all amounts outstanding under the Loan Facility would then immediately become due and payable.



Directors' Report

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers accounted for approximately 68% of the total sales for the year and the sales attributable to the largest customer included therein accounted for approximately 22%.

The aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 41% of the total purchases for the year and the purchase attributable to the largest supplier included therein accounted for approximately 11%.

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or any of their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DISCLOSURE OF INTERESTS

(A) DIRECTOR'S INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2008, the following Directors or the chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii)

Directors' Report

which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules:

Name of Director	Nature of interest	No. of Shares held	Position	Approximate percentage of issued share capital
Mr. Chan Sai Wai (Note 1)	Interest of controlled corporation	37,632,000	Long	3.45%
Mr. Ng Sai Kit (Note 2)	Interest of controlled corporation	28,224,000	Long	2.59%
Mr. Lee Cheuk Yin, Dannis	Beneficial owner	3,272,000	Long	0.30%

Notes:

1. These Shares are held by Oriental Honour Limited, the entire issued share capital of which is beneficially owned by Mr. Chan Sai Wai.
2. These Shares are held by Joy Benefit Limited, the entire issued share capital of which is beneficially owned by Mr. Ng Sai Kit.

Save as disclosed above, as at 31 December 2008, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Directors' Report

(B) PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

So far as is known to the Directors and the chief executive of the Company, as at 31 December 2008, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Note	Capacity	Number of Shares held	Position	Approximate percentage of issued share capital
Amcor Limited	1	Interest of controlled corporation	424,520,000 Shares	Long	38.95%
Amcor Packaging (Asia) Pty Limited	1	Interest of controlled corporation	424,520,000 Shares	Long	38.95%
Amcor Fibre Packaging-Asia Pte Limited	1	Beneficial owner	424,520,000 Shares	Long	38.95%
Mr. Tsoi Tak		Beneficial owner	173,104,000 Shares	Long	15.88%
JP Morgan Chase & Co.		Investment manager	76,895,000 Shares	Long	7.05%
		Custodian corporation/ approved lending agent	4,569,000 Shares	Long/ Lending pool	0.42%

Note:

- The issued shares of Amcor Limited are listed on the Australian Stock Exchange Limited. Amcor Packaging (Asia) Pty Limited and Amcor Fibre Packaging-Asia Pte Limited are wholly owned subsidiaries of Amcor Limited.

Save as disclosed above, as at 31 December 2008, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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

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

DIRECTORS' SERVICE CONTRACTS

The new Director appointed during 2008, namely Mr. Jerzy Czubak, has been appointed for a term of two years subject to the normal retirement by rotation under the articles of association of the Company.

The Company confirms that it has received from each of its independent non-executive Directors an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules and the Company considers the independent non-executive Directors to be independent.

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.

DIRECTORS' INTEREST IN CONTRACTS

Save and except for those disclosed under the paragraph headed "Related party transactions" above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in 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, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Directors' Report

SHARE OPTION SCHEME AND AWARD SCHEME

The Company operates a share option scheme (the “Share Option Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Eligible participants of the Share Option Scheme include any employees, directors, substantial shareholders of each member of the Group or associated company or any of their respective associates. The Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before it is to be exercised. The Share Option Scheme has become effective for a period of 10 years commencing on 10 March 2004 and up to 40,000,000 options entitling the holders thereof to subscribe for up to 40,000,000 shares may be granted under the Share Option Scheme.

The maximum number of Shares issued and to be issued upon exercise of the options granted and to be granted pursuant to the Share Option Scheme and any other share option schemes of the Group to each participant (including both exercised and outstanding options) in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue.

An option may be exercised in whole or in part in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee provided that the period within which the Shares may be taken up under the option must not be more than 10 years from the date of grant of the option. There is no minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised.

The subscription price for the Shares under the Share Option Scheme shall be determined by the Board in its absolute discretion provided that such price shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the grant of an option, (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five consecutive business days immediately preceding the date of the grant, and (iii) the nominal value of a Share. A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an option.

As at 31 December 2008, no option has been granted or agreed to be granted to any person under the Share Option Scheme.

Directors' Report

The Company also adopted an employees' share award scheme (the "Employees' Share Award Scheme") in June 2007 for the purposes of recognising the contributions by certain employees, providing them with incentives in order to retain them for the continual operation and development of the Group and attracting suitable personnel for further development of the Group. Under the Employees' Share Award Scheme, the Company may make advance to purchase the shares (the "Awarded Shares") of the Company to be awarded to certain employees of the Group in accordance with the terms and conditions imposed by the Board. The Employees' Share Award Scheme shall be valid and effective for a term of 10 years. Pursuant to the Employees' Share Award Scheme, an administrator has been appointed to administer the scheme and hold the Awarded Shares. On or after the vesting date, the participant employees shall be entitled to sell in whole or in part of his/her Awarded Shares through the administrator and receive the gain or bear the loss on the disposal of the Awarded Shares.

Up to 31 December 2008, an aggregate of 28,484,000 Awarded Shares were acquired by the Company by way of advances for the benefits of the employees under the Employees' Share Award Scheme.

FINAL DIVIDEND

The Board of directors of the Company recommended the payment of a final dividend of HK4.3 cents per share for the year ended 31 December 2008 (2007: HK8.9 cents) to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 22 May 2009. Subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held on 26 May 2009, the said final dividend will be paid to the Company's shareholders around 21 June 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 15 May 2009 to Friday, 22 May 2009 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the proposed final dividend for the year ended 31 December 2008 and for attending the annual general meeting of the Company to be held on Tuesday, 26 May 2009, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Thursday, 14 May 2009.

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.

Directors' Report

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at 31 December 2008.

CORPORATE GOVERNANCE

Details of the corporate governance are set out in the section headed "Corporate Governance Report" in this annual report.

POST BALANCE SHEET EVENTS

There is no significant post balance sheet event.

AUDIT COMMITTEE

The Company set up an audit committee (the "Committee") on 10 March 2004 for the purpose of reviewing and providing supervision on the financial reporting process and internal control system of the Group.

The Committee comprises the three independent non-executive Directors with Mr. Tay Ah Kee, Keith acting as Chairman.

The financial statements of the Group for the year ended 31 December 2008 together with the notes attached thereto have been reviewed by the Committee, which was of the opinion that such statements complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

AUDITORS

RSM Nelson Wheeler will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of RSM Nelson Wheeler as auditors of the Company is to be proposed at the forthcoming annual general meeting.

There is no change in auditors of the Company since the first appointment on 1 December 2003.

On behalf of the Board
Chan Chew Keak, Billy
Chairman

Hong Kong, 7 April 2009



Financial Statements
財務報表

Independent Auditor's Report

獨立核數師報告

TO THE SHAREHOLDERS OF AMVIG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of AMVIG Holdings Limited (the "Company") set out on pages 86 to 184, which comprise the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") 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 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 HKICPA. 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.

致澳科控股有限公司

(於開曼群島註冊成立之有限公司)

全體股東

本核數師已審核第86至184頁所載澳科控股有限公司(「貴公司」)之綜合財務報表，此綜合財務報表包括於二零零八年十二月三十一日的綜合資產負債表與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事於財務報表之責任

貴公司董事須按照香港會計師公會所頒佈之香港財務報告準則以及香港公司條例之披露規定，編製及真實兼公平地呈報綜合財務報表。此責任包括設計、實施及維護與編製及真實兼公平地呈報綜合財務報表相關之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇和應用適當之會計政策；及按情況作出合理之會計估計。

核數師之責任

本核數師之責任是根據審核之結果，對財務報表作出意見，並向閣下(作為整體)報告。除此之外，本報告概不可用作其他用途。本核數師概不就本報告之內容對任何其他人士負責或承擔任何法律責任。本核數師已按照香港會計師公會所頒佈之香港核數準則進行審核工作。該等準則要求本核數師遵守道德規範，並規劃及執行審核，以合理確定財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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 the Group as at 31 December 2008 and of the Group's results 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.

RSM Nelson Wheeler

Certified Public Accountants

Hong Kong

7 April 2009

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

本核數師相信所取得之審核憑證已為下列審核意見提供充分且適當之基礎。

意見

本核數師認為綜合財務報表已按照香港財務報告準則真實公平地反映 貴集團於二零零八年十二月三十一日之財務狀況及貴集團截至該日止年度之業績及現金流量，並已按照香港公司條例之披露規定妥為編製。

中瑞岳華(香港)會計師事務所

執業會計師

香港

二零零九年四月七日

Consolidated Income Statement

綜合收益表

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

		Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Turnover	營業額	6	3,122,884	2,132,321
Cost of goods sold	銷售成本		(2,091,393)	(1,442,837)
Gross profit	毛利		1,031,491	689,484
Other income	其他收入	6	85,816	53,331
Selling and distribution costs	銷售及分銷成本		(206,940)	(157,013)
Administrative expenses	行政開支		(198,165)	(156,316)
Other operating expenses	其他經營開支		(22,248)	(8,372)
Non-operating expenses	非經營開支	7	(29,747)	–
Finance costs	融資成本	8	(62,855)	(24,319)
Share of profit of associates	應佔聯營公司溢利		172,878	71,152
Profit before tax	稅前溢利	9	770,230	467,947
Income tax expenses	所得稅開支	12	(147,160)	(68,044)
Profit for the year	本年度溢利		623,070	399,903
Attributable to:	以下各方應佔：			
Equity holders of the Company	本公司權益持有人		467,303	353,837
Minority interests	少數股東權益		155,767	46,066
Earnings per share	每股盈利			
– basic (HK cents)	– 基本 (港仙)	13(a)	46.0	43.4
– diluted (HK cents)	– 攤薄 (港仙)	13(b)	N/A 不適用	N/A 不適用
Dividends	股息	14	140,832	141,680

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2008

於二零零八年十二月三十一日

	Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
ASSETS			
Non-current assets			
Property, plant and equipment	15	1,306,618	1,153,872
Prepaid land lease payments	16	51,685	41,357
Goodwill	17	3,955,617	2,751,773
Interests in associates	18	373,350	321,209
Financial assets at fair value through profit or loss	19	5,658	320,050
Loan receivables	20	305,211	–
Available-for-sale financial asset	21	1,557	1,481
Other financial assets	28	655	19,734
Other assets		48,487	50,823
		6,048,838	4,660,299
Current assets			
Inventories	22	378,693	316,182
Trade and other receivables	23	873,050	834,224
Prepaid land lease payments	16	1,345	1,045
Prepayments and deposits		54,357	64,078
Other financial assets	28	4,511	23,056
Pledged bank deposits	24	98,047	73,913
Bank and cash balances	24	898,899	811,038
		2,308,902	2,123,536
Total assets		8,357,740	6,783,835
EQUITY			
Capital and reserves			
Share capital	30	10,900	9,775
Reserves	31	5,264,512	3,825,641
Equity attributable to equity holders of the Company		5,275,412	3,835,416
Minority interests		299,802	257,190
Total equity		5,575,214	4,092,606

Consolidated Balance Sheet

綜合資產負債表

	Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
LIABILITIES			
Non-current liabilities			
Bank borrowings	26	796,883	1,083,049
Obligations under finance leases	27	18,633	34,834
Other financial liabilities	28	27,290	190,812
Deferred tax liabilities	29	68,262	31,837
		911,068	1,340,532
Current liabilities			
Trade and other payables	25	923,479	947,857
Current tax liabilities		35,989	28,417
Current portion of bank borrowings	26	842,491	355,962
Current portion of obligations under finance leases	27	16,103	18,461
Other financial liabilities	28	53,396	–
		1,871,458	1,350,697
Total liabilities		2,782,526	2,691,229
Total equity and liabilities		8,357,740	6,783,835
Net current assets		437,444	772,839
Total assets less current liabilities		6,486,282	5,433,138

Approved by the Board of Directors on 7 April 2009
於二零零九年四月七日獲董事會批准

Chan Chew Keak, Billy
曾照傑
Executive Chairman
執行主席

Lee Cheuk Yin, Dannis
李卓然
Executive Director
執行董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔								Minority interests 少數股東權益	Total equity 權益總額
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Revaluation reserve 重估儲備 HK\$'000 千港元	Hedging reserve 對沖儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Statutory reserves 法定儲備 HK\$'000 千港元	Total 總計 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	7,837	1,661,610	33,027	8,010	-	429,178	35,094	2,174,756	122,491	2,297,247
Translation differences	換算差額	-	-	283,333	-	-	-	-	283,333	12,940	296,273
Loss on cash flow hedges	現金流對沖虧損	-	-	-	-	(138,906)	-	-	(138,906)	-	(138,906)
Net income recognised directly in equity	直接於權益確認之收入淨額	-	-	283,333	-	(138,906)	-	-	144,427	12,940	157,367
Profit for the year	本年度溢利	-	-	-	-	-	353,837	-	353,837	46,066	399,903
Transfer to profit or loss on cash flow hedge (Note 28)	現金流對沖轉撥至損益 (附註28)	-	-	-	-	(13,429)	-	-	(13,429)	-	(13,429)
Total recognised income and expense for the year	本年度已確認收入及支出總額	-	-	283,333	-	(152,335)	353,837	-	484,835	59,006	543,841
Transfer from retained profits	轉撥自保留溢利	-	-	-	-	-	-	-	-	-	-
- Group	- 本集團	-	-	-	-	-	(58,600)	58,600	-	-	-
- Associates	- 聯營公司	-	-	-	-	-	(7,002)	7,002	-	-	-
Repurchases of shares (Note 30(c))	購回股份 (附註30(c))	(62)	(69,118)	-	-	-	-	-	(69,180)	-	(69,180)
Dividend paid for 2006 (Note 14)	已付二零零六年股息 (附註14)	-	-	-	-	-	(100,310)	-	(100,310)	-	(100,310)
Dividend paid for 2007 (Note 14)	已付二零零七年股息 (附註14)	-	-	-	-	-	(54,685)	-	(54,685)	-	(54,685)
Dividend paid to minority interests	已付少數股東權益股息	-	-	-	-	-	-	-	-	(18,665)	(18,665)
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	94,358	94,358
Issue of new shares (Note 30(b))	發行新股份 (附註30(b))	2,000	1,398,000	-	-	-	-	-	1,400,000	-	1,400,000
		1,938	1,328,882	-	-	-	(220,597)	65,602	1,175,825	75,693	1,251,518
At 31 December 2007	於二零零七年十二月三十一日	9,775	2,990,492	316,360	8,010	(152,335)	562,418	100,696	3,835,416	257,190	4,092,606
Translation differences	換算差額	-	-	166,138	-	-	-	-	166,138	13,372	179,510
Gain on cash flow hedges	現金流對沖收益	-	-	-	-	72,502	-	-	72,502	-	72,502
Net income recognised directly in equity	直接於權益確認之收入淨額	-	-	166,138	-	72,502	-	-	238,640	13,372	252,012
Profit for the year	本年度溢利	-	-	-	-	-	467,303	-	467,303	155,767	623,070
Share issue expenses (Note 30(d))	發行股份開支 (附註30(d))	-	(1,438)	-	-	-	-	-	(1,438)	-	(1,438)
Transfer to profit or loss on cash flow hedge (Note 28)	現金流對沖轉撥至損益 (附註28)	-	-	-	-	17,773	-	-	17,773	-	17,773
Total recognised income and expense for the year	本年度已確認收入及支出總額	-	(1,438)	166,138	-	90,275	467,303	-	722,278	169,139	891,417
Transfer from retained profits	轉撥自保留溢利	-	-	-	-	-	-	-	-	-	-
- Group	- 本集團	-	-	-	-	-	(38,398)	38,398	-	-	-
- Associates	- 聯營公司	-	-	-	-	-	(13,793)	13,793	-	-	-
Dividend paid for 2007 (Note 14)	已付二零零七年股息 (附註14)	-	-	-	-	-	(86,995)	-	(86,995)	-	(86,995)
Dividend paid for 2008 (Note 14)	已付二零零八年股息 (附註14)	-	-	-	-	-	(93,964)	-	(93,964)	-	(93,964)
Dividend paid to minority interests	已付少數股東權益股息	-	-	-	-	-	-	-	-	(116,311)	(116,311)
De-registration of a subsidiary	取消註冊一間附屬公司	-	-	(1,331)	-	-	-	-	(1,331)	(10,216)	(11,547)
Issue of new shares (Note 30(d)&(e))	發行新股份 (附註30(d)及(e))	1,125	898,883	-	-	-	-	-	900,008	-	900,008
		1,125	898,883	(1,331)	-	-	(233,150)	52,191	717,718	(126,527)	591,191
At 31 December 2008	於二零零八年十二月三十一日	10,900	3,887,937	481,167	8,010	(62,060)	796,571	152,887	5,275,412	299,802	5,575,214

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務之現金流量		
Profit before tax	稅前溢利	770,230	467,947
Adjustments for:	就以下項目作出調整：		
Share of profit of associates	應佔聯營公司溢利	(172,878)	(71,152)
Finance costs	融資成本	62,855	24,319
Impairment losses on receivables	應收款項之減值虧損	14,686	7,718
Write down of inventories	撇減存貨	14,633	2,827
Depreciation	折舊	135,437	70,259
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	5,528	2,210
Interest income	利息收入	(20,623)	(13,850)
Amortisation of prepaid land lease payments	預付租賃土地款項之攤銷	1,185	545
Fair value loss/(gains) on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值虧損/(收益)	1,067	(14,164)
Loss on de-recognition of financial assets at fair value through profit or loss	取消確認按公平值計入損益之金融資產之虧損	16,531	-
Loss on de-registration of a subsidiary	取消註冊一間附屬公司之虧損	13,216	-
Unrealised profit on closing inventories sold to associates, net	完成向聯營公司出售存貨之未變現溢利	(1,203)	(1,850)
Operating profit before working capital changes	未計營運資金變動前之經營溢利	840,664	474,809
(Increase)/decrease in inventories	存貨(增加)/減少	(53,857)	46,478
Decrease/(increase) in trade and other receivables	貿易及其他應收款項減少/(增加)	51,786	(158,672)
(Increase)/decrease in prepayments and deposits	預付款項及按金(增加)/減少	(25,846)	25,707
(Decrease)/increase in trade and other payables	貿易及其他應付款項(減少)/增加	(265,331)	71,636
Cash generated from operations	來自經營活動的現金	547,416	459,958
Income taxes paid	已付所得稅	(112,580)	(55,255)
Net cash generated from operating activities	來自經營業務的現金淨額	434,836	404,703

Consolidated Cash Flow Statement

綜合現金流量表

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金淨額		
Increase in pledged bank deposits	已抵押銀行存款增加	(24,134)	(2,814)
Purchases of property, plant and equipment and prepaid land lease payments	購置物業、廠房及設備及預付租賃土地款項	(125,367)	(213,038)
Payments of deposits for other assets	其他資產之訂金付款	(12,473)	(42,405)
Dividend received from associates	已收聯營公司股息	131,440	45,258
Proceeds from disposals of property, plant and equipment and prepaid land lease payments	出售物業、廠房及設備所得款項及預付租賃土地款項	8,391	7,124
Payment to minority interests on de-registration of a subsidiary	因取消註冊一間附屬公司向少數股東權益付款	(10,216)	-
Interest received	已收利息	20,623	13,850
Acquisition of subsidiaries (Note 17)	收購附屬公司(附註17)	(698,007)	(121,412)
Acquisition of subsidiaries in prior year	上年度收購附屬公司	(149,061)	(51,940)
Purchase of available-for-sale financial asset	購買可供銷售金融資產	-	(1,481)
Purchases of financial asset at fair value through profit or loss	購買按公平值計入損益之金融資產	-	(305,886)
Net cash used in investing activities	用於投資活動的現金淨額	(858,804)	(672,744)

Consolidated Cash Flow Statement

綜合現金流量表

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
Payment for repurchases of shares	購回股份之付款	-	(69,180)
Proceeds from issue of shares	發行股份所得款項	700,002	-
Share issue expenses paid	已付發行股份開支	(1,438)	-
Bank borrowings repaid	償還銀行借款	(427,191)	(119,261)
Bank borrowings raised	籌得銀行借款	618,643	1,116,890
Payment of obligations under finance leases	融資租賃承擔之付款	(18,559)	(33,320)
Interest paid	已付利息	(66,328)	(23,150)
Finance leases charges paid	已付融資租賃費用	(1,921)	(1,169)
Dividend paid to equity holders of the Company	已付本公司權益持有人股息	(180,959)	(154,995)
Dividend paid to minority shareholders	已付少數股東權益股息	(116,311)	(18,665)
Net cash generated from financing activities	來自融資活動的現金淨額	505,938	697,150
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物之增加淨額	81,970	429,109
Effect of foreign exchange rate changes	匯率變動之影響	5,891	44,966
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等價物	811,038	336,963
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日之現金及現金等價物	898,899	811,038
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等價物之分析		
Bank and cash balances	銀行及現金結餘	898,899	811,038

Notes to the Financial Statements

財務報表附註

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 27 November 2003 under the Companies Law of Cayman Islands. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies. The address of its principal place of business is Room 1803-04, 18/F, Li Po Chun Chambers, No. 189 Des Voeux Road Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 37 to the financial statements.

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

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2008. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years.

1. 一般資料

本公司於二零零三年十一月二十七日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。其註冊地址為Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies。主要營業地點地址為香港德輔道中189號李寶椿大廈18樓1803-04室。本公司股份於香港聯合交易所有限公司（「聯交所」）主板上市。

本公司為一間投資控股公司，其附屬公司之主要業務載於財務報表附註37。

2. 採納新訂及經修訂香港財務報告準則

於本年度，本集團採納香港會計師公會所頒佈之所有新訂及經修訂之香港財務報告準則（「香港財務報告準則」），該等準則適用於本集團之業務營運，於二零零八年一月一日或以後開始之會計年度生效。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採納該等新訂及經修訂之香港財務報告準則並無導致本集團本年度及過往年度之會計政策及申報金額出現重大變動。

Notes to the Financial Statements 財務報表附註

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

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments, which are revalued at fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in Note 4 to the financial statements.

2. 採納新訂及經修訂香港財務報告準則 (續)

本集團並無應用已頒佈但尚未生效之新訂香港財務報告準則。本集團已開始評估此等新訂香港財務報告準則之影響，惟現未能確定此等新訂香港財務報告準則會否對本集團之經營業額及財務狀況構成重大影響。

3. 主要會計政策

此等財務報表已根據香港財務報告準則、香港公認會計原則及香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例所規定之適用披露編製。

此等財務報表已根據歷史成本慣例編製，惟若干金融工具以公平值重估作出修訂，詳述於以下載列之會計政策。

在按照香港財務報告準則編製財務報表時，需作出若干主要估計及假設，並須要董事在應用會計政策時作出判斷。涉及關鍵判斷之範疇及對此等財務報表而言屬重大之假設及估計於財務報表附註4內披露。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The significant accounting policies applied in the preparation of these financial statements are set out below.

(A) CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated exchange reserve.

Inter-company transactions, balances and unrealised profits on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. 主要會計政策 (續)

編製此等財務報表時所採用之主要會計政策載列如下：

(A) 綜合帳目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司指本集團擁有控制權的實體。控制權指監管一間實體的財務及營運政策以自其活動獲利之權力。在評估本集團是否控制另一實體時，會考慮目前可行使或可兌換的潛在投票權的存在及影響。

附屬公司在控制權轉移至本集團之日起全面綜合入帳。附屬公司在控制權終止之日起停止綜合入帳。

出售一間附屬公司之損益指銷售所得款項與本集團應佔該附屬公司資產淨值之差額，連同早前並無於綜合收益表扣除或確認之任何有關該附屬公司之商譽以及任何有關累計匯兌儲備。

集團內公司之間的交易、交易結餘及未變現溢利已對銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。附屬公司之會計政策已按需要變更，以確保與本集團所採納之政策貫徹一致。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(A) CONSOLIDATION (continued)

Minority interests represent the interests of minority shareholders in the operating results and net assets of subsidiaries. Minority interests are presented in the consolidated balance sheet and consolidated statement of changes in equity within equity. Minority interests are presented in the consolidated income statement as an allocation of profit or loss for the year between minority and shareholders of the Company. Losses applicable to the minority in excess of the minority's interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the interests of the Group until the minority's share of losses previously absorbed by the Group has been recovered.

(B) BUSINESS COMBINATION AND GOODWILL

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities of the subsidiary in an acquisition are measured at their fair values at the acquisition date.

3. 主要會計政策 (續)

(A) 綜合帳目 (續)

少數股東權益指少數股東於附屬公司經營業績及資產淨值之權益。少數股東權益於綜合資產負債表及綜合權益變動表之權益內呈列。少數股東權益於綜合收益表內呈列為本公司少數股東與股東應佔年內溢利或虧損間之分配。少數股東應佔虧損超逾於有關附屬公司權益中之少數股東權益之差額，分配為本集團權益，惟少數股東具有約束力責任，且能作出額外投資以彌補虧損之情況除外。倘附屬公司其後錄得溢利，該等溢利分配至本集團權益，直至收回本集團過往所承受少數股東應佔虧損。

(B) 業務合併及商譽

本集團採用收購會計處理法就收購附屬公司入帳。收購成本按交易日期所給予資產、所發行股本工具及所產生或承擔負債之公平值，加收購直接產生之成本計算。收購時有關附屬公司之可識別資產、負債及或然負債，初步按收購日期之公平值計算。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(B) BUSINESS COMBINATION AND GOODWILL (continued)

The excess of the cost of acquisition over the Group's share of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses of goodwill are recognised in the consolidated income statement and are not subsequently reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The interests of minority shareholders in the subsidiary are initially measured at the minority's proportion of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities at the acquisition date.

(C) ASSOCIATES

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

3. 主要會計政策 (續)

(B) 業務合併及商譽 (續)

收購成本超出本集團應佔有關附屬公司可識別資產、負債及或然負債公平淨值之差額乃記錄為商譽。本集團應佔可識別資產、負債及或然負債公平淨值超出收購成本之差額，於綜合收益表確認。

商譽每年檢測減值，並按成本減累計減值虧損列帳。商譽減值虧損於綜合收益表確認，且其後不會撥回。減值檢測時，商譽會分配至現金產生單位。

附屬公司之少數股東權益初步按有關少數股東佔該附屬公司於收購日期可識別資產、負債及或然負債公平淨值之比例計量。

(C) 聯營公司

聯營公司指本集團對其有重大影響力之實體。重大影響力乃於一間實體之財務及營運政策擁有參與權但非控制或共同控制權。現時可行使或可兌換之潛在投票權之存在及影響將於評估本集團是否有重大影響力時予以考慮。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(C) ASSOCIATES (continued)

Investment in an associate is accounted for in the consolidated financial statements by the equity method of accounting and is initially recognised at cost. Identifiable assets, liabilities and contingent liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

The Group's share of an associate's post-acquisition profits or losses is recognised in the consolidated income statement, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognised its share of those profits only after its share of the profits equals the share of losses not recognised.

3. 主要會計政策 (續)

(C) 聯營公司 (續)

於聯營公司之投資乃採用權益會計法於綜合財務報表列帳，並按成本作出初步確認。所收購聯營公司之可識別資產、負債及或然負債乃按其於收購當日之公平價值計算。倘收購成本超出本集團應佔聯營公司可識別資產、負債及或然負債之公平淨值，則差額以商譽列帳，而該商譽將列入投資之帳面值，並作為投資之一部份進行減值評估。倘本集團應佔可識別資產、負債及或然負債之公平淨值高於收購成本，則有關差額於綜合收益表內確認。

本集團應佔聯營公司收購後溢利或虧損於綜合收益表內確認，而其應佔收購後儲備變動則於綜合儲備內確認。累計收購後變動就投資帳面值作出調整。倘本集團應佔聯營公司虧損等於或多於其於聯營公司之權益(包括任何其他無抵押應收款項)，則本集團不會進一步確認虧損，除非其已產生負債或代聯營公司付款。倘聯營公司其後錄得溢利，則本集團僅於其應佔溢利等於其應佔未確認之虧損後才恢復確認其應佔之該等溢利。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(C) ASSOCIATES (continued)

The gain or loss on the disposal of an associate represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the associate which was not previously charged or recognised in the consolidated income statement and also any related accumulated exchange reserve.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(D) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's presentation currency. The functional currency of the Company is Renminbi ("RMB").

3. 主要會計政策 (續)

(C) 聯營公司 (續)

出售一間聯營公司之收益或虧損指出售所得款項與本集團應佔其資產淨值連同任何有關該聯營公司而之前並無自綜合收益表扣除或於綜合收益表確認之商譽及任何相關累計匯兌儲備間之差額。

對銷本集團與其聯營公司間交易之未變現溢利乃以本集團於聯營公司之權益為限；而未變現虧損則僅會於交易有證據顯示所轉讓之資產出現減值時方予以對銷。聯營公司之會計政策已於必要時作出變動，以確保與本集團所採納之政策貫徹一致。

(D) 外幣兌換

(i) 功能及呈列貨幣

本集團各實體的財務報表所含項目乃按實體經營的基本經濟環境的貨幣（「功能貨幣」）計量。綜合財務報表乃以港元（本公司之呈列貨幣）呈列。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(D) FOREIGN CURRENCY TRANSLATION (continued)

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the income statement.

Translation differences on non-monetary items, such as equity instruments classified as financial assets at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are included in the revaluation reserve in equity.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

3. 主要會計政策 (續)

(D) 外幣兌換 (續)

(ii) 於各實體財務報表之 交易及結餘

外幣交易以交易日期時的匯率兌換成功能貨幣記帳。以外幣計帳之貨幣資產及負債按結算日之適用匯率兌換。因兌換政策產生之損益計入收益表。

非貨幣項目之換算差額，如被分類為按公平值計入損益之金融資產之股本工具，乃列報為公平值損益一部份。非貨幣項目之換算差額，如被分類為可供銷售金融資產之股本工具，則計入權益之重估儲備。

(iii) 於綜合帳目時的換算

所有以本公司之呈列貨幣以外的貨幣作為功能貨幣的集團內實體，其業績和財務狀況按以下基準換算為本公司之呈列貨幣：

- 呈列資產負債表中的資產及負債以結算日的收市匯率換算；

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(D) FOREIGN CURRENCY TRANSLATION (continued)

(iii) Translation on consolidation (continued)

- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the exchange reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3. 主要會計政策 (續)

(D) 外幣兌換 (續)

(iii) 於綜合帳目時的換算 (續)

- 收益表呈列的收入和支出以平均匯率換算(除非此一平均匯率並非交易日當時適用之匯率之累積影響之合理概約數, 在此情況下收入及開支按交易日匯率進行換算); 及
- 所有匯兌差額於匯兌儲備確認。

於綜合帳目時, 換算外國實體之淨投資及借款之匯兌差額, 均於匯兌儲備確認。當出售外國業務時, 該等匯兌差額在綜合收益表內確認為出售盈虧之一部份。

收購外國實體產生之商譽及公平值調整, 乃被當作外國實體之資產及負債, 並按結算日之匯率換算。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(E) IMPAIRMENT OF ASSETS

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets except goodwill, inventories, financial assets at fair value through profit or loss and other financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

3. 主要會計政策 (續)

(E) 資產減值

於各結算日，本集團均會檢討其有形及無形資產(商譽、存貨、按公平值計入損益之金融資產及其他金融資產除外)之帳面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。如有任何減值情況，則會估計資產之可收回金額，以釐定減值虧損之程度。如不可能估計個別資產之可收回金額，則本集團會估計資產所屬現金產生單位之可收回金額。

可收回金額為公平值減去出售成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃以反映市場現時所評估之金錢時值及資產特定風險之稅前貼現率貼現至其現值。

倘資產或現金產生單位之可收回金額估計將少於帳面值，則資產或現金產生單位之帳面值會減少至其可收回金額。減值虧損會即時於收益表確認，除非有關資產乃按重估金額列帳則除外，在該情況下，減值虧損會被視為重估減值。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(E) IMPAIRMENT OF ASSETS (continued)

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

(F) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenue from the sales of manufactured goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

3. 主要會計政策 (續)

(E) 資產減值 (續)

倘減值虧損其後撥回，則資產或現金產生單位之帳面值會增加至所估算之經修訂可收回金額，惟按此所增加之帳面值不得高於假設過往年度並無就資產或現金產生單位確認減值虧損而原應已釐定之帳面值(扣除確認或折舊)。所撥回之減值虧損會即時於收益表確認，除非有關資產乃按重估金額列帳則除外，在該情況下，所撥回之減值虧損會被視為重估增值。

(F) 收益確認

收益按已收或應收代價之公平值計量，並於本集團有可能取得有關經濟利益且能可靠計算該收益金額之情況下確認。

貨物之銷售收益於擁有權之重大風險和回報轉移時確認，一般與貨品付運及擁有權移交客戶之時間相符。

利息收入按時間比例基準，以實際利息法確認。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(G) GOVERNMENT GRANTS

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised as income in the period in which they become receivable.

(H) BORROWING COSTS

All borrowing costs are recognised in the income statement in the period in which they are incurred.

(I) RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

(J) EMPLOYEE BENEFITS

(i) Employee leave entitlements

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

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

3. 主要會計政策 (續)

(G) 政府津貼

政府津貼於合理確定本集團將會遵守其附帶條件及本集團將可收取津貼時確認。

提供予本集團作為已產生開支或虧損的補償或給予即時財務援助而日後不再有相關成本的政府津貼，乃於其成為可收取的期間確認為收入。

(H) 借貸成本

所有借貸成本在其產生期間於收益表中予以確認。

(I) 研究及開發成本

研究工作之開支於產生期間確認為開支。

(J) 僱員福利

(i) 僱員應享假期

僱員之年假及長期服務假期於僱員應得時予以確認。截至結算日止之僱員所提供之服務而產生之年假及長期服務假期之估計負債已計提撥備。

僱員之病假及產假或分娩假期於僱員休假時方會確認。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(J) EMPLOYEE BENEFITS (continued)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds.

(iii) Termination benefits

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

(K) TAXATION

Income tax represents the sum of current tax and deferred tax.

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

3. 主要會計政策 (續)

(J) 僱員福利 (續)

(ii) 退休金承擔

本集團向定額供款退休計劃作出供款，全體僱員均可參與該計劃。計劃供款由本集團及僱員按僱員基本薪金之某個百分比作出。自收益表扣除之退休福利計劃成本指本集團應向該基金支付之供款。

(iii) 離職福利

倘本集團明確就終止僱用作出承擔或因在一項實際上不可能退出之詳細正式計劃下僱員自願離職而提供利益(及僅在上述情況下)，則可確認離職福利。

(K) 稅項

所得稅為即期稅項及遞延稅項之總額。

現時應付稅項乃以年內應課稅溢利為基準。應課稅溢利有別於收益表內呈報之溢利，因應課稅溢利不包括於其他年度應課稅或可扣除之收益或開支項目及其進一步排除毋須課稅或不可扣除之收益或開支項目。本集團即期稅項之負債乃採用於結算日已實施或基本實施之稅率計算。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(K) TAXATION (continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

3. 主要會計政策 (續)

(K) 稅項 (續)

遞延稅項乃按財務報表中資產及負債之帳面值與用於計算應課稅溢利之相應稅基之差額確認，及採用資產負債法入帳。所有應課稅暫時性差額引致的遞延稅項負債一般都會予以確認，而如應課稅溢利將可能抵銷暫時性差額、未動用稅務虧損及未動用稅務抵免，則遞延稅項資產亦會予以確認。倘暫時性差額來自於概不影響應課稅溢利及會計溢利之交易中其他資產及負債之商譽或初步確認(而不是於業務合併中)，則該等資產及負債不被確認。

對於於附屬公司及聯營公司之投資產生應課稅暫時性差額，遞延稅項負債被確認，惟倘本集團能控制撥回暫時差額及暫時差額於可見將來不可能撥回者除外。

遞延稅項資產之帳面值於每個結算日檢討，並於不再可能有足夠應課稅溢利抵銷將收回之全部或部份資產時被調低。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(K) TAXATION (continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(L) PROPERTY, PLANT AND EQUIPMENT

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

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 maintenance are expensed in the income statement during the financial period in which they are incurred.

3. 主要會計政策 (續)

(K) 稅項 (續)

遞延稅項按償還負債或變現資產之期間預期按結算日已生效或實際上已生效之適用稅率計算。遞延稅項計入或自綜合收益表內扣除，惟倘與直接自權益中扣除或計入權益之項目有關，則亦於權益中處理。

當存在法律上可強制執行之權利可在即期稅項負債中抵銷現行稅項資產，以及當其與同一稅務機關所徵收之所得稅有關並且本集團擬按淨額基準償還即期稅項資產及負債時，遞延稅項資產及負債將予抵銷。

(L) 物業、廠房及設備

物業、廠房及設備以成本減累計折舊及減值虧損列帳。

其後之成本只會於當可能有與該項目有關之未來經濟利益將流入本集團及該項目之成本可以可靠地計量時列入該項資產之帳面值或確認為分開之資產(視乎適用而定)。所有其他維修及保養於產生之財政期間在收益表內支銷。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(L) PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	20 years
Leasehold improvements	2 - 20 years
Plant and machinery	5 - 15 years
Office equipment	5 years
Motor vehicles	5 years

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

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant assets, and is recognised in the income statement.

3. 主要會計政策 (續)

(L) 物業、廠房及設備 (續)

物業、廠房及設備之折舊，按足以撇銷其成本減剩餘價值之比率，於估計可使用年期內使用直線法計算，主要可使用年期如下：

樓宇	20年
租賃物業裝修	2至20年
廠房及機器	5至15年
辦公室設備	5年
車輛	5年

剩餘價值、可使用年期及折舊方式於每一結算日檢討並作出適當調整。

在建物業指在建樓宇及待安裝之廠房及機器，並按成本扣除減值虧損列帳。折舊於相關資產可動用時開始。

出售物業、廠房及設備之收益或虧損乃指出售所得款項淨額與相關資產帳面值兩者之差額，並於收益表內確認。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(M) INVENTORIES

Inventories are stated at the lower of cost and net realised value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realised value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(N) RECOGNITION AND DERECOGNITION OF FINANCIAL INSTRUMENTS

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

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the income statement.

3. 主要會計政策 (續)

(M) 存貨

存貨按成本及可變現淨值兩者中較低者入帳。成本乃按加權平均法釐定，而製成品及在製品之成本包括原材料、直接工資以及所有按適當比例計算之間接費用及(如適用)承包費。可變現淨值按於正常業務範圍之估計售價減估計完工成本及預計出售時需要產生之成本計算。

(N) 確認及取消確認金融 工具

金融資產及金融負債於本集團成為工具之合約條款之訂約方時於資產負債表確認。

倘從資產收取現金之合約權利已到期；本集團轉讓資產擁有權之絕大部份風險及回報；或本集團並未轉讓或保留資產擁有權之絕大部份風險及回報，惟已不再擁有資產之控制權，則金融資產將被取消確認。於取消確認金融資產時，資產帳面值與已收及應收代價之差額及直接於權益確認之累計損益將於收益表中確認。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(N) RECOGNITION AND DERECOGNITION OF FINANCIAL INSTRUMENTS (continued)

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability recognised and the consideration paid is recognised in the income statement.

(O) INVESTMENTS

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

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in the income statement.

3. 主要會計政策 (續)

(N) 確認及取消確認金融 工具 (續)

當有關合約所訂明責任獲解除、註銷或屆滿時，金融負債將被解除確認。已確認之金融負債帳面值與已付代價間之差額於收益表中確認。

(O) 投資

倘根據合約買賣投資，而合約條款規定該投資須於有關市場所定時限內交付投資，則該投資將按交易日基準確認及取消確認。該投資初步按公平值加直接應佔交易成本計算，惟按公平值計入損益之金融資產則除外。

(i) 按公平值計入損益之 金融資產

按公平值計入損益之金融資產指持作買賣投資或於初步確認時獲指定為按公平值計入損益之投資。該等投資其後乃按公平值計量。因該等投資公平值變動所產生的損益於收益表確認。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(O) INVESTMENTS (continued)

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised directly in equity, until the investments are disposed of or are determined to be impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement.

Impairment losses recognised in the income statement for equity investments classified as available-for-sale financial assets are not subsequently reversed through the income statement. Impairment losses recognised in the income statement for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in the income statement if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investments that do not have a quoted market price in a 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.

3. 主要會計政策 (續)

(O) 投資 (續)

(ii) 可供銷售金融資產

可供銷售金融資產指並未分類為貿易及其他應收款項、持至到期投資或按公平值計入損益之金融資產的非衍生金融資產。可供銷售金融資產其後按公平值計量。因該等投資公平值變動產生的損益直接於權益確認，直至有關投資被出售或被確認為減值後，以往於權益內確認之累計損益計入收益表。

分類為可供銷售金融資產之股本投資，於收益表確認減值虧損，有關減值虧損其後不能自收益表撥回。倘債務工具之公平值增加與確認減值虧損後發生事件客觀相關，則分類為可供銷售金融資產之債務工具已在收益表確認之減值虧損，其後撥回並於收益表中確認。

在活躍市場上並無報價而其公平值不能可靠計量之可供銷售股本投資，以及與該等無報價股本工具有關並須以交付該等工具作結算之衍生工具，則於首次確認後之各個結算日，按成本減任何已識別減值虧損計算。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(P) TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

Impairment losses are reversed in subsequent periods and recognised in the income statement when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策 (續)

(P) 貿易及其他應收款項

貿易及其他應收款項指附有固定或待定款額惟並無於活躍市場報價之非衍生金融資產，初步以公平值確認，隨後使用實際利息法按攤銷成本扣除減值撥備計算。當有客觀證據證明本集團將無法按應收款項原有的條款收回所有款項時，即就貿易及其他應收款項提取減值撥備。撥備金額為應收款項帳面值與於初步確認時按實際利率貼現的估計未來現金流量的現值兩者的差額。撥備金額在收益表內確認。

於往後期間，倘應收款項之可收回金額增加與確認減值後所發生之事件客觀相關，則可撥回減值虧損並於收益表內確認，惟於撥回減值當日之應收款項帳面值不得高於倘並無確認減值之攤銷成本。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(Q) CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(R) FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

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

(S) TRADE AND OTHER PAYABLES

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

3. 主要會計政策 (續)

(Q) 現金及現金等價物

就現金流量表而言，現金及現金等價物指存放於銀行及手頭上的現金、存放於銀行及其他金融機構之活期存款，及短期而高流動性的投資，可隨時轉換為已知金額現金，此等投資承受之價值變動風險低微。銀行透支按要求償還，並組成本集團現金管理其中部份，亦被計入現金及現金等價物一部份。

(R) 金融負債及股本工具

金融負債及股本工具乃根據所訂立合約安排之內容及香港財務報告準則對金融負債和股本工具之定義分類。股本工具乃證明於本集團經扣除所有負債後之資產中擁有剩餘權益之任何合約。下文第(s)至(u)段載列就特定金融負債及股本工具採納之會計政策。

(S) 貿易及其他應付款項

貿易及其他應付款項初步按其公平值列帳，其後採用實際利息法按其攤銷成本計量，除非貼現之影響微乎其微，在該種情況下，貿易及其他應付款項以成本列帳。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(T) BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(U) EQUITY INSTRUMENTS

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

(V) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Derivatives are initially recognised at fair value on the contract date and are subsequently measured at fair value.

The Group designates the derivatives as hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction.

Changes in the fair value of derivatives that are designated and effective as cash flow hedges are recognised directly in equity. Any ineffective portion is recognised immediately in the income statement. The Group's policy with respect to hedging the foreign currency risk of a firm commitment is to designate the hedging relationship as a cash flow hedge.

3. 主要會計政策 (續)

(T) 借款

借款最初乃按公平值(扣除已產生之交易成本)確認,其後以實際利息法按攤銷成本列帳。

除非本集團有權無條件將債務結算日期遞延至結算日後至少十二個月,否則借款將被劃分為流動負債。

(U) 股本工具

本公司發行之股本工具乃按已收所得款項(扣除直接發行成本)入帳。

(V) 衍生金融工具及對沖 會計處理

衍生工具於合約日期以公平值初步確認,其後以公平值計量。

本集團指定衍生工具作為對沖已確認負債或非常可能預測之交易而產生之特定風險。

被指定並有效作為現金流對沖之衍生工具之公平值變動直接於權益中確認。任何無效之部份即時於收益表中確認。本集團為對沖堅定承擔之外幣風險而採取之政策乃指定對沖關係為現金流對沖。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(V) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING *(continued)*

If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability.

For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or the hedge no longer qualifies for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement for the period.

3. 主要會計政策 (續)

(V) 衍生金融工具及對沖會計處理 (續)

倘堅定承擔或預測交易的現金流對沖導致確認非金融資產或負債，則於確認資產或負債時，之前已於權益確認的衍生工具的有關盈虧，計入資產或負債的初次計量。

就並無導致確認非金融資產或負債的對沖而言，在權益遞延的款額於對沖項目影響收益表的同期在收益表確認。

對沖會計處理於對沖工具到期或出售、終止或被行使，或不再合資格應用對沖會計處理時予以終止。屆時，就可預測交易來說，已於權益確認的對沖工具任何累計盈虧被保留於權益，直至出現預測交易為止。倘對沖交易預期不再發生，則已於權益確認的累計盈虧淨額被轉撥至期內的收益表。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(W) LEASES

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the balance sheet as obligation under finance leases. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over their estimated useful lives.

3. 主要會計政策 (續)

(W) 租賃

(i) 經營租賃

經營租賃是指擁有權之絕大部份風險及回報仍由出租人保留之租賃。租金在扣除自出租人收取之任何獎勵金後，於租約期內以直線法在收益表中支銷。

(ii) 融資租賃

融資租賃是指資產擁有權所有風險及回報實質上轉讓予本集團之租賃。融資租賃在開始時按租賃資產之公平值及最低租賃款項現值(兩者均於租賃開始時釐定)之較低者入帳資本化。

出租人之相應債務於資產負債表中列作融資租賃承擔。租賃款項按比例分配為融資支出及削減未付承擔。有關租賃之融資費用於租約期內各期間分期支銷以得出固定之承擔餘款定期支出率。

以融資租賃下之資產與自置資產同樣按其估計可使用年期計算折舊。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(X) PROVISIONS AND CONTINGENT LIABILITIES

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

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

3. 主要會計政策 (續)

(X) 撥備及或然負債

倘過去事項導致本集團須承擔現有法定或既定責任，而履行有關責任可能須撥付經濟利益，並能可靠地作出估計，則就不確定時限或金額之負債確認撥備。倘金錢時間值屬重大，撥備乃按預期解決責任之支出之現值呈列。

倘撥付經濟利益之可能性不大，或無法可靠地估計其金額時，債務將作為或然負債予以披露，除非撥付經濟利益之可能性極微。只可以某一件或以上之未來事件之發生或不發生確定是否存在之可能責任亦披露為或然負債，除非導致經濟流出之可能性很低。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(Y) RELATED PARTIES

A party is related to the Group if:

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

3. 主要會計政策 (續)

(Y) 關連人士

任何一方如屬以下情況，即視為本集團之關連人士：

- (i) 該方透過一間或多間中介公司，直接或間接控制本集團、受本集團控制或與本集團受同一方控制；於本集團擁有權益，並可藉著該權益對本集團行使重大影響力；或共同控制本集團；
- (ii) 該方為聯營公司；
- (iii) 該方為合營公司；
- (iv) 該方為本公司或其母公司之主要管理人員其中一名成員；
- (v) 該方為(i)或(iv)所述之任何人士之家族之近親；
- (vi) 該方為一間實體，直接或間接受(iv)或(v)所述之任何人士控制或共同控制，或(iv)或(v)所述之任何人士直接或間接對該實體行使重大影響力或擁有重大投票權；或
- (vii) 該方為終止僱用後福利計劃，乃為本集團或屬於其關連人士之任何實體之僱員福利而設。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(Z) SEGMENT REPORTING

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

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment.

Unallocated costs mainly represent corporate expenses. Segment assets consist primarily of property, plant and equipment, prepaid land lease payments, other assets, inventories, trade and other receivables, prepayments and deposits, pledged bank deposits and bank and cash balances. Segment liabilities exclude primarily obligation under financial leases and other financial liabilities.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment. Inter-segment pricing is based similar terms as those available to other external parties.

3. 主要會計政策 (續)

(Z) 分部呈報

分部乃本集團業務中可加以區別之組成部份，若非以業務劃分所提供之產品或服務(業務分部)，則以特定經濟環境內提供產品或服務劃分(地區分部)，其中所承受之風險及享有之回報不同於其他分部。

根據本集團之內部財務報告，本集團已選擇業務分部資料作為主要呈報方式及地區分部資料作為次要呈報方式。

分部收益、支出、業績、資產及負債包括直接歸屬某一分部之項目以及可合理地歸類為該分部之項目。未分配成本主要指企業開支。分部資產主要包括物業、廠房及設備、預付租賃土地款項、其他資產、存貨、貿易及其他應收款項、預付款項及按金、已抵押銀行存款以及銀行及現金結餘。分部負債主要不包括融資租賃承擔及其他金融負債。

分部收益、支出、資產及負債於抵銷集團內公司間結餘及交易前予以釐定，作為綜合帳目過程之一部份工作，惟該等集團內公司間之結餘及交易乃屬於集團公司之間於單一分部內之往來。分部間定價乃基於提供予其他外部人士之相似條款。

Notes to the Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(Z) SEGMENT REPORTING (continued)

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

(AA) EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

KEY SOURCES OF ESTIMATION UNCERTAINTY

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

3. 主要會計政策 (續)

(Z) 分部呈報 (續)

分類資本開支指期內購入預計可使用超過一段期間之分部資產(包括有形及無形資產)所產生之成本總額。

(AA) 結算日後事項

提供有關本集團於結算日後財務狀況之額外資料或可顯示持續經營基準之假設並不恰當之結算日後事項屬調整事項，並在財務報表中反映。並不屬於調整事項之結算日後事項如屬重大，則會在財務報表附註中披露。

4. 重要判斷及主要估計

不確定估計之主要來源

下文討論有關未來之主要假設及於結算日之其他主要不確定估計來源，而該等假設及不確定估計存在導致下一財政年度之資產及負債帳面值須作出重大調整之重大風險。

Notes to the Financial Statements 財務報表附註

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(continued)*

KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives and residual values, and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives or residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was approximately HK\$3,955,617,000. Details of the Group's goodwill are stated in Note 17 to the financial statements.

4. 重要判斷及主要估計 (續)

不確定估計之主要來源 (續)

(a) 物業、廠房及設備與折舊

本集團釐定其物業、廠房及設備之估計可使用年期、剩餘價值及相關折舊開支。是項估算乃根據類似性質及功能之物業、廠房及設備之實際可使用年期及剩餘價值之過往經驗作出。當可使用年期或剩餘價值與先前估算者不同時，管理人員將修訂折舊開支或將已棄用或出售在技術上過時或屬非戰略性之資產作撇銷或撇減。

(b) 商譽減值

釐定商譽有否減值需估計獲分配商譽之現金產生單位之使用價值，在計算使用價值時，本集團需估計該現金產生單位產生之未來現金流量，並以適當之貼現率計算其現值。於結算日，商譽之帳面值約為3,955,617,000港元。本集團之商譽詳情列載於財務報表附註17。

Notes to the Financial Statements 財務報表附註

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(continued)*

KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

(c) Impairment loss on trade and other receivables and loan receivables

The Group makes impairment loss on receivables based on assessments of the recoverability of the trade and other receivables and loan receivables, including the current creditworthiness, the past collection history and securities (if any) of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment loss on receivables requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and loan receivables and impairment loss on receivables in the year in which such estimate has been changed.

(d) Allowance for inventories and net realisable value of inventories

Allowance for inventories is made based on the aging and estimated net realised value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and write-down/write-back in the year in which such estimate has been changed.

4. 重要判斷及主要估計 (續)

不確定估計之主要來源 (續)

(c) 貿易及其他應收款項及應 收貸款之減值虧損

本集團根據貿易及其他應收款項及應收貸款的可收回性評估，包括每一債務人之現時信譽及過往收款歷史記錄及抵押品(如有)作出應收款項之減值虧損。若事件或情況變化顯示無法收回結餘則產生減值。識別應收款項之減值虧損需要作出判斷及評估。倘若實際結果有別於最初估計，則有關差額將影響於該估計改變之年度內貿易及其他應收款項及應收貸款之帳面值以及應收款項之減值虧損。

(d) 存貨撥備及存貨可變現淨 值

存貨撥備乃按存貨之帳齡及估計可變現淨值計提。撥備金額的評估需要作出判斷及估計。若實際結果有別於最初估計，則有關差額將影響於該估計改變的年度內存貨的帳面值及撇減/撥回。

Notes to the Financial Statements 財務報表附註

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(continued)*

KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

(d) Allowance for inventories and net realisable value of inventories *(continued)*

Net realised value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to the severe market environment. The Group will reassess the estimates by each balance sheet date.

(e) Fair value of derivatives

As disclosed in Note 28 to the financial statements, the assumptions for determining the fair value of derivatives are made based on quoted market rates adjusted for specific features of the instrument.

(f) Income taxes

Significant estimates are required in determining the provisions for income taxes and deferred tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 重要判斷及主要估計 (續)

不確定估計之主要來源 (續)

(d) 存貨撥備及存貨可變現淨 值 (續)

存貨之可變現淨值指日常業務過程中之估計售價減估計完成之成本及銷售開支。該等估計根據當時市況及生產及銷售同類產品之過往經驗而定，或會因客戶品味轉變及競爭對手因應嚴峻市況作出之行動而有重大轉變。本集團將於各結算日前重新檢討該等估計。

(e) 衍生工具之公平值

誠如財務報表附註28所披露，衍生工具公平值之估計乃根據市場所報利率為假設基準，並就工具之特定功能作調整。

(f) 所得稅

在作出所得稅及遞延稅項撥備時本集團需進行大量的估計工作。在日常業務過程中有很多交易及計算，其最終的稅務決定存在不確定性。倘若這些稅務事項的最終結果和最初記錄的金額存在差異，則該差異將對其確定期間的所得稅和遞延稅項撥備產生影響。

Notes to the Financial Statements 財務報表附註

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. The directors have established management policies, guidelines and control procedures to manage the Group's exposure to such risks.

(A) FOREIGN CURRENCY RISK

The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of respective Group entities, such as HK\$ and USD. The Group had entered into currency swaps to hedge its exposure to foreign currency risk arising from certain of its HK\$ and USD bank borrowings (Notes 26 and 28). The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging other significant foreign currency exposure should the need arise.

5. 財務風險管理

本集團之活動使其面對各種財務風險，包括外幣風險、價值風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃專注於金融市場未能預見之因素及尋求盡量降低對本集團財務表現之潛在不利影響。董事已採取管理政策、指引及控制程序以管理本集團面對的該等風險。

(A) 外幣風險

由於本集團若干業務交易、資產及負債以相應集團實體功能貨幣以外之貨幣(如港元及美元)計值，故本集團面對若干外幣風險。本集團已訂立外幣掉期以對沖其因若干港元及美元銀行借款(附註26及28)而產生之外幣風險。本集團目前並無針對其他外幣交易、資產及負債的外幣對沖政策。本集團將密切監察其外幣風險水平，並將於有需要時考慮對沖其他重大外幣風險。

Notes to the Financial Statements 財務報表附註

5. FINANCIAL RISK MANAGEMENT (continued)

(A) FOREIGN CURRENCY RISK (continued)

At 31 December 2008, if the RMB had weakened 7% (2007: 7%) against HK\$ and USD with all other variables held constant, the impact on profit after tax and other component of the equity are summarised in the following table. The sensitivity analysis includes outstanding foreign currency denominated monetary items and currency swaps designated as cash flow hedges and adjusts their translation at the year end for a 7% (2007: 7%) change in foreign currency rates. A positive number indicates an increase in profit and other equity. If the RMB had strengthened 7% (2007: 7%) against HK\$ and USD with all other variables held constant, there would be an equal and opposite impact on profit after tax and other component of the equity, and the balances below would be negative.

5. 財務風險管理 (續)

(A) 外幣風險 (續)

於二零零八年十二月三十一日，倘人民幣對港元及美元貶值7%（二零零七年：7%），假設其他可變因素保持不變，對稅後溢利及其他權益部份之影響於下表概述。此敏感度分析包括未償還外幣計值貨幣項目及指定為現金流對沖之外幣掉期，並於年末就7%（二零零七年：7%）之外幣匯率變動調整其換算。正數顯示溢利及其他權益增加。倘人民幣對港元及美元升值7%（二零零七年：7%），假設其他可變因素保持不變，將對稅後溢利及其他權益部份產生相應反面影響，而下列結餘將為負數。

		Impact of HK\$ 港元影響		Impact of USD 美元影響	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit after tax	稅後溢利	22,038 ^(a)	21,328 ^(a)	6,667 ^(a)	3,451 ^(a)
Other equity	其他權益	31,258 ^(a)	33,011 ^(a)	46,485 ^(a)	48,652 ^(a)

Notes to the Financial Statements 財務報表附註

5. FINANCIAL RISK MANAGEMENT (continued)

(A) FOREIGN CURRENCY RISK (continued)

- (i) This is mainly a result of the foreign exchange gain on financial assets at fair value through profit or loss, loan receivable, bank and cash balances, trade and other payables, bank borrowings and obligations under finance leases denominated in HK\$ and USD not subject to cash flow hedges at year end.
- (ii) This mainly arises from the changes in fair value of derivative instruments designated as cash flow hedges in relation to the Group's bank borrowings.

(B) PRICE RISK

The Group's equity investments classified as financial assets at fair value through profit or loss which are measured at fair value at each balance sheet date and expose the Group to equity security price risk.

The sensitivity analyses below have been determined based on the exposure to equity price risk at the balance sheet date.

If the prices had been 5% higher/lower, the Group's profit after tax for the year ended 31 December 2008 would be increased/decreased by approximately HK\$283,000 (2007: HK\$16,002,000) as a result of the changes in fair value of financial assets at fair value through profit or loss.

5. 財務風險管理 (續)

(A) 外幣風險 (續)

- (i) 此影響主要由年末時並無作出現金流對沖，且以港元及美元計值之按公平值計入損益之金融資產、應收貸款、銀行及現金結餘、貿易及其他應付款項、銀行借款及融資租賃承擔之匯兌收益所致。
- (ii) 此影響主要由指定為本集團銀行借款之現金流對沖之衍生工具公平值變動所致。

(B) 價格風險

本集團之股本投資歸類為按公平值計入損益之金融資產，於各結算日按公平值計量，令本集團面對股本證券價格風險。

以下敏感度分析乃根據於結算日之股本價格風險而編製。

倘價格上升／下跌5%，本集團截至二零零八年十二月三十一日止年度之稅後溢利將增加／減少約283,000港元(二零零七年：16,002,000港元)。此乃由於按公平值計入損益之金融資產公平值變動所致。

Notes to the Financial Statements 財務報表附註

5. FINANCIAL RISK MANAGEMENT (continued)

(C) CREDIT RISK

The carrying amount of the bank and cash balances including pledged bank deposits, trade and other receivables, deposits and investments and loan receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

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

The Group's credit risk is primarily attributable to its trade receivables. The Group has policies in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring process. The Group's senior management performs on-going credit evaluation and regularly reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts.

The credit risk on bank and cash balances is limited because the counterparties are mainly banks with high credit-ratings assigned by international credit-rating agencies.

Loan receivable from employees as disclosed in Note 20 to the financial statements will be repaid when the shares awarded to the employees, which are held by an administrator appointed by the Company, are disposed of. The Group's senior management performed regular review on the recoverable amount of loan receivables to ensure that adequate impairment losses are recognised.

5. 財務風險管理 (續)

(C) 信貸風險

綜合資產負債表內包括已抵押銀行存款之現金及銀行結餘、貿易及其他應收款項、按金、投資及應收貸款之帳面值，即本集團就其金融資產面對之最高信貸風險。

本集團並無重大集中信貸風險，有關風險已分散至眾多對手方及客戶。

本集團的信貸風險主要涉及其貿易應收款項。本集團訂有政策，並透過批核信貸、釐訂信貸限額監察程序管理信貸風險。本公司高級管理層持續進行信貸評估，定期審閱每項個別貿易債項之可收回金額，以確保就不可收回之債務確認適當的減值虧損。

銀行及現金結餘之信貸風險有限，因為對手方主要為獲國際評級機構給予高度評級之銀行。

財務報表附註20所披露之應收僱員貸款，將於授予僱員(由本公司委聘之管理人持有)之股份出售後獲償還。本集團之高級管理層定期檢討應收貸款之可收回金額，以確保確認足夠減值虧損。

Notes to the Financial Statements 財務報表附註

5. FINANCIAL RISK MANAGEMENT (continued)

(D) LIQUIDITY RISK

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserve of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

5. 財務風險管理 (續)

(D) 流動資金風險

本集團之政策為定期監察現有及預期之流動資金需要，以確保其維持足以應付短期及較長遠流動資金需要之現金儲備。

本集團金融負債之到期日分析如下：

		Less than 1 year 一年內 HK\$'000 千港元	Between 1 and 2 years 一至二年 HK\$'000 千港元	Between 2 and 5 years 二至五年 HK\$'000 千港元
At 31 December 2008	於二零零八年 十二月三十一日			
Bank borrowings	銀行借款	896,250	725,092	93,177
Obligations under finance lease	融資租賃承擔	17,151	11,964	7,289
Trade and other payables	貿易及其他應付款項	923,479	-	-
Other financial liabilities	其他金融負債	53,396	27,290	-
At 31 December 2007	於二零零七年 十二月三十一日			
Bank borrowings	銀行借款	355,962	493,970	589,079
Obligations under finance lease	融資租賃承擔	18,461	16,001	18,833
Trade and other payables	貿易及其他應付款項	947,857	-	-
Other financial liabilities	其他金融負債	-	77,438	113,374

Notes to the Financial Statements 財務報表附註

5. FINANCIAL RISK MANAGEMENT (continued)

(E) INTEREST RATE RISK

The Group's exposure to interest-rate risk arises from its bank deposits and bank borrowings and obligations under finance leases. The Group's bank deposits and bank borrowings of approximately HK\$494,952,000 (2007: HK\$538,584,000) and of approximately HK\$22,565,000 (2007: Nil) respectively bear interests at fixed interest rates and therefore are subject to fair value interest rate risks. The Directors consider the Group's exposure to interest rate risk on bank deposits and bank borrowings is not significant as interest bearing bank balances and bank borrowings are within short maturity period.

The Group's cash flow interest rate risk primarily relates to variable-rate bank borrowings and obligations under finance leases. The Group had entered into interest rate swaps to hedge against cash flow interest rate risk of certain bank borrowings (Notes 26 and 28). The critical terms of these interest rate swaps are similar to those of hedged bank borrowings. These interest rate swaps are designated as effective cash flow hedges of interest rate risk.

5. 財務風險管理 (續)

(E) 利率風險

本集團因銀行存款及銀行借款以及融資租賃承擔而面對利率風險。本集團之銀行存款及銀行借款分別約為494,952,000港元(二零零七年: 538,584,000港元)及約為22,565,000港元(二零零七年: 無),按固定利率計息,故面對公平值利率風險。由於計息銀行結餘及銀行借款到期期限短,故董事認為本集團因銀行存款及銀行借款而面對之利率風險水平並不重大。

本集團之現金流利率風險主要與浮息銀行借款及融資租賃承擔有關。本集團已訂立利率掉期以對沖若干銀行借款(附註26及28)之現金流利率風險。該等利率掉期之主要條款與所對沖之銀行借款者類似。此等利率掉期指定為利率風險之有效現金流對沖工具。

Notes to the Financial Statements

財務報表附註

5. FINANCIAL RISK MANAGEMENT (continued)

(E) INTEREST RATE RISK (continued)

At 31 December 2008, if the interest rate had been 100 basis point (2007: 100 basis point) lower, with all other variables held constant, the impact on profit after tax and other component of the equity are summarised in the following table. The sensitivity analysis includes outstanding bank borrowings, obligations under finance leases and interest rate swaps designated as cash flow hedges and adjusts the respective interest rates at the year end of 100 basis point (2007: 100 basis point) A positive number indicates an increase in profit and other equity. If the interest rate had been 100 basis point (2007: 100 basis point) higher, with all other variables held constant, there would be an equal and opposite impact on profit after tax and other component of the equity, and the balances below would be negative.

5. 財務風險管理 (續)

(E) 利率風險 (續)

於二零零八年十二月三十一日，倘利率下跌100基點（二零零七年：100基點），假設其他可變因素保持不變，對稅後溢利及其他權益部份之影響於下表概述。此敏感度分析包括未償還銀行借款、融資租賃承擔及指定為現金流對沖之利率掉期，並於年末調整相應利率100基點（二零零七年：100基點）。正數顯示溢利及其他權益增加。倘利率上升100基點（二零零七年：100基點），假設其他可變因素保持不變，將對稅後溢利及其他權益部份產生相應反面影響，而下列結餘將為負數。

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit after tax	稅後溢利	5,114 ⁽ⁱ⁾	3,613 ⁽ⁱ⁾
Other equity	其他權益	(13,806) ⁽ⁱⁱ⁾	(23,031) ⁽ⁱⁱ⁾

- (i) This is mainly a result of the decrease in interest expenses on bank borrowings and obligations under finance leases not subject to cash flow hedges at year end.
- (ii) This mainly arises from the changes in fair value of derivative instruments designated as cash flow hedges in relation to the Group's bank borrowings.

- (i) 此影響主要由年末時並無作出現金流對沖之銀行借款之利息開支及融資租賃承擔下降所致。
- (ii) 此影響主要由指定為本集團銀行借款之現金流對沖之衍生工具公平值變動所致。

Notes to the Financial Statements 財務報表附註

5. FINANCIAL RISK MANAGEMENT (continued)

(F) FAIR VALUES

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated balance sheet approximate their respective fair values.

6. TURNOVER AND OTHER INCOME

The Group is principally engaged in the printing of cigarette packages and manufacturing of transfer/laminated paper and laser film. An analysis of the Group's turnover and other income is as follows:

5. 財務風險管理 (續)

(F) 公平值

本集團之金融資產及金融負債之帳面值在綜合資產負債表內反映，與其各自之公平值相若。

6. 營業額及其他收入

本集團主要從事卷煙包裝印刷及轉移／複合紙及鐳射膜之製造。本集團之營業額及其他收入分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Turnover	營業額		
Cigarette packages	卷煙包裝	2,796,994	1,830,536
Transfer/laminated paper and laser film	轉移／複合紙及鐳射膜	325,890	301,785
		3,122,884	2,132,321
Other income	其他收入		
Gain on sales of paper	銷售紙張之收益	14,148	4,683
Gain on sales of scrapped materials	銷售廢料之收益	15,951	5,529
Interest income	利息收入	20,623	13,850
Compensation received	已收賠償	1,804	1,056
Commission income	佣金收入	-	4,769
Fair value gains on financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之 公平值收益	-	14,164
Government grants received	已收政府津貼	4,373	4,359
Exchange gain, net	匯兌收益，淨額	23,230	1,194
Sundry income	雜項收入	5,687	3,727
		85,816	53,331

Notes to the Financial Statements 財務報表附註

7. NON-OPERATING EXPENSES

7. 非經營開支

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Loss on de-recognition of financial assets at fair value through profit or loss (Note 20)	16,531	-
Loss on de-registration of a subsidiary	13,216	-
	29,747	-

8. FINANCE COSTS

8. 融資成本

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interest on bank borrowings	74,672	37,381
Finance lease charges	1,921	1,169
	76,593	38,550
Fair value gain on interest-rate swaps:		
Cash flow hedge (transfer from equity) (Note 28)	(13,738)	(14,231)
	62,855	24,319

Notes to the Financial Statements 財務報表附註

9. PROFIT BEFORE TAX

The Group's profit before tax is stated after charging the followings:

9. 稅前溢利

本集團之稅前溢利已扣除以下項目：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Auditors' remuneration	核數師酬金		
– current	– 本年度	3,700	3,500
– under-provision in prior year	– 上年度撥備不足	–	200
		3,700	3,700
Impairment losses on receivables	應收款項之減值虧損		
– trade receivables	– 貿易應收款項	1,764	648
– other receivables	– 其他應收款項	12,922	7,070
		14,686	7,718
Write down of inventories	撇減存貨	14,633	2,827
Cost of inventories sold (Note a)	銷售存貨成本 (附註a)	2,091,393	1,442,837
Depreciation	折舊	135,437	70,259
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	5,528	2,210
Operating lease rentals in respect of land, buildings and equipment	有關土地、樓宇及設備之經營租賃租金	27,229	15,767
Staff costs including directors' emoluments	員工成本 (包括董事酬金)		
- Salaries, bonuses and allowances	– 薪金、花紅及津貼	247,553	159,089
- Retirement benefit scheme contributions	– 退休福利計劃供款	11,099	8,506
- Cash-settled share-based payments (reversal)/expense	– 現金結算以股份為基礎之付款 (撥回)/開支	(7,258)	7,258
		251,394	174,853
Research and development costs	研究及開發成本	6,789	6,376
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值虧損	1,067	–
Loss on de-recognition of financial assets at fair value through profit or loss	取消確認按公平值計入損益之金融資產之虧損	16,531	–
Loss on de-registration of a subsidiary	取消註冊一間附屬公司之虧損	13,216	–

Notes to the Financial Statements

財務報表附註

9. PROFIT BEFORE TAX (continued)

Notes:

- (a) Cost of inventories sold includes the following which are included in the respective amounts disclosed separately above for the year:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Operating lease rentals	經營租賃租金	17,833	8,568
Staff costs	員工成本	156,064	91,258
Depreciation	折舊	116,256	61,146
Research and development costs	研究及開發成本	5,065	6,170
Write down of inventories	撇減存貨	14,633	2,827

10. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

Directors' emoluments disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance are as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Fees	袍金		
Executive directors	執行董事	491	491
Non-executive directors	非執行董事	892	842
Independent non-executive directors	獨立非執行董事	2,210	2,210
Other emoluments	其他酬金		
Executive directors	執行董事		
- Basic salaries, allowances and benefits in kind	— 基本薪金、津貼及實物福利	8,150	10,580
- Retirement benefits scheme contributions	— 退休福利計劃供款	36	63
		11,779	14,186

9. 稅前溢利 (續)

附註：

- (a) 銷售存貨成本包括下列款額，均包括在本年度在以上分開披露之數額中。

10. 董事及高級行政人員酬金

以下為根據上市規則及香港公司條例第161條披露之董事酬金：

Notes to the Financial Statements 財務報表附註

10. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

The emoluments of each Director for the years ended 31 December 2008 and 2007 are set out below:

10. 董事及高級行政人員 酬金 (續)

每名董事於截至二零零八年及二零零七年十二月三十一日止年度之酬金載列如下：

Name of Director	董事姓名	Salaries and other benefits Discretionary bonus contributions				Total 總計
		Fees 袍金 HK\$'000 千港元	薪金及 其他福利 HK\$'000 千港元	酌情花紅 bonus HK\$'000 千港元	退休福利 計劃供款 HK\$'000 千港元	
Mr. Chan Chew Keak, Billy	曾照傑先生	491	-	-	-	491
Mr. Chan Sai Wai	陳世偉先生	-	2,000	1,200	12	3,212
Mr. Ng Sai Kit	吳世杰先生	-	1,500	900	12	2,412
Mr. Lee Cheuk Yin, Dannis	李卓然先生	-	1,650	900	12	2,562
Mr. David John Cleveland Hodge	David John Cleveland Hodge先生	437	-	-	-	437
Mr. Saw Kee Team, Alan	蘇旗添先生	376	-	-	-	376
Mr. Jerzy Czubak (Note a)	Jerzy Czubak先生(附註a)	79	-	-	-	79
Mr. Tay Ah Kee, Keith	鄭基先生	754	-	-	-	754
Mr. Au Yeung Tin Wah, Ellis	歐陽天華先生	729	-	-	-	729
Mr. Oh Choon Gan, Eric	胡俊彥先生	727	-	-	-	727
Total for 2008	二零零八年總額	3,593	5,150	3,000	36	11,779

Name of Director	董事姓名	Salaries and other benefits Discretionary bonus contributions				Total 總計
		Fees 袍金 HK\$'000 千港元	薪金及 其他福利 HK\$'000 千港元	酌情花紅 bonus HK\$'000 千港元	退休福利 計劃供款 HK\$'000 千港元	
Mr. Chan Chew Keak, Billy	曾照傑先生	491	-	-	-	491
Mr. Chan Sai Wai	陳世偉先生	-	2,000	2,400	12	4,412
Mr. Ng Sai Kit	吳世杰先生	-	1,500	1,800	12	3,312
Mr. Li Wei Bo (Note b)	李偉波先生(附註b)	-	616	-	27	643
Mr. Li Shui Dang (Note c)	李水黨先生(附註c)	-	514	-	-	514
Mr. Lee Cheuk Yin, Dannis	李卓然先生	-	1,250	500	12	1,762
Mr. David John Cleveland Hodge	David John Cleveland Hodge先生	437	-	-	-	437
Mr. Peter Roderick Downing (Note d)	Peter Roderick Downing先生(附註d)	197	-	-	-	197
Mr. Saw Kee Team, Alan (Note e)	蘇旗添先生(附註e)	208	-	-	-	208
Mr. Tay Ah Kee, Keith	鄭基先生	754	-	-	-	754
Mr. Au Yeung Tin Wah, Ellis	歐陽天華先生	729	-	-	-	729
Mr. Oh Choon Gan, Eric	胡俊彥先生	727	-	-	-	727
Total for 2007	二零零七年總額	3,543	5,880	4,700	63	14,186

Notes to the Financial Statements 財務報表附註

10. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

- Notes:
- (a) Appointed on 16 October 2008
 - (b) Retired on 30 April 2007
 - (c) Resigned on 7 April 2008
 - (d) Resigned on 13 June 2007
 - (e) Appointed on 13 June 2007

The five highest paid individuals in the Group during the year include three (2007: five) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining two (2007: Nil) individuals are set out below:

10. 董事及高級行政人員 酬金 (續)

- 附註：
- (a) 於二零零八年十月十六日獲委任
 - (b) 於二零零七年四月三十日退休
 - (c) 於二零零八年四月七日辭任
 - (d) 於二零零七年六月十三日辭任
 - (e) 於二零零七年六月十三日獲委任

年內本集團之五名最高薪人士當中
有三名(二零零七年：五名)為董事，
彼等之酬金反映在上文所示之分析內。
其餘兩名(二零零七年：無)人士之酬金
載列如下：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Basic salaries and other benefits 基本薪金及其他福利	2,649	-
Discretionary bonus 酌情花紅	950	-
Retirement benefits 退休福利計劃供款 scheme contributions	24	-
	3,623	-

The emoluments fell within the following bands:

酬金介乎下列範圍：

	2008 二零零八年	2007 二零零七年
Nil to HK\$1,000,000 零至1,000,000港元	-	-
HK\$1,000,000 to HK\$2,000,000 1,000,000港元至2,000,000港元	1	-
HK\$2,000,000 to HK\$3,000,000 2,000,000港元至3,000,000港元	1	-

Notes to the Financial Statements 財務報表附註

10. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

There was no arrangement under which a Director waived or agreed to waive any emoluments during the year. In addition, no emoluments were paid by the Group to any of the Directors or the highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

11. RETIREMENT BENEFITS SCHEMES

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK\$1,000 per employee and vest fully with employees when contributed into MPF Scheme.

The employees of the Group's subsidiaries established in the People's Republic of China ("PRC") are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

10. 董事及高級行政人員 酬金 (續)

年內並無董事放棄或同意放棄任何酬金之安排。此外，本集團並無支付酬金予任何董事或最高薪人士，作為其加入本集團或加入後之獎勵或離職之補償。

11. 退休福利計劃

本集團根據香港強制性公積金計劃條例為香港所有合資格僱員設立強制性公積金計劃（「強積金計劃」）。本集團於強積金計劃之供款乃根據僱員薪金及工資之5%計算，每名僱員每月上限為1,000港元，作出強積金計劃供款後，供款即盡歸僱員所有。

本集團於中華人民共和國（「中國」）成立之附屬公司之僱員為地方市政府管理之中央退休金計劃成員。此等附屬公司須就僱員基本薪金及工資之若干百分比向中央退休金計劃供款作為退休福利基金。地方市政府承諾承擔該等附屬公司所有現有及未來退休僱員之退休福利義務。此等附屬公司就中央退休金計劃之唯一責任是根據計劃作出所需供款。

Notes to the Financial Statements 財務報表附註

12. INCOME TAX EXPENSES

12. 所得稅開支

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Hong Kong Profits Tax	香港利得稅	1,019	5
PRC corporate income tax	中國企業所得稅		
– current	– 即期	116,746	70,158
– over provision in prior year	– 上年度超額撥備	(981)	(264)
Withholding tax (Note 29)	預扣稅項(附註29)	33,406	–
Other deferred tax (Note 29)	其他遞延稅項(附註29)	(3,030)	(1,855)
		147,160	68,044

Hong Kong Profits Tax is provided at 16.5% (2007: 17.5%) based on the estimated assessable profit for the year ended 31 December 2008.

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the PRC ("New CIT Law"), which became effective from 1 January 2008. Under the New CIT Law, the standard corporate income tax rate is 25%, replacing the previous applicable rate of 33%.

截至二零零八年十二月三十一日止年度乃就估計應課稅溢利按16.5% (二零零七年：17.5%) 稅率就香港利得稅作出撥備。

於二零零七年三月十六日，全國人民代表大會批准中國企業所得稅法(「新企業所得稅法」)，並已自二零零八年一月一日起生效。根據新企業所得稅法，標準企業所得稅率為25%，取代先前之適用稅率33%。

Notes to the Financial Statements 財務報表附註

12. INCOME TAX EXPENSES (continued)

On 26 December 2007, the State of Council of the PRC passed an "Notice on the Implementation of Corporation Income Tax Transition Preferential Treatment" ("Notice on Transition Period") Guofa (2007) No. 39 ("Circular 39") which sets out details of how existing preferential income tax rates will be adjusted to the 25% standard rate under the New CIT Law. According to the Notice on Transition Period, certain PRC enterprises of the Group with tax holiday not fully utilized will be allowed to continue to receive benefits of the full exemption from a reduction in income tax rate until expiry of the tax holiday, after which, the 25% standard rate under the New CIT Law will apply.

Circular 39 also states that the existing preferential income tax rate of 18% in 2008 pertaining to certain subsidiaries will be adjusted to the standard rate of 25% in 2012 progressively.

The relevant tax rates for the Group's PRC subsidiaries before the tax holiday range from 15% to 25% (2007: 15% to 24%).

12. 所得稅開支 (續)

於二零零七年十二月二十六日，中國國務院通過《關於實施企業所得稅過渡優惠政策的通知》（「過渡期通知」）國發（2007）39號（「通函39」），當中詳述如何根據新企業所得稅法將現行優惠所得稅率調整至25%標準稅率。根據過渡期通知，本集團若干中國企業之稅務優惠期尚未完結，將可繼續享受所得稅減免之全額豁免優惠，直至優惠期結束止，其後將應用新企業所得稅法之25%標準稅率。

通函39亦訂明與若干附屬公司相關之二零零八年現有18%優惠所得稅率將逐步調整至二零一二年之25%標準稅率。

本集團中國附屬公司於享有稅務優惠前之有關稅率介乎15%至25%（二零零七年：15%至24%）。

Notes to the Financial Statements 財務報表附註

12. INCOME TAX EXPENSES

(continued)

Further under the New CIT Law, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by treaty) on various types of passive income such as dividend derived from sources within the PRC. As the entire Group's foreign-invested enterprises are directly or indirectly wholly or partial owned by a Hong Kong incorporated subsidiary, a rate of 5% is applicable to the calculation of this withholding tax on dividend according to Comprehensive Arrangement for the Avoidance of Double Taxation on Income and Prevention of Fiscal Evasion between PRC and Hong Kong, and Guoshihan (2009) No.81.

According to the notice Cai Shui {2008} No.1 released by the Ministry of Finance and the State Administration of Taxation, distributions of the pre-2008 retained profits of a foreign-invested enterprise to a foreign investor in 2008 or after are exempt from withholding tax. Accordingly, the retained profits at 31 December 2007 in the Group's foreign-invested enterprises' books and accounts will not be subject to withholding tax on dividend at 5% on future distribution.

12. 所得稅開支 (續)

此外，根據新企業所得稅法，由二零零八年一月一日起，在中國境內未設立機構、場所，或雖在中國境內設立機構、場所但取得之所得收入與其在中國境內所設機構、場所沒有實際聯繫之非居民企業，將須就多種被動收入(如源於中國境內之股息)按10%(除非按稅收協定減免)繳納預扣稅項。由於本集團所有外商投資企業乃由一間香港註冊成立之附屬公司直接或間接全資或部份擁有，故根據《內地和香港關於對所得稅避免雙重徵稅和防止偷漏稅的安排》及國稅函(2009)81號，就股份計算此項預扣稅項適用之稅率為5%。

根據財政部及國家稅務總局發行之財稅{2008}1號通知，外商投資企業於二零零八年或之後向外國投資者分派二零零八年前之保留溢利獲豁免繳納預扣稅項。因此，本集團之外商投資企業之帳冊及帳目所列之於二零零七年十二月三十一日保留溢利毋須就未來分派股息繳納5%之預扣稅項。

Notes to the Financial Statements 財務報表附註

12. INCOME TAX EXPENSES (continued)

A reconciliation between the income tax expenses and the product of profit before tax multiplied by the applicable tax rate is as follows:

12. 所得稅開支 (續)

所得稅開支與稅前溢利乘以適用稅率之積之對帳如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit before tax	稅前溢利	770,230	467,947
Tax at applicable tax rate of 25% (2007: 15%)	按適用稅率25% (二零零七年：15%)之稅款	192,558	70,192
Tax effect of share of profit of associates	應佔聯營公司溢利之稅務影響	(43,220)	(10,673)
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(8,783)	(2,505)
Tax effect of non-deductible expenses	不可扣除開支之稅務影響	65,602	34,006
Tax effect of unrecognised temporary differences	未確認暫時性差額之稅務影響	1,227	(1,345)
Tax effect of unused tax losses not recognised	不確認未動用稅項虧損之稅務影響	5,159	7,003
Tax effect of tax concession and tax refund	稅項寬減及稅款退回之稅務影響	(90,419)	(38,955)
Over provision in prior year	上年度超額撥備	(981)	(264)
Withholding tax	預扣稅項	33,406	-
Effect of different tax rates of subsidiaries operating in other jurisdiction	在其他司法權區經營之附屬公司所適用不同稅率之影響	(7,389)	10,585
Income tax expenses	所得稅開支	147,160	68,044

Notes to the Financial Statements 財務報表附註

13. EARNINGS PER SHARE

- (a) Basic earnings per share is calculated based on the Group's profit attributable to the equity holders of the Company for the year of approximately HK\$467,303,000 (2007: HK\$353,837,000) and the weighted average number of shares of approximately 1,015,902,000 ordinary shares in issue during the year (2007:814,684,000 shares).
- (b) No diluted earnings per share are presented as the Company did not have any potentially diluted ordinary shares for the years ended 31 December 2008 and 2007.

14. DIVIDENDS

The dividends paid during the year ended 31 December 2008 were HK\$86,995,000, being final dividend of HK8.9 cents per share for year 2007 and HK\$93,964,000, being interim dividend of HK8.9 cents per share for year 2008. The dividends paid during the year ended 31 December 2007 were HK\$100,310,000, being final dividend of HK12.8 cents per share for year 2006 and HK\$54,685,000, being interim dividend of HK7 cents per share for year 2007. A final dividend of HK4.3 cents per share in respect of 2008, amounted to approximately HK\$46,868,000 is proposed by the board of Directors and subject to approval by the shareholders at the Annual General Meeting to be held on 26 May 2009. The proposed final dividends are not recognised as liabilities at 31 December 2008.

13. 每股盈利

- (a) 每股基本盈利乃按本年度之本公司權益持有人應佔溢利約467,303,000港元(二零零七年353,837,000港元)及年內已發行普通股之加權平均股數約1,015,902,000股(二零零七年:814,684,000股)計算。
- (b) 由於本公司截至二零零八年及二零零七年十二月三十一日止年度內並無潛在攤薄普通股，故並無呈列每股攤薄盈利。

14. 股息

截至二零零八年十二月三十一日止年度內支付之股息為86,995,000港元(即二零零七年之末期股息為每股8.9港仙)及93,964,000港元(即二零零八年之中期股息為每股8.9港仙)。截至二零零七年十二月三十一日止年度內支付之股息為100,310,000港元(即二零零六年之末期為每股12.8港仙)及54,685,000港元(即二零零七年之中期股息為每股7港仙)。董事會將於二零零九年五月二十六日舉行之股東週年大會上建議派發二零零八年度末期股息每股4.3港仙，總股息金額約為46,868,000港元，惟須待股東批准。擬派末期股息並無確認為於二零零八年十二月三十一日之負債。

Notes to the Financial Statements 財務報表附註

14. DIVIDENDS (continued)

14. 股息 (續)

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interim dividend paid of HK8.9 cents (2007: HK7.0 cents) per share	已派中期股息 每股8.9港仙 (二零零七年：7.0港仙)	93,964	54,685
Proposed final dividend of HK4.3 cents (2007: HK8.9 cents) per share	擬派末期股息 每股4.3港仙 (二零零七年：8.9港仙)	46,868	86,995
		140,832	141,680

Notes to the Financial Statements

財務報表附註

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本							
At 1 January 2007	於二零零七年 一月一日	22,940	8,876	500,815	16,189	13,634	-	562,454
Acquisition of subsidiaries	收購附屬公司	100,492	-	313,949	16,024	6,160	12,273	448,898
Additions	添置	1,416	446	131,081	2,384	4,842	108,918	249,087
Transfer	轉撥	4,191	183	13,440	124	193	(18,131)	-
Disposals/write off	出售/撇銷	(1,565)	(15)	(9,944)	(2,098)	(5,798)	(527)	(19,947)
Exchange differences	匯兌差額	4,881	614	56,987	1,440	1,032	3,329	68,283
At 31 December 2007	於二零零七年 十二月三十一日	132,355	10,104	1,006,328	34,063	20,063	105,862	1,308,775
Acquisition of subsidiaries (Note 17)	收購附屬公司 (附註17)	12,780	-	51,759	896	2,486	1,023	68,944
Additions	添置	357	33,565	35,915	4,584	6,525	95,244	176,190
Transfer	轉撥	59,254	3,250	98,936	6,520	-	(167,960)	-
Disposals/write off	出售/撇銷	-	(6,444)	(11,393)	(1,653)	(2,407)	-	(21,897)
Exchange differences	匯兌差額	6,909	583	49,985	1,519	935	5,067	64,998
At 31 December 2008	於二零零八年 十二月三十一日	211,655	41,058	1,231,530	45,929	27,602	39,236	1,597,010
Accumulated depreciation	累計折舊							
At 1 January 2007	於二零零七年 一月一日	1,120	2,454	68,037	7,582	7,530	-	86,723
Charge for the year	本年度折舊	2,352	1,693	59,487	3,700	3,027	-	70,259
Disposals/write off	出售/撇銷	(124)	-	(3,314)	(1,709)	(5,466)	-	(10,613)
Exchange differences	匯兌差額	152	226	7,271	525	360	-	8,534
At 31 December 2007	於二零零七年 十二月三十一日	3,500	4,373	131,481	10,098	5,451	-	154,903
Charge for the year	本年度折舊	8,900	2,933	111,623	7,205	4,776	-	135,437
Disposals/write off	出售/撇銷	(99)	(3,692)	(2,761)	(876)	(550)	-	(7,978)
Exchange differences	匯兌差額	215	184	6,923	431	277	-	8,030
At 31 December 2008	於二零零八年 十二月三十一日	12,516	3,798	247,266	16,858	9,954	-	290,392
Carrying amount	帳面值							
At 31 December 2008	於二零零八年 十二月三十一日	199,139	37,260	984,264	29,071	17,648	39,236	1,306,618
At 31 December 2007	於二零零七年 十二月三十一日	128,855	5,731	874,847	23,965	14,612	105,862	1,153,872

The Group's buildings are situated in the PRC.

本集團之樓宇乃位於中國。

Notes to the Financial Statements 財務報表附註

15. PROPERTY, PLANT AND EQUIPMENT (continued)

At 31 December 2008, the carrying amounts of property, plant and equipment held by the Group under finance leases were approximately HK\$128,069,000 (2007: HK\$148,279,000) (Note 27). The Group's property, plant and equipment with carrying amount of approximately HK\$328,886,000 (2007: HK\$64,310,000) were pledged as security for the Group's banking facilities (Note 33) as at 31 December 2008.

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

15. 物業、廠房及設備 (續)

於二零零八年十二月三十一日，本集團根據融資租賃持有之物業、廠房及設備之帳面值約為128,069,000港元(二零零七年：148,279,000港元)(附註27)。本集團帳面值約為328,886,000港元(二零零七年：64,310,000港元)之物業、廠房及設備已抵押作為本集團於二零零八年十二月三十一日之銀行信貸(附註33)之抵押品。

本集團根據不可撤銷經營租賃之應收最低租賃款項總額如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內	2,998	2,443
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	7,391	-
After five years	五年後	14,782	-
		25,171	2,443

The Group leased out certain buildings to a related company under operating leases. The average lease term is 14 years (2007: 1 year). All leases are on a fixed rental basis and do not include contingent rentals.

本集團根據經營租賃向一間關連公司租出若干樓宇，租約期平均為14年(二零零七年：一年)。所有租賃均以固定租金為基準，不包括或然租金。

Notes to the Financial Statements 財務報表附註

16. PREPAID LAND LEASE PAYMENTS

16. 預付租賃土地款項

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1 January	於一月一日	42,402	13,117
Acquisition of subsidiaries (Note 17)	收購附屬公司 (附註17)	9,704	27,727
Additions	添置	-	211
Amortisation of prepaid land lease payments	預付租賃土地款項之攤銷	(1,185)	(545)
Exchange differences	匯兌差額	2,109	1,892
At 31 December	於十二月三十一日	53,030	42,402
Current portion	流動部份	(1,345)	(1,045)
Non-current portion	非流動部份	51,685	41,357

The Group's prepaid land lease payments represent payments for land use rights in the PRC under medium term leases.

The Group's prepaid land lease payments with carrying amount of approximately HK\$29,486,000 were pledged as security for the Group's banking facilities (Note 33) as at 31 December 2008.

本集團之預付租賃土地款項指按中期租賃持有之中國土地使用權之付款。

本集團帳面值約為29,486,000港元之預付租賃土地款項已抵押作為本集團於二零零八年十二月三十一日之銀行信貸(附註33)之抵押品。

Notes to the Financial Statements

財務報表附註

17. GOODWILL

17. 商譽

		HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	1,276,615
Acquisition of subsidiaries	收購附屬公司	1,293,183
Exchange differences	匯兌差額	181,975
At 31 December 2007	於二零零七年十二月三十一日	2,751,773
Adjustment to fair value of net assets of subsidiaries acquired in prior year	上年度所收購附屬公司之 資產淨值公平值調整	149,061
Acquisition of subsidiaries	收購附屬公司	938,670
Release on de-registration of a subsidiary	取消註冊一間附屬公司時撥回	(21,500)
Exchange differences	匯兌差額	137,613
At 31 December 2008	於二零零八年十二月三十一日	3,955,617

During 2008 the Group acquired the entire issued share capital of Purple Art Limited ("Purple Art"), which directly owned 100% equity interest in Hangzhou Weicheng Printing Co. Limited ("HZ Weicheng") at a total consideration of RMB350,000,000 (equivalent to approximately HK\$400,006,000) which was satisfied as to approximately HK\$200,006,000 by the allotment and issue of 34,189,000 new shares of HK\$0.01 each of the Company at an issue price of HK\$5.85 per share (Note 30(e)) and as to the balance by cash. The adoption of HK\$5.85 per share as the fair value of shares issued by the Company at the date of exchange was based on a fair value assessment made by the board of Directors, taking into consideration all aspects of the acquisition and significant factors influencing the negotiations. The board of Directors considered the published price of the Company's shares at the date of exchange is not a suitable indicator of fair value of the shares issued for the acquisition due to the thinness of the market of the Company's issued shares.

於二零零八年，本集團收購Purple Art Limited（「Purple Art」），其直接擁有杭州偉成印刷有限公司（「杭州偉成」）100%股權之全部已發行股本，代價為人民幣350,000,000（相等於約400,006,000港元），透過以每股5.85港元之發行價配發及發行本公司34,189,000股每股面值0.01港元之新股份（附註30(e)）支付約200,006,000港元，而餘額則以現金支付。採用每股5.85港元為本公司於交易日期所發行股份之公平值，乃基於董事會經考慮收購各方面及影響磋商之重大因素後，所作出之公平值評估。由於本公司已發行股份市場交投量低，故董事會認為交易日期本公司股份之報價並非就收購所發行股份之公平值之適當指標。

Notes to the Financial Statements

財務報表附註

17. GOODWILL (continued)

The Group also acquired a 25% equity interest in Sure Rise Group Limited ("Sure Rise"), and a 49% equity interest in Smart Apex Group Limited ("Smart Apex") at a consideration of RMB290,000,000 (equivalent to approximately HK\$330,632,000) and approximately HK\$311,321,000 respectively.

The net assets acquired from the various transactions, and the goodwill arising, are as follows:

17. 商譽 (續)

本集團亦收購了必昇集團有限公司(「必昇」)之25%股權及俊峰集團有限公司(「俊峰」)之49%股權，代價分別為人民幣290,000,000(相等於約330,632,000港元)及約311,321,000港元。

於多項交易中已收購資產淨值及所產生之商譽如下：

		Acquiree's carrying amount before combination	Fair value adjustments	Fair value
		合併前被 收購公司之 帳面值	公平值調整	公平值
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Net assets acquired:	已收購之資產淨值：			
Property, plant and equipment (Note 15)	物業、廠房及設備 (附註15)	54,761	14,183	68,944
Interest in an associate	於一間聯營公司之權益	146	-	146
Prepaid land lease payments (Note 16)	預付租賃土地款項 (附註16)	-	9,704	9,704
Inventories	存貨	25,671	(2,384)	23,287
Trade and other receivables	貿易及其他應收款項	105,298	-	105,298
Prepayments and deposits	預付款項及按金	1,350	-	1,350
Bank and cash balances	銀行及現金結餘	150,977	-	150,977
Trade and other payables	貿易及其他應付款項	(240,953)	-	(240,953)
Current tax liabilities	本期稅項負債	(2,833)	-	(2,833)
Deferred tax liabilities (Note 29)	遞延稅項負債(附註29)	-	(5,600)	(5,600)
NET ASSETS	資產淨值	94,417	15,903	110,320
Goodwill on acquisition	收購商譽			938,670
Total consideration	總代價			1,048,990
Total consideration, satisfied by	總代價，以下列方式支付			
Share consideration	股份代價			200,006
Cash consideration	現金代價			841,953
Direct cost relating to the acquisition	與收購有關之直接成本			7,031
				1,048,990
Net cash outflow arising on acquisition	因收購產生之淨現金流出			
Cash consideration paid	已支付之現金代價			(841,953)
Direct cost relating to the acquisition	與收購有關之直接成本			(7,031)
Bank and cash balances acquired	已收購之銀行及現金結餘			150,977
				(698,007)

Notes to the Financial Statements 財務報表附註

17. GOODWILL (*continued*)

The new subsidiaries and associates contributed approximately HK\$91,142,000 to the Group's turnover and approximately HK\$19,389,000 to the Group's profit after tax for the period between the date of acquisition and the balance sheet date.

If the acquisitions had been completed on 1 January 2008, total Group turnover would have been increased by approximately HK\$213,841,000 and profit after tax for the year would have been increased by approximately HK\$45,027,000. The proforma information is for illustrative purposes only and is not necessarily an indicative turnover and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2008, nor is it intended to be a projection of future results.

17. 商譽 (續)

新附屬公司及聯營公司於自收購日至結算日期間為本集團之營業額及稅後溢利分別貢獻約91,142,000港元及約19,389,000港元。

倘收購於二零零八年一月一日完成，本集團總營業額將增加約213,841,000港元，年度稅後溢利將增加約45,027,000港元。備考資料僅供說明用途，未必顯示倘收購於二零零八年一月一日完成本集團將實際錄得之營業額及經營業績，亦不用於預測未來之業績。

Notes to the Financial Statements

財務報表附註

17. GOODWILL (continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (“CGUs”) that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

17. 商譽 (續)

由於業務合併所取得的商譽會於收購時分配到預期其將受惠於該業務合併的各現金產生單位（「現金產生單位」）。在確認減值虧損前，商譽帳面值分配如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Printing of cigarette packages			
Qingdao Leigh-Mardon Packaging Co., Ltd. (“Qingdao LMPP”)	卷煙包裝印刷 青島黎馬敦包裝有限公司 (「青島黎馬敦」)	202,812	192,997
Beijing Leigh-Mardon Pacific Packaging Co., Ltd. (“Beijing LMPP”)	北京黎馬敦太平洋包裝有限公司 (「北京黎馬敦」)	50,230	47,799
World Grand Holdings Limited (“World Grand”) and Kunming World Grand Colour Printing Co., Ltd. (“Kunming World Grand”)	偉建集團有限公司(「偉建」)及 昆明偉建彩印有限公司 (「昆明偉建」)	1,235,667	1,175,866
Xiangfan Jinfeihuan Colour Packing Co., Ltd. (“XF Jinfeihuan”)	襄樊金飛環彩色包裝有限公司 (「襄樊金飛環」)	68,923	59,141
Shenzhen Guilian Printing Limited (“SZ Guilian”) and Shenzhen Kecai Printing Co., Ltd. (“SZ Kecai”)	深圳貴聯印刷有限公司(「深圳貴聯」)及 深圳市科彩印務有限公司 (「深圳科彩」)	615,193	527,875
Bengbu Jinhuangshan Rotogravure Printing Co., Ltd. (“BB Jinhuangshan”)	蚌埠金黃山凹版印刷 有限公司(「蚌埠金黃山」)	204,085	175,118
Changde Goldroc Rotogravure Printing Co., Ltd. (“CD Goldroc”)	常德金鵬凹版印刷有限公司 (「常德金鵬」)	630,142	540,702
HZ Weicheng, Sure Rise and Smart Apex	杭州偉成、必昇及俊峰	936,085	-
		3,943,137	2,719,498
Manufacturing of transfer/ laminated paper and laser film			
Xian Great Sky Laser Hologram Co., Ltd. (“Xian Hologram”)	轉移／複合紙及鐳射膜製造 西安大天激光圖像有限公司 (「西安大天」)	1,150	1,094
Zhaotong Antong Package Material Co., Ltd. (“ZT Antong”)	昭通安通包裝材料有限公司 (「昭通安通」)	11,330	10,864
Changde Jinfurong Aluminum Foil Packing Material Co., Ltd.	常德金芙蓉鋁箔包裝有限公司	-	20,317
		12,480	32,275
		3,955,617	2,751,773

Notes to the Financial Statements 財務報表附註

17. GOODWILL (continued)

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of range from 2% to 5% (2007: 5%).

The rate used to discount the forecast cash flows are as follows:

17. 商譽 (續)

現金產生單位的可收回金額乃按使用價值計算而釐定。使用價值計算之主要假設乃關於貼現率、增長率及期內之預算毛利率及營業額。本集團採用反映現時市場對貨幣時間價值及現金產生單位之特定風險之評估的稅前貼現率以估計貼現率。預算毛利率及營業額則根據過往常規及預期市場發展釐定。

本集團編製之現金流量預測摘錄自經董事批准對未來五年之最近期財政預算，而餘下期間則根據增長率介乎2%至5% (二零零七年：5%) 推算。

用作貼現預測現金流量之比率如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Printing of cigarette packages	卷煙包裝印刷	13.4%	14.3%
Manufacturing of transfer/laminated paper and laser film	轉移／複合紙及鐳射膜製造	13.4%	14.3%

Notes to the Financial Statements

財務報表附註

18. INTERESTS IN ASSOCIATES

18. 於聯營公司之權益

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Unlisted investments in the PRC:	於中國之非上市投資：		
Share of net assets	應佔資產淨值	373,350	321,209

Details of the Group's associates at 31 December 2008 are as follows:

於二零零八年十二月三十一日，本集團聯營公司之詳情如下：

Name	Place of incorporation/ operation	Particulars of registered capital	Percentage of interest held/profit sharing	Principal activities
名稱	註冊成立/ 營業地點	註冊資本詳情	所持權益/ 溢利攤分 百分比	主要業務
Nanjing Sanlong Packaging Co., Ltd ("NJ Sanlong")	PRC	US\$2,100,000	48%/48%	Printing of cigarette packages
南京三隆包裝有限公司 ([南京三隆])	中國	2,100,000美元	48% / 48%	卷煙包裝 印刷
CD Goldroc	PRC	RMB163,052,000	48.85%/45%	Printing of cigarette packages
常德金鵬	中國	人民幣163,052,000	48.85% / 45%	卷煙包裝 印刷
Sure Rise	BVI	US\$100	25%/25%	Investment holding
必昇	英屬處女群島	100美元	25%/25%	投資控股
Smart Apex	BVI	US\$100	49%/49%	Technology supporting
俊峰	英屬處女群島	100美元	49%/49%	技術支援

Notes to the Financial Statements 財務報表附註

18. INTERESTS IN ASSOCIATES (continued)

Summarised financial information in respect of the Group's associates is set out below:

18. 於聯營公司之權益 (續)

本集團之聯營公司之財務資料概要如下：

	Assets 資產	Liabilities 負債	Equity 權益	Revenue 收益	Profit 溢利
	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
2008					
二零零八年					
100 per cent 百分之一百	1,301,696	(480,865)	820,831	1,708,676	373,426
Group's effective interest 本集團之實際權益	574,216	(200,866)	373,350	776,148	172,878
2007					
二零零七年					
100 per cent 百分之一百	1,009,829	(315,091)	694,738	646,733	152,317
Group's effective interest 本集團之實際權益	470,906	(149,697)	321,209	303,593	71,152

Notes to the Financial Statements 財務報表附註

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

19. 按公平值計入損益之 金融資產

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Equity securities, at fair value	股本證券，以公平值		
Listed in Hong Kong	於香港上市	-	313,324
Listed outside Hong Kong	於香港以外上市	5,658	6,726
Market value of listed securities	上市證券之市值	5,658	320,050

The above financial assets are designated as at fair value through profit or loss on initial recognition.

The fair values of listed securities are based on current bid prices.

上述金融資產於初步確認時乃指定為按公平值計入損益。

上市證券之公平值乃以當時買入價計算。

Notes to the Financial Statements 財務報表附註

20. LOAN RECEIVABLES

On 13 June 2007, the Company adopted an employees' share award scheme (the "Scheme") under which shares (the "Awarded Shares") of the Company may be awarded to certain employees of the Group (the "Selected Employees") in accordance with the terms and conditions imposed by the Board of the Company. The Scheme is valid and effective for a term of 10 years commencing on 13 June 2007. Pursuant to the rules of the Scheme, an administrator has been appointed to administer the Scheme and hold the Awarded Shares. On or after the vesting date, the Selected Employees shall be entitled to sell in whole or in part of his/her Awarded Shares through the administrator and receive the gain on the disposal of his/her Awarded Shares, being the excess of sales proceeds over the acquisition costs of the Awarded Shares purchased by the Company, together with the related income attributable to the Awarded Shares disposed. Accordingly, fair value of the Awarded Shares of approximately HK\$313,324,000 was recognised by the Group as at 31 December 2007.

In June 2008, the Company made clarifications with the Selected Employees on certain terms and operation mechanism of the Scheme. In summary:

- (a) Neither the Company, the administrator nor the Selected Employees shall have any voting rights to the Company's shares purchased by the administrator to the Scheme.
- (b) All the beneficial interests and risks of the shares purchased under the Scheme are designated to the Selected Employees upon the purchase of the Company's shares.

20. 應收貸款

於二零零七年六月十三日，本公司採納一項僱員股份獎勵計劃（「計劃」）；據此，本公司可根據本公司董事會制訂之條款及條件向本集團若干僱員（「獲選僱員」）授予股份（「獎勵股份」）。計劃自二零零七年六月十三日開始有效及生效，為期十年。根據計劃規則，管理人已獲委任管理計劃及持有獎勵股份。於歸屬日期或之後，獲選僱員可透過管理人出售其全部或部份獎勵股份，並收取出售其獎勵股份之收益，即出售所得款項超過本公司購買獎勵股份之購買成本之金額，連同所出售獎勵股份應佔之相關收入。因此，本集團於二零零七年十二月三十一日確認獎勵股份之公平值約313,324,000港元。

於二零零八年六月，本公司向獲選僱員釐清計劃若干條款及運作機制。概括而言：

- (a) 本公司、管理人及獲選僱員概不擁有計劃管理人所購買之本公司股份之任何投票權。
- (b) 於購買本公司股份後，根據計劃所購買之股份之一切實益權益及風險歸屬獲選僱員。

Notes to the Financial Statements 財務報表附註

20. LOAN RECEIVABLES (continued)

- (c) The funds made available by the Company to the administrator (the "Fund") for purchases of Company's shares in accordance with the Scheme are advances made by the Company to the Selected Employees.

After the aforementioned clarifications, the Company considered that the Fund made by the Company to assist the Selected Employees to purchase the Awarded Shares should be accounted for as loan receivables from the Selected Employees. The loan receivables, bear interest at average fixed rates of approximately 3.5% per annum and will be repaid when the Awarded Shares are disposed of. Any gain or loss on disposal of the Awarded Shares shall be accounted to or borne by the Selected Employees. Accordingly, the Fund was de-recognised as financial assets at fair value through profit or loss and loan receivables are recognised when the clarified Scheme became effective and as a result a net loss of approximately HK\$16,531,000 was recognised during current year.

21. AVAILABLE-FOR-SALE FINANCIAL ASSET

Available-for-sale financial asset represents a club membership in the PRC.

As no quoted market prices in an active market is available, the available-for-sale financial asset is carrying at cost less any identified impairment.

20. 應收貸款 (續)

- (c) 本公司就根據計劃購買本公司股份而向管理人提供之資金(「資金」)，為本公司向獲選僱員提供之墊款。

於釐清上述事宜後，本公司認為，本公司提供以助獲選僱員購買獎勵股份之資金應列作應收獲選僱員貸款。應收貸款按平均固定年利率約3.5%計息，及將於獎勵股份售出時償還。出售獎勵股份之任何收益或虧損將撥歸獲選僱員所有或由獲選僱員承擔。因此，資金已取消確認為按公平值計入損益之金融資產，並於經釐清計劃生效時確認應收貸款，因而於本年內確認虧損淨額約16,531,000港元。

21. 可供銷售金融資產

可供銷售金融資產指一項位於中國的會籍。

由於並無活躍市場報價，故可供銷售金融資產按成本減任何已識別減值列帳。

Notes to the Financial Statements 財務報表附註

22. INVENTORIES

22. 存貨

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Raw materials	原材料	196,788	158,853
Work in progress	在製品	74,209	47,793
Finished goods	製成品	107,696	109,536
		378,693	316,182

23. TRADE AND OTHER RECEIVABLES

The general credit terms of the Group granted to its trade customers range from one month to three months. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the senior management. An aging analysis of trade receivables, based on the invoice date, net of allowances, is as follows:

23. 貿易及其他應收款項

本集團給予貿易客戶之除帳期一般介乎一至三個月。本集團致力持續嚴格控制未償還應收款項。高級管理層定期審查過期結餘。貿易應收款項(按發票日期及扣除撥備)之帳齡分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Current to 30 days	即期至30日	427,489	398,716
31 to 90 days	31至90日	133,908	236,111
Over 90 days	超過90日	40,702	113,618
Trade receivables	貿易應收款項	602,099	748,445
Bills receivables (Note 33)	應收票據(附註33)	152,066	58,758
Other receivables	其他應收款項	118,885	27,021
		873,050	834,224

Notes to the Financial Statements

財務報表附註

23. TRADE AND OTHER RECEIVABLES (continued)

An analysis of allowance for estimated irrecoverable trade receivables is as follows:–

		HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	218
Allowance for the year	年度撥備	648
Exchange differences	匯兌差額	43
At 31 December 2007	於二零零七年十二月三十一日	909
Allowance for the year	年度撥備	1,764
Write off	撇銷	(1,860)
Exchange differences	匯兌差額	73
At 31 December 2008	於二零零八年十二月三十一日	886

As of 31 December 2008, trade receivables of HK\$40,702,000 (2007: HK\$113,618,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. An aging analysis of these trade receivables is as follows:

23. 貿易及其他應收款項 (續)

估計不可收回貿易應收款項之撥備分析如下：–

於二零零八年十二月三十一日，40,702,000港元(二零零七年：113,618,000港元)之貿易應收款項已過期但未減值。該等款項與若干最近並無拖欠記錄之獨立客戶有關。該等貿易應收款項之帳齡分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Up to 6 months	最多六個月	31,428	109,688
Over 6 months	超過六個月	9,274	3,930
		40,702	113,618

At 31 December 2008, bill receivables of approximately HK\$18,502,000 (2007: Nil) were pledged to banks to secure banking facilities granted to the Group (Note 33).

於二零零八年十二月三十一日，約18,502,000港元(二零零七年：無)之應收票據已抵押予銀行，作為授予本集團銀行信貸之抵押品(附註33)。

Notes to the Financial Statements 財務報表附註

24. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

The bank deposits of approximately HK\$494,952,000 (2007: HK\$538,584,000) carry fixed interest rates ranged from 0.1% to 4.1% (2007: 1.5% to 4.2%) and therefore are subject to fair value interest rate risk. The Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group (Note 33).

Included in the pledged bank deposits and bank and cash balances is an amount of approximately HK\$553,386,000 as at 31 December 2008 (2007: HK\$340,907,000) denominated in RMB. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

24. 已抵押銀行存款及銀 行及現金結餘

約494,952,000港元(二零零七年：538,584,000港元)之銀行存款按介乎0.1%至4.1%(二零零七年：1.5%至4.2%)之固定利率計息，故面對公平值利率風險。本集團之已抵押銀行存款為已抵押予銀行之存款，以作為授予本集團銀行信貸之抵押(附註33)。

列入已抵押銀行存款及銀行及現金結餘之款項包括一項於二零零八年十二月三十一日約為553,386,000港元(二零零七年：340,907,000港元)之人民幣款項。人民幣兌換為外幣須受中國外匯管制規則及結匯、售匯及付匯管理規定所規限。

Notes to the Financial Statements 財務報表附註

25. TRADE AND OTHER PAYABLES

An aging analysis of trade payables, based on the date of invoices, is as follows:

25. 貿易及其他應付款項

貿易應付款項(按發票日期)之帳齡分析如下:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Current to 30 days	即期至30日	296,765	180,736
31 to 90 days	31至90日	157,563	123,427
Over 90 days	超過90日	13,445	39,717
Trade payables	貿易應付款項	467,773	343,880
Bills payables - secured	應付票據－有抵押	118,576	127,206
Other payables	其他應付款項	337,130	476,771
		923,479	947,857

Notes to the Financial Statements 財務報表附註

26. BANK BORROWINGS

26. 銀行借款

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Bank loans	銀行貸款	1,639,374	1,438,905
Bank overdrafts	銀行透支	-	106
		1,639,374	1,439,011
Secured (Note 33)	有抵押(附註33)	513,180	368,590
Unsecured	無抵押	1,126,194	1,070,421
		1,639,374	1,439,011
The borrowings are repayable as follows:-	借款到期日如下：—		
On demand or within one year	按要求或於一年內	842,491	355,962
In the second year	第二年	706,774	493,970
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)	90,109	589,079
		1,639,374	1,439,011
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：十二個月內 到期償還款項 (於流動負債項下列示)	(842,491)	(355,962)
Amount due for settlement after 12 months	十二個月後到期償還款項	796,883	1,083,049

Notes to the Financial Statements

財務報表附註

26. BANK BORROWINGS (continued)

The carrying amounts of the Group's borrowings are denominated in the following currencies:-

		HK\$ 港元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	USD 美元 HK\$'000 千港元	EUR 歐元 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2008	二零零八年					
Bank loans	銀行貸款	629,435	377,786	621,732	10,421	1,639,374
2007	二零零七年					
Bank loans	銀行貸款	457,957	356,631	624,317	-	1,438,905
Bank overdrafts	銀行透支	106	-	-	-	106
		458,063	356,631	624,317	-	1,439,011

The ranges of effective interest rates at 31 December were as follows:

本集團借款以下列貨幣計值之帳面額如下：

於十二月三十一之實際利率範圍如下：

		2008 二零零八年	2007 二零零七年
Bank loans	銀行貸款	2.75% - 8.32%	4.25% - 8.02%
Bank overdrafts	銀行透支	-	7.00%

Bank borrowings of approximately HK\$22,565,000 (2007: Nil) are arranged at fixed interest rate thus exposing the Group to fair value interest rate risk. Bank borrowings of approximately HK\$1,616,809,000 (2007: HK\$1,439,011,000) are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group has entered into currency and interest rate swaps to exchange USD loans of approximately HK\$621,732,000 and HK\$ loans of HK\$430,000,000 to RMB loans and to exchange variable rate interest of these loans to fixed rate interest in order to hedge against the cash flow currency and interest rate risks (Note 28).

約22,565,000港元(二零零七年：無)之銀行借款按固定利率籌措，使本集團承受公平值利率風險。約1,616,809,000港元(二零零七年：1,439,011,000港元)之銀行借款按浮動利率籌措，故本集團面對現金流利率風險。本集團已分別就掉換美元及美元貸款為人民幣貸款訂立約621,732,000港元及430,000,000港元之貨幣及利率掉期，以將該等貸款之浮動利率掉換為固定利率，從而對沖現金流外幣及利率風險(附註28)。

Notes to the Financial Statements 財務報表附註

27. OBLIGATIONS UNDER FINANCE LEASES 27. 融資租賃承擔

		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款現值	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內	17,151	21,060	16,103	18,461
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	19,253	37,241	18,633	34,834
		36,404	58,301	34,736	53,295
Less: future finance charges	減：未來 融資支出	(1,668)	(5,006)	N/A	N/A
Present value of lease obligations	租賃承擔現值	34,736	53,295	34,736	53,295
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：十二個月 內到期償還 之款項(於流動 負債項下列示)			(16,103)	(18,461)
Amount due for settlement after 12 months	十二個月後到期 償還之款項			18,633	34,834

The lease terms range from 2 to 5 years.

At 31 December 2008, the average effective borrowing rate was 4.0% (2007: 5.5%). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are effectively secured as the rights to the leased assets (Note 15) revert to the lessor in the event of default and guarantees executed by two subsidiaries. All finance lease obligations are denominated in HK\$.

租賃期介乎二至五年。

於二零零八年十二月三十一日，平均實際借貸利率為4.0%（二零零七年：5.5%）。所有租賃採用固定償還基準，且概無就或然租金付款達成安排。

本集團之融資租賃承擔實際上作為租賃資產(附註15)權利轉回出租人作為兩間附屬公司違約及其作出之擔保之抵押。所有融資租賃承擔以港元計算。

Notes to the Financial Statements 財務報表附註

28. OTHER FINANCIAL ASSETS/ (LIABILITIES)

28. 其他金融資產／（負 債）

		Current 流動		Non-current 非流動	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Derivatives under hedge accounting	對沖會計法下之 衍生工具				
Cash flow hedges	現金流對沖				
- Interest rate swaps	— 利率掉期	4,511	23,056	655	19,734
Cash flow hedges	現金流對沖				
- Foreign currency swaps	— 外幣掉期	(53,396)	—	(27,290)	(190,812)

Notes to the Financial Statements 財務報表附註

28. OTHER FINANCIAL ASSETS/ (LIABILITIES) (continued)

Interest rate swaps:

The Group used interest rate swaps to minimise its exposure to cash flow risk of certain of its variable rate HK\$ and USD bank borrowings by swapping the borrowings from variable rates to fixed rates. The interest rate swaps and the corresponding borrowings have the same terms and the Directors consider that the interest rate swaps are highly effective hedging instruments. Major terms of the interest rate swaps are set out below:

Notional amount 面額	Maturity 到期	Swaps 掉期
USD20,000,000 20,000,000美元	semi-annually from May 2008 to May 2010 由二零零八年五月至 二零一零年五月每半年	USD 6 months Libor + 0.93% for 2.75% 2.75%與美元六個月倫敦銀行同業拆息 + 0.93%互換
USD17,000,000 17,000,000美元	semi-annually from May 2008 to May 2010 由二零零八年五月至 二零一零年五月每半年	USD 6 months Libor + 0.93% for 2.85% 2.85%與美元六個月倫敦銀行同業拆息 + 0.93%互換
USD40,000,000 40,000,000美元	semi-annually from May 2008 to May 2010 由二零零八年五月至 二零一零年五月每半年	USD 6 months Libor + 0.93% for 3.25% 3.25%與美元六個月倫敦銀行同業拆息 + 0.93%互換
USD3,000,000 3,000,000美元	semi-annually from May 2008 to May 2010 由二零零八年五月至 二零一零年五月每半年	USD 6 months Libor + 0.93% for 2.85% 2.85%與美元六個月倫敦銀行同業拆息 + 0.93%互換
HK\$273,000,000 273,000,000港元	semi-annually from February 2008 to August 2010 由二零零八年二月至 二零一零年八月每半年	HK\$ 6 months Hibor + 0.93% for 2.85% 2.85%與港元六個月香港銀行同業拆息 + 0.93%互換
HK\$157,000,000 157,000,000港元	semi-annually from February 2008 to August 2010 由二零零八年二月至 二零一零年八月每半年	HK\$ 6 months Hibor + 0.93% for 0.30% 0.30%與港元六個月香港銀行同業拆息 + 0.93%互換

At the balance sheet date, fair value gain of approximately HK\$3,073,000 (2007: HK\$37,675,000) have been deferred in equity and are expected to release to the consolidated income statement at various dates in the coming two years after the balance sheet date, the period in which the repayment of bank interests are expected to occur.

28. 其他金融資產／(負債) (續)

利率掉期：

本集團使用利率掉期，透過將其若干浮動利率港元及美元銀行借款由浮動利率掉為固定利率，以減輕該等借款之現金流風險。利率掉期與相應借款具相同條款，董事認為利率掉期乃高度有效之對沖工具。利率掉期主要條款載列如下：

於結算日，約3,073,000港元(二零零七年：37,675,000港元)公平值收益已於權益內遞延，並預計將於結算日後未來兩年(即預計銀行利率償還期間)若干日期撥入綜合收益表內。

Notes to the Financial Statements

財務報表附註

28. OTHER FINANCIAL ASSETS/ (LIABILITIES) (continued)

The fair values of interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Foreign currency swaps:

At the balance sheet date, the Group had the following foreign exchange swaps designated as highly effective hedging instruments in order to manage the Group's foreign currency exposure in relation to certain foreign currency bank borrowings.

The terms of the foreign exchange swaps have been negotiated to match the terms of the respective designated hedged items.

Major terms of these contracts are as follows:

Notional amount 面額	Maturity 到期	Swaps 掉期
USD20,000,000 20,000,000美元	2009-2010 二零零九年至二零一零年	USD1/RMB7.6589 1美元／人民幣7.6589
USD17,000,000 17,000,000美元	2009-2010 二零零九年至二零一零年	USD1/RMB7.6602 1美元／人民幣7.6602
USD40,000,000 40,000,000美元	2009-2010 二零零九年至二零一零年	USD1/RMB7.6284 1美元／人民幣7.6284
USD3,000,000 3,000,000美元	2009-2010 二零零九年至二零一零年	USD1/RMB7.6070 1美元／人民幣7.6070
HK\$273,000,000 273,000,000港元	2009-2010 二零零九年至二零一零年	HK\$1/RMB0.9732 1港元／人民幣0.9732
HK\$157,000,000 157,000,000港元	2009-2010 二零零九年至二零一零年	HK\$1/RMB0.9540 1港元／人民幣0.9540

28. 其他金融資產／(負債) (續)

利率掉期公平值按以利率報價得出之適用收益曲線估計及貼現之未來現金流量之現值計量。

外幣掉期：

於結算日，本集團有下列外幣掉期指定為高度有效對沖工具，以管理本集團與若干外幣銀行借款之外幣風險。

外幣掉期之條款以配合相應指定對沖項目之條款為依歸磋商。

該等合約主要條款如下：

Notes to the Financial Statements 財務報表附註

28. OTHER FINANCIAL ASSETS/ (LIABILITIES) (continued)

At the balance sheet date, fair value loss of approximately HK\$65,133,000 (2007: HK\$190,010,000) have been deferred in equity and are expected to be released to the consolidated income statement at various dates in the coming two years after the balance sheet date, the period in which the repayment of bank borrowings are expected to occur.

The fair values of foreign currency swaps are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

During the year, gains and losses transferred from equity to profit or loss are included in the following line items in the consolidated income statement:

28. 其他金融資產／(負債) (續)

於結算日，約65,133,000港元(二零零七年：190,010,000港元)公平值虧損已於權益內遞延，並預計將於結算日後未來兩年(即預計銀行借款償還期間)若干日期撥入綜合收益表內。

外幣掉期公平值採用遠期匯率報價及以配合合約到期日之利率報價得出之收益曲線計量。

於年內，由權益轉撥至損益之收益及虧損已計入綜合收益表內下列項目：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Other income	其他收入	(31,511)	(802)
Finance costs (Note 8)	融資成本(附註8)	13,738	14,231
		(17,773)	13,429

Notes to the Financial Statements

財務報表附註

29. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised by the Group.

29. 遞延稅項負債

下表為本集團所確認之主要遞延稅項負債。

		Accelerated tax depreciation 加速稅項 折舊 HK\$'000 千港元	Revaluation of property plant and equipment 重估物業、 廠房及設備 HK\$'000 千港元	Interests in associates 於聯營公司 之權益 HK\$'000 千港元	Withholding tax 預扣稅項 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	-	17,726	-	-	17,726
Acquisition of subsidiaries	收購附屬公司	132	8,883	6,672	-	15,687
Credit to income statement	計入收益表	-	(1,855)	-	-	(1,855)
Exchange differences	匯兌差額	-	279	-	-	279
At 31 December 2007	於二零零七年 十二月三十一日	132	25,033	6,672	-	31,837
Acquisition of subsidiaries (Note 17)	收購附屬公司(附註17)	-	5,600	-	-	5,600
Charge/(credit) to income statement	扣除/(計入)收益表	15	(3,045)	-	33,406	30,376
Exchange differences	匯兌差額	-	449	-	-	449
At 31 December 2008	於二零零八年 十二月三十一日	147	28,037	6,672	33,406	68,262

Notes to the Financial Statements

財務報表附註

30. SHARE CAPITAL

30. 股本

		Note	Number of Shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
		附註		
<i>Authorised:</i>	法定：			
Ordinary shares of HK\$0.01 each	每股面值0.01港元 之普通股			
At 1 January and 31 December 2007	於二零零七年 一月一日及 十二月三十一日		1,000,000	10,000
Increase in authorised share capital	法定股本增加	(a)	1,000,000	10,000
At 31 December 2008	於二零零八年 十二月三十一日		2,000,000	20,000
<i>Issued and fully paid:</i>	已發行及繳足：			
Ordinary shares of HK\$0.01 each	每股面值0.01港元 之普通股			
At 1 January 2007	於二零零七年 一月一日		783,670	7,837
Issue of new shares	發行新股份	(b)	200,000	2,000
Cancellation upon repurchase of shares	註銷購回股份	(c)	(6,198)	(62)
At 31 December 2007	於二零零七年 十二月三十一日		977,472	9,775
Issue of new shares	發行新股份	(d)	78,300	783
		(e)	34,189	342
At 31 December 2008	於二零零八年 十二月三十一日		1,089,961	10,900

Notes to the Financial Statements

財務報表附註

30. SHARE CAPITAL (continued)

Notes:

- (a) On 15 May 2008, the authorised share capital of the Company was increased from HK\$10,000,000 to HK\$20,000,000 by the creation of additional 1,000,000,000 new shares of HK\$0.01 each.
- (b) On 31 October 2007, 200,000,000 new ordinary shares of HK\$0.01 each were issued at HK\$7.00 per share as part of the consideration for acquisition of 100% shareholding of Brilliant Circle Holdings International Limited ("Brilliant Circle"). The premium on the issue of shares of approximately HK1,398,000,000 was credited to the Company's share premium account.
- (c) During the year ended 31 December 2007, the Company repurchased on the Stock Exchange a total of 6,198,000 ordinary shares of the Company at an aggregate consideration of HK\$69,180,000. All of these shares were cancelled. The premium payable on repurchases of shares was charged to the share premium account.
- (d) Pursuant to a shares subscription agreement dated 20 June 2008, the subscriber, Amcor Fibre Packaging-Asia Pte Limited, subscribed for 78,300,000 new shares of HK\$0.01 each at a subscription price of HK\$8.94 per share on 31 July 2008. The premium on the issue of shares of approximately HK\$699,219,000 was credited to the Company's share premium account, net of share issue expenses of HK\$1,438,000.
- (e) On 31 October 2008, 34,189,000 new ordinary shares of HK\$0.01 each were issued at HK\$5.85 per share as part of the consideration for acquisition of 100% shareholding of Purple Art (Note 17). The premium on the issue of shares of approximately HK\$199,664,000 was credited to the Company's share premium account.
- (f) All shares, both issued and unissued, rank *pari passu* in all respects at 31 December 2008.

30. 股本 (續)

附註：

- (a) 於二零零八年五月十五日，本公司法定股本藉增設1,000,000,000股每股面值0.01港元之股份由10,000,000港元增加至20,000,000港元。
- (b) 於二零零七年十月三十一日，本集團以每股7.00港元發行200,000,000股每股面值0.01港元之新普通股，作為收購貴聯控股國際有限公司（「貴聯控股」）全部股權之部份代價。發行股份之溢價約1,398,000,000港元已計入本公司之股份溢價帳。
- (c) 截至二零零七年十二月三十一日止年度內，本公司於聯交所購回合共6,198,000股本公司之普通股，總代價為69,180,000港元，該等股份其後全部註銷。購回股份之應付溢價自股份溢價帳內扣除。
- (d) 根據日期為二零零八年六月二十日之股份認購協議，認購人Amcor Fibre Packaging-Asia Pte Limited於二零零八年七月三十一日按認購價每股8.94港元認購78,300,000股每股面值0.01港元之新股份。發行股份之溢價約699,219,000港元已計入本公司之股份溢價帳（已扣除發行股份開支1,438,000港元）。
- (e) 於二零零八年十月三十一日，34,189,000股每股面值0.01港元之新普通股按每股5.85港元發行，作為收購Purple Art全部股權（附註17）之部份代價。發行股份之溢價199,664,000港元已計入本公司之股份溢價帳。
- (f) 於二零零八年十二月三十一日，所有已發行及未發行股份在各方面均享有同等地位。

Notes to the Financial Statements 財務報表附註

30. SHARE CAPITAL (continued)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total borrowings (as detailed in Notes 26 and 27) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, minority interests, retained earnings and other reserves) other than debit amounts recognised in equity relating to cash flow hedges.

During 2008, the Group's strategy, which was unchanged from 2007, was to maintain a capital structure with a lowest weighted average cost of capital. The debt-to-adjusted capital at 31 December 2008 and at 31 December 2007 were 13.8% and 16.0%, respectively.

30. 股本 (續)

本公司管理資金之目標為保障本集團按持續經營基準經營之能力，並透過優化債務與權益比例盡量增加股東回報。

本集團視乎風險按比例設定股本金額。本集團視乎經濟狀況轉變及相關資產之風險特徵管理其資本架構及作出調整。為維持或調整資本架構，本集團可能調整向股東派付之股息、發行新股、購回股份、籌集新債、贖回現有債務或出售資產以削減債務。

本集團根據債務與經調整資本比率監察資本，有關比率乃以債務淨額除以經調整資本計算。債務淨額為總借款（詳載於附註26及27）減現金及現金等價物計算。經調整資本包括權益所有部份（如股本、股份溢價、少數股東權益、保留盈利及其他儲備），惟有關現金流對沖而於權益確認之扣除金額除外。

於二零零八年，本集團之策略與二零零七年一致，乃維持一個資本加權平均成本處於最低水平之資本結構。於二零零八年十二月三十一日及二零零七年十二月三十一日之債務與經調整資本比率分別為13.8%及16.0%。

Notes to the Financial Statements

財務報表附註

30. SHARE CAPITAL (continued)

30. 股本 (續)

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Total borrowings	總借款	1,674,110	1,492,306
Less: cash and cash equivalents	減：現金及現金等價物	(898,899)	(811,038)
Net debt	債務淨額	775,211	681,268
Total equity	總權益	5,575,214	4,092,606
Add: debit amounts recognised in equity relating to cash flow hedges	加：有關現金流對沖 而於權益確認 之扣除金額	62,060	152,335
Adjusted capital	經調整資本	5,637,274	4,244,941
Debt-to-adjusted capital	債務與經調整資本比率	13.8%	16.0%

The decrease in debt-to-adjusted capital was primarily due to expansion in equity base through shares placement during the year and continuous growth of operating results.

The externally imposed capital requirements of the Group is to maintain a total borrowings to consolidated tangible net worth not higher than 1:1 (2007: 1:1) on 31 December 2008 in accordance with the bank covenant imposed. As at 31 December 2008, ratio for total debt to consolidated tangible net worth was 0.99:1 (2007:0.99:1).

債務與經調整資本比率下降主要由於年內透過配售股份擴大股本基礎及經營業績持續增長所致。

外界施加於本集團之資金要求為根據銀行契約將二零零八年十二月三十一日之總借款與綜合有形淨值比率維持於不高於1:1(二零零七年：1:1)。於二零零八年十二月三十一日，總債務與綜合有形淨值比率為0.99：1(二零零七年：0.99：1)。

Notes to the Financial Statements

財務報表附註

31. RESERVES

NATURE AND PURPOSE OF RESERVES

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are 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.

(ii) Exchange reserve

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

(iii) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flows in accordance with the accounting policy adopted for cash flow hedges in Note 3(V) to the financial statements.

(iv) Statutory reserves

The statutory reserves, which are non-distributable, are appropriated from the profit after taxation of the Group's PRC subsidiaries under the applicable laws and regulations in the PRC.

31. 儲備

儲備之性質及目的

(i) 股份溢價帳

根據開曼群島公司法，本公司股份溢價帳之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。

(ii) 匯兌儲備

匯兌儲備包括所有換算外國業務之財務報表而產生之匯兌差額。該儲備乃根據財務報表附註3D(iii)所載列之會計政策處理。

(iii) 對沖儲備

對沖儲備是用於現金流量對沖之對沖工具公平值累積變動淨額之有效部份，以待隨後確認已對沖之現金流量，對沖儲備乃根據財務報表附註3(V)所載列之現金流量對沖會計政策處理。

(iv) 法定儲備

不可分派之法定儲備乃於本集團之中國附屬公司根據中國適用法律及法規繳稅後從溢利撥款。

Notes to the Financial Statements

財務報表附註

32. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these financial statements, the Group had the following material related party transactions during the year:

32. 關連人士交易

除此等財務報表其他部份所披露者外，本集團於本年度之重大關連人士交易如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Sales to associates	銷售予聯營公司	369,135	219,946
Purchases from an associate	向一間聯營公司採購	47,648	801
Purchases from related companies	向關連公司採購	89,043	2,919
Rental income received from a related company	收取一間關連公司之租金收入	2,697	512
Consultancy fee income received from an associate	收取一間聯營公司之顧問費收入	17,342	-

Notes:

- (a) The sales to associates and purchases from an associate and related companies were made under normal commercial terms.
- (b) Rental income received is determined by mutually agreed term between the related company and the Group.
- (c) Consultancy fee income received is determined by mutually agreed term between the associate and the Group.
- (d) An office premises occupied by the Group was provided by a related company at no cost.
- (e) A substantial shareholder and/or his family member has beneficial interests in the abovesaid related companies.

附註：

- (a) 銷售予聯營公司及向一間聯營公司及關連公司採購乃根據一般商業條款進行。
- (b) 已收取租金收入乃按該關連公司與本集團共同協定之條款釐定。
- (c) 已收取顧問費收入乃按該聯營公司與本集團共同協定之條款釐定。
- (d) 本集團佔用的辦公室乃由一間關連公司無償提供。
- (e) 一名主要股東及／或其家庭成員於上述關連公司擁有實益權益。

Notes to the Financial Statements 財務報表附註

32. RELATED PARTY TRANSACTIONS (continued)

At balance sheet date, the following balances with related parties were included in:

32. 關連人士交易 (續)

於結算日，下列關連人士之結餘列入：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade and other receivables:	貿易及其他應收款項：		
Associates	聯營公司	63,236	78,435
Trade and other payables:	貿易及其他應付款項：		
Associates	聯營公司	83,591	69,604
A substantial shareholder	一名主要股東	5,990	42,537

The amounts due from associates are unsecured, interest free and repayable within 90 days.

應收聯營公司款項為無抵押、免息及須於90日內償還。

The amounts due to associates and a substantial shareholder are unsecured, interest free and have no fixed term of repayment.

應付聯營公司及一名主要股東款項為無抵押、免息及無固定還款期。

Notes to the Financial Statements 財務報表附註

33. BANKING FACILITIES

As at 31 December 2008, banking facilities of the Group are mainly secured by the charge over certain bank deposits (Note 24); property, plant and equipment (Note 15); prepaid land lease payments (Note 16), bills receivable (Note 23); corporate guarantees given by the Company, certain subsidiaries, an associate and a company beneficially owned by a substantial shareholder; personal guarantees executed by a substantial shareholder and his family members and a property held by a substantial shareholder of the Group.

At as 31 December 2007, banking facilities of the Group are mainly secured by the charge over certain bank deposits of the Group (Note 24); property, plant and equipment (Note 15); corporate guarantees given by the Company, an associate and a company beneficially owned by a substantial shareholder; personal guarantees executed by a substantial shareholder and his family members and a property held by a substantial shareholder of the Group.

33. 銀行信貸

於二零零八年十二月三十一日，本集團之銀行信貸主要以若干銀行存款之質押(附註24)、物業、廠房及設備(附註15)、預付租賃土地款項(附註16)、應收票據(附註23)、本公司、若干附屬公司、一間聯營公司及由一名主要股東實益擁有之一間公司提供之公司擔保、由一名主要股東及其家族成員作出之個人擔保及本集團一名主要股東持有之物業作抵押。

於二零零七年十二月三十一日，本集團之銀行信貸主要以本集團若干銀行存款之質押(附註24)、物業、廠房及設備(附註15)、本公司、一間聯營公司及由一名主要股東實益擁有之一間公司提供之公司擔保、由一名主要股東及其家族成員作出之個人擔保及本集團一名主要股東持有之物業作抵押。

Notes to the Financial Statements 財務報表附註

34. COMMITMENTS

As at 31 December 2008, the Group had the following commitments:

A. OPERATING LEASE COMMITMENTS

The Group leases certain of its office and factory premises under operating lease arrangements. The original lease terms for the office and factory premises range from one year to fifteen years.

Total future minimum lease payments under non-cancellable operating leases are as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內	21,319	21,098
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	70,374	70,597
After five years	五年後	105,488	123,645
		197,181	215,340

B. CAPITAL COMMITMENTS

Contracted but not provided for: Acquisition of property, plant and equipment

已訂約但未撥備：購置物業、廠房及設備

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		70,790	33,024

34. 承擔

於二零零八年十二月三十一日，本集團之承擔如下：

A. 經營租賃承擔

本集團根據經營租賃安排租用若干辦公室及廠房物業。有關辦公室及廠房物業之原訂租期介乎一至十五年。

根據不可撤銷經營租賃須支付之未來最低租金總額如下：

Notes to the Financial Statements

財務報表附註

35. CONTINGENT LIABILITIES

At 31 December 2008, the Group did not have any significant contingent liabilities (2007: Nil).

35. 或然負債

於二零零八年十二月三十一日，本集團並無任何重大或然負債（二零零七年：無）。

36. SEGMENT INFORMATION

PRIMARY REPORTING FORMAT - BUSINESS SEGMENTS

36. 分部資料

主要呈報方式－業務分部

		Printing of cigarette packages		Manufacturing of transfer/laminated paper and laser film		Corporate and unallocated		Elimination		Consolidated	
		卷煙包裝印刷		轉移/複合紙及鐳射膜製造		企業及未分配		對銷		綜合	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
REVENUE	收益										
External sales	對外銷售	2,796,994	1,830,536	325,890	301,785	-	-	-	-	3,122,884	2,132,321
Inter-segment sales	分部間銷售	99,437	8,770	134,018	128,443	-	-	(233,455)	(137,213)	-	-
Total	總計	2,896,431	1,839,306	459,908	430,228	-	-	(233,455)	(137,213)	3,122,884	2,132,321
RESULTS	業績										
Segment results	分部業績	633,714	389,240	11,214	43,766	-	-	-	-	644,928	433,006
Unallocated expenses	未分配開支									(70,537)	(65,223)
Other income	其他收益									85,816	53,331
Finance costs	融資成本									(62,855)	(24,319)
Share of profit of associates	應佔聯營公司溢利	172,229	71,152	-	-	649	-	-	-	172,878	71,152
Income tax expenses	所得稅開支									(147,160)	(68,044)
Profit for the year	本年度溢利									623,070	399,903
ASSETS	資產										
Segment assets	分部資產	2,607,031	2,234,222	450,755	417,501	-	-	-	-	3,057,786	2,651,723
Interests in associates	於聯營公司之權益	372,555	321,209	-	-	795	-	-	-	373,350	321,209
Unallocated assets	未分配資產									4,926,604	3,810,903
Consolidated total assets	綜合總資產									8,357,740	6,783,835
LIABILITIES	負債										
Segment liabilities	分部負債	1,243,254	921,996	90,274	162,590	-	-	-	-	1,333,528	1,084,586
Unallocated liabilities	未分配負債									1,448,998	1,606,643
Consolidated total liabilities	綜合總負債									2,782,526	2,691,229
OTHER INFORMATION	其他資料										
Capital expenditure	資本開支	115,123	238,408	57,186	8,377	3,881	2,513	-	-	176,190	249,298
Depreciation and amortisation	折舊及攤銷	112,197	53,168	18,715	13,601	5,710	4,035	-	-	136,622	70,804
Impairment losses on receivables	應收款項之減值虧損	-	5,707	1,975	1,991	12,711	20	-	-	14,686	7,718
Write down of inventories	撇減存貨	995	2,960	13,638	(133)	-	-	-	-	14,633	2,827
Other non-cash expenses other than depreciation and amortisation	除折舊及攤銷以外之其他非現金開支	5,528	2,210	13,216	-	17,598	-	-	-	36,342	2,210

Notes to the Financial Statements 財務報表附註

36. SEGMENT INFORMATION (continued)

SECONDARY REPORTING FORMAT - GEOGRAPHICAL SEGMENTS

Over 90% of the Group's revenue and assets are derived from customers and operations based in the PRC and accordingly, no further analysis of the Group's geographical segment is disclosed.

36. 分部資料 (續)

次要呈報方式－地區分部

本集團逾90%收益及資產來自位於中國之客戶及業務，因此並無進一步披露本集團之地區分部資料分析。

37. PRINCIPAL SUBSIDIARIES

37. 主要附屬公司

Name 名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Issued and fully paid-up share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Percentage of ownership interest/profit sharing 應佔擁有權益/ 溢利攤分百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
AMVIG Group Limited 澳科集團有限公司	British Virgin Islands ("BVI") 英屬處女群島 (「BVI」)	Ordinary HK\$1,000 普通股1,000港元	100%	-	Investment holding 投資控股
AMVIG Investment Limited 澳科投資有限公司	Hong Kong 香港	Ordinary HK\$6,060,100 普通股 6,060,100港元	-	100%	Investment holding 投資控股
BB Jinhuangshan (Note a) 蚌埠金黃山(附註a)	PRC 中國	Registered capital USD7,622,800 註冊資本 7,622,800美元	-	52.64% /37.64%	Printing of cigarette packages 卷煙包裝印刷
BCPPL 貴聯印刷包裝	BVI BVI	Ordinary USD10,000 普通股10,000美元	-	100%	Investment holding 投資控股
Beijing LMPP (Note b) 北京黎馬敦(附註b)	PRC 中國	Registered capital USD13,000,000 註冊資本 13,000,000美元	-	83%	Printing of cigarette packages 卷煙包裝印刷
Bellgate International Limited	BVI	Ordinary HK\$509,040,001 普通股 509,040,001港元	-	100%	Investment holding 投資控股

Notes to the Financial Statements

財務報表附註

37. PRINCIPAL SUBSIDIARIES (continued)

37. 主要附屬公司 (續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Issued and fully paid-up share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Percentage of ownership interest/profit sharing 應佔擁有權益/ 溢利攤分百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Brilliant Circle Development Limited 貴聯發展有限公司	Hong Kong 香港	Ordinary HK\$2,000,000 普通股 2,000,000港元	-	100%	Investment holding 投資控股
Brilliant Circle 貴聯控股	BVI	Ordinary USD1 普通股1美元	-	100%	Investment holding 投資控股
Charm Profit Holdings Limited 盈健集團有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	-	100%	Investment holding 投資控股
Dongguan AMVIG Industrial Co., Ltd. ("Dongguan AMVIG") (Note c) 東莞澳科實業有限公司 (「東莞澳科」)(附註c)	PRC 中國	Registered capital USD15,000,000 註冊資本 15,000,000美元	-	100%	Printing of cigarette packages and manufacturing of transfer/laminated paper 卷煙包裝印刷及 轉移/複合紙製造
Dongguan KWG Colour Printing Co., Ltd # ("DG KWG") (Note d) 東莞智源彩印有限公司 # (「東莞智源」)(附註d)	PRC 中國	Registered capital HK\$40,000,000 註冊資本 40,000,000港元	-	55%	Printing of cigarette packages 卷煙包裝印刷
Famous Plus Group Limited 祺耀集團有限公司	Hong Kong 香港	Ordinary HK\$100 普通股100港元	-	55%	Investment holding 投資控股
Glory Express International Limited 世陸國際有限公司	Hong Kong 香港	Ordinary HK\$2 普通股2港元	-	100%	Investment holding 投資控股
HZ Weicheng (Note e) 杭州偉成(附註e)	PRC 中國	Registered Capital USD10,000,000 註冊資本 10,000,000美元	-	100%	Printing of cigarette packages 卷煙包裝印刷
Kunming World Grand (Note f) 昆明偉建(附註f)	PRC 中國	Registered capital USD7,500,000 註冊資本 7,500,000美元	-	100%	Printing of cigarette packages 卷煙包裝印刷

Notes to the Financial Statements 財務報表附註

37. PRINCIPAL SUBSIDIARIES (continued)

37. 主要附屬公司 (續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Issued and fully paid-up share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Percentage of ownership interest/ profit sharing 應佔擁有權益/ 溢利攤分之百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Leigh-Mardon Pacific Packaging Pte Ltd.	Singapore 新加坡	Ordinary SG\$85,495,870 普通股 85,495,870新加坡元	-	100%	Investment holding 投資控股
Mattie Hologram (Note g) 萬迪全息 (附註g)	PRC 中國	Registered capital EURO3,000,000 註冊資本 3,000,000歐元	-	100%	Manufacturing of laser film 鐳射膜製造
Mega Vision Enterprises Limited	BVI	Ordinary USD1 普通股1美元	-	100%	Investment holding 投資控股
Qingdao LMPP (Note h) 青島黎馬敦 (附註h)	PRC 中國	Registered capital USD15,515,000 註冊資本 15,515,000美元	-	60%	Printing of cigarette packages 卷煙包裝印刷
SZ Guilian (Note i) 深圳貴聯 (附註i)	PRC 中國	Registered capital HK\$9,600,000 註冊資本 9,600,000港元	-	100%	Investment holding 投資控股
SZ Kecai # (note j) 深圳科彩 # (附註j)	PRC 中國	Registered capital RMB144,870,000 註冊資本 人民幣144,870,000	-	99.31%/99%	Printing of cigarette packages 卷煙包裝印刷
Union Virtue International Limited 同德國際有限公司	BVI	Ordinary USD1 普通股1美元	-	100%	Investment holding 投資控股
Victory Honest (Holdings) Limited 偉誠 (控股) 有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	-	100%	Investment holding 投資控股

Notes to the Financial Statements

財務報表附註

37. PRINCIPAL SUBSIDIARIES (continued)

37. 主要附屬公司 (續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Issued and fully paid-up share capital/ registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/profit sharing 應佔擁有權益/ 溢利攤分百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
World Grand 偉建	Hong Kong 香港	Ordinary HK\$13,333,333 普通股 13,333,333港元	-	100%	Investment holding 投資控股
XF Jinfeihuan (Note k) 襄樊金飛環 (附註k)	PRC 中國	Registered capital USD3,000,000 註冊資本 3,000,000美元	-	79.6%	Printing of cigarette packages 卷煙包裝印刷
Xian Hologram # (Note l) 西安大天 # (附註l)	PRC 中國	Registered capital RMB7,140,000 註冊資本 人民幣7,140,000	-	51%	Manufacturing of laser film 鐳射膜製造
ZT Antong # (Note m) 昭通安通 # (附註m)	PRC 中國	Registered capital USD1,000,000 註冊資本 1,000,000美元	-	80%/ 51%	Manufacturing of transfer/laminated paper 轉移/複合紙製造

Notes:

附註:

- (a) BB Jinhuangshan is a sino-foreign equity joint venture enterprise with an operating period of 21 years commencing from 22 October 1997.
- (a) 蚌埠金黃山為中外合資經營企業，經營期由一九九七年十月二十二日起計為期21年。
- (b) Beijing LMPP is a sino-foreign equity joint venture enterprise with an operating period of 50 years commencing from 12 May 1995.
- (b) 北京黎馬敦為中外合資經營企業，經營期由一九九五年五月十二日起計為期50年。
- (c) Dongguan AMVIG is a wholly foreign-owned enterprise with an operating period of 50 years commencing from 23 February 1993.
- (c) 東莞澳科為外商獨資企業，經營期由一九九三年二月二十三日起計為期50年。
- (d) DG KWG is a wholly foreign-owned enterprise with an operating period of 25 years commencing from 24 December 2007.
- (d) 東莞智源為外商獨資企業，經營期由二零零七年十二月二十四日起計為期25年。

Notes to the Financial Statements 財務報表附註

37. PRINCIPAL SUBSIDIARIES (continued)

- (e) HZ Weicheng is a wholly foreign-owned enterprise with an operating period of 30 years commencing from 30 March 1996.
- (f) Kunming World Grand is a wholly foreign-owned enterprise with an operating period of 20 years commencing from 7 March 2002.
- (g) Mattie Hologram is a wholly foreign-owned enterprise with an operating period of 50 years commencing from 21 June 2004.
- (h) Qingdao LMPP is a sino-foreign equity joint venture enterprise with an operating period of 30 years commencing from 19 May 1993.
- (i) SZ Guilian is a wholly foreign-owned enterprise with an operating period of 20 years commencing from 22 December 1990.
- (j) SZ Kecai is a sino-foreign equity joint venture enterprise with an operating period of 10 years commencing from 21 July 2003.
- (k) XF Jinfeihuan is a sino-foreign equity joint venture enterprise with an operating period of 15 years commencing from 31 July 2000.
- (l) Xian Hologram is a sino-foreign equity joint venture enterprise with an operating period of 10 years commencing from 12 April 2000.
- (m) ZT Antong is a sino-foreign equity joint venture enterprise with an operating period of 10 years commencing from 19 May 2001.
- # The English names of this company represents management's best efforts at translating the Chinese names of these companies as no English names have been registered.

37. 主要附屬公司 (續)

- (e) 杭州偉成為外商獨資企業，經營期由一九九六年三月三十日起計為期30年。
- (f) 昆明偉建為外商獨資企業，經營期由二零零二年三月七日起計為期20年。
- (g) 萬迪全息為外商獨資企業，經營期由二零零四年六月二十一日起計為期50年。
- (h) 青島黎馬敦為中外合資經營企業，經營期由一九九三年五月十九日起計為期30年。
- (i) 深圳貴聯為外商獨資企業，經營期由一九九零年十二月二十二日起計為期20年。
- (j) 深圳科彩為中外合資經營企業，經營期由二零零三年七月二十一日起計為期10年。
- (k) 襄樊金飛環為中外合資經營企業，經營期由二零零零年七月三十一日起計為期15年。
- (l) 西安大天為中外合資經營企業，經營期由二零零零年四月十二日起計為期10年。
- (m) 昭通安通為中外合資經營企業，經營期由二零零一年五月十九日起計為期10年。
- # 該等公司並無英文註冊名稱，其英文名稱乃由管理層根據其中文名稱盡力翻譯而成。

Notes to the Financial Statements 財務報表附註

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 7 April 2009.

38. 通過財務報表

財務報表於二零零九年四月七日獲董事會通過及批准刊發。

Summary of Financial Information

財務資料概要

The following is a summary of the results and of the assets and liabilities of the Group prepared on the bases set out in Notes 1 and 2 below:

以下為本集團之業績及資產與負債概要，乃按以下附註1及2所述基準編製：

		(Restated) (重列)				
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
RESULTS	業績					
Turnover	營業額					
Cigarette packages	卷煙包裝	2,796,994	1,830,536	885,339	132,302	97,668
Transfer/laminated paper and laser film	轉移/複合紙及鐳射膜	325,890	301,785	237,235	251,211	234,702
		3,122,884	2,132,321	1,122,574	383,513	332,370
Profit before share of profit of associates	未計應佔聯營公司溢利前之溢利	597,352	396,795	228,154	110,956	80,259
Share of profit of associates	應佔聯營公司溢利	172,878	71,152	69,608	76,018	38,342
Profit before tax	稅前溢利	770,230	467,947	297,762	186,974	118,601
Income tax expenses	所得稅開支	(147,160)	(68,044)	(30,423)	(2,135)	(7,715)
Profit for the year	本年度溢利	623,070	399,903	267,339	184,839	110,886
Attributable to:	以下各方應佔：					
Equity holders of the Company	本公司權益持有人	467,303	353,837	250,347	181,353	110,815
Minority interests	少數股東權益	155,767	46,066	16,992	3,486	71
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產	6,048,838	4,660,299	1,833,858	458,644	291,215
Current assets	流動資產	2,308,902	2,123,536	989,979	480,072	424,503
Current liabilities	流動負債	(1,871,458)	(1,350,697)	(495,503)	(255,370)	(339,448)
Non-current liabilities	非流動負債	(911,068)	(1,340,532)	(31,087)	(28,780)	(15,970)
Total equity	權益總額	5,575,214	4,092,606	2,297,247	654,566	360,300

Summary of Financial Information

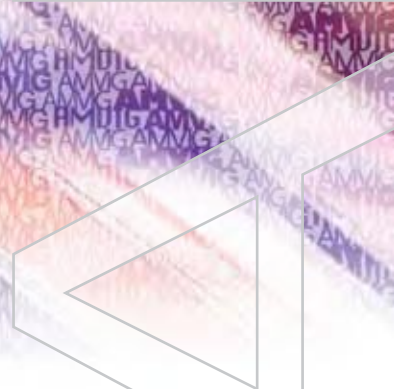
財務資料概要

Notes:

1. The results of the Group for the year ended 31 December 2004 have been prepared on a proforma combined basis as if the Group structure immediately after the Group Reorganisation had been in existence throughout the year. The assets and liabilities of the Group as at 31 December 2004 have been prepared as if the Group structure immediately after the Group Reorganisation had been in existence as at that date.
2. The Company was incorporated in the Cayman Islands on 27 November 2003 and became the holding company of the companies now comprising the Group as a result of the Group Reorganisation which was completed on 10 March 2004.

附註：

1. 本集團於截至二零零四年十二月三十一日止年度之業績乃根據備考合併基準編製，猶如緊隨集團重組完成後之本集團架構在整個年度已經一直存在。本集團於二零零四年十二月三十一日之資產及負債乃假設緊隨集團重組後之本集團架構已於該日期存在而編製。
2. 本公司於二零零三年十一月二十七日在開曼群島註冊成立，並因為於二零零四年三月十日完成之集團重組而成為本集團現時旗下各公司之控股公司。



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