

► Technologic
TODAY

► Steady
FUTURE

TRULY[®]

Annual Report 年報 2008

信利國際有限公司
Truly International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：00732

▶ Contents

目錄

General Information	2	一般資料
Financial Highlights	4	財務摘要
The Chairman's Statement	7	主席報告書
Management Discussion and Analysis	9	管理層討論及分析
Directors' Report	18	董事會報告書
Corporate Governance Report	29	企業管治報告
Independent Auditor's Report	36	獨立核數師報告書
Consolidated Income Statement	38	綜合收益表
Consolidated Balance Sheet	39	綜合資產負債表
Consolidated Statement of Changes in Equity	41	綜合權益變動表
Consolidated Cash Flow Statement	42	綜合現金流量表
Notes to the Consolidated Financial Statements	44	綜合財務報表附註
Financial Summary	108	財務資料概要



► General Information

一般資料

Executive Directors

Lam Wai Wah, Steven (*Chairman*)
Wong Pong Chun, James
Cheung Tat Sang, James
Li Jian Hua

執行董事

林偉華 (主席)
黃邦俊
張達生
李建華

Independent Non-executive Directors

Ip Cho Ting, Spencer
Heung Kai Sing
Chung Kam Kwong

獨立非執行董事

葉祖亭
香啟誠
鍾錦光

Company Secretary and Qualified Accountant

Ng Sui Wa, Thomas

公司秘書及合資格會計師

吳瑞華

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

核數師

德勤•關黃陳方會計師行
執業會計師
香港
金鐘道88號
太古廣場一座35樓

Share registrars, warrant registrars and transfer office

In Hong Kong

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

股份及認股權證過戶登記處

香港

卓佳秘書商務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

In the Cayman Islands

Maples and Calder
P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

開曼群島

Maples and Calder
P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

General Information (continued)

一般資料(續)

Bankers

Standard Chartered Bank (HK) Limited
Citibank, N.A.
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Bank of America, N.A.

Registered office

P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

Principal office

2/F Chung Shun Knitting Centre
1-3 Wing Yip Street
Kwai Chung, N.T.
Hong Kong

Website

<http://www.truly.com.hk>

往來銀行

渣打銀行(香港)有限公司
花旗銀行
香港上海滙豐銀行有限公司
恒生銀行
三菱東京UFJ銀行
美國銀行

註冊辦事處

P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

主要辦事處

香港
新界葵涌
永業街1至3號
忠信針織中心2樓

網址

<http://www.truly.com.hk>

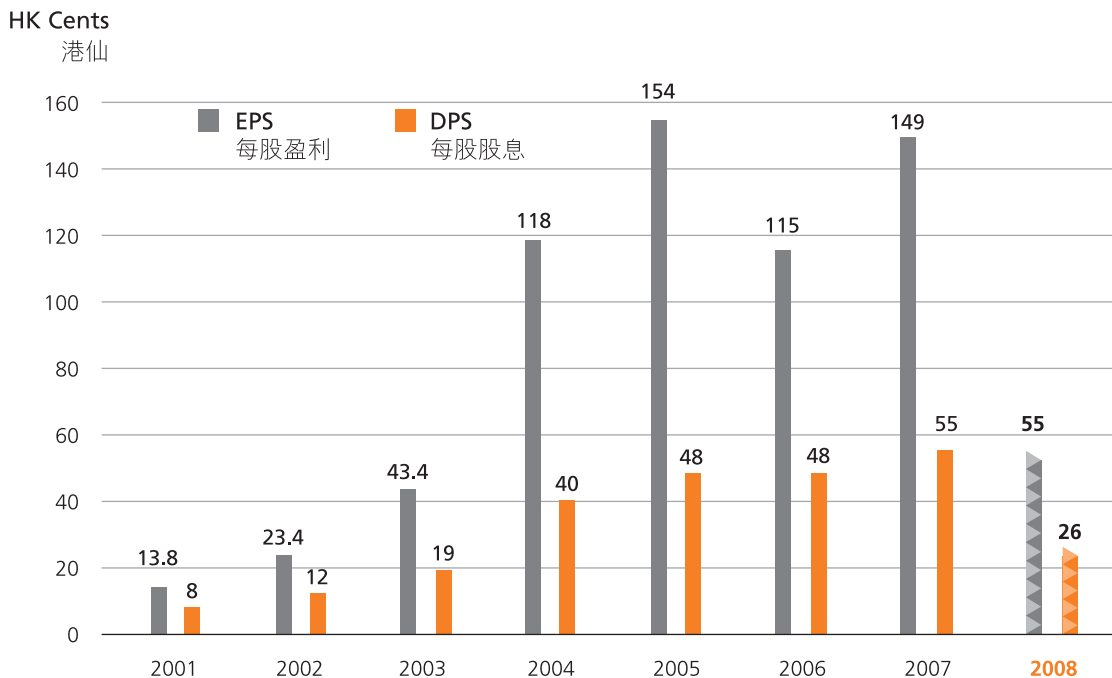


► Financial Highlights 財務摘要

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

		2008 二零零八年 Audited 經審核 HK\$'000 千港元	2007 二零零七年 Audited 經審核 HK\$'000 千港元	Change 變動 %
Revenue	收益	5,669,274	6,493,394	-12.7
Gross profit	毛利	695,974	1,105,781	-37.1
Profit for the year	本年度溢利	261,135	702,029	-62.8
EPS	每股盈利			
— Basic	— 基本	HK\$0.55港元	HK\$1.49港元	-63.1
— Diluted	— 攤薄	HK\$0.55港元	HK\$1.46港元	-62.3
DPS	每股股息			
— Interim	— 中期	HK\$0.25港元	HK\$0.25港元	
— Final	— 末期	HK\$0.01港元	HK\$0.30港元	
Total:	總計：	HK\$0.26港元	HK\$0.55港元	-52.7

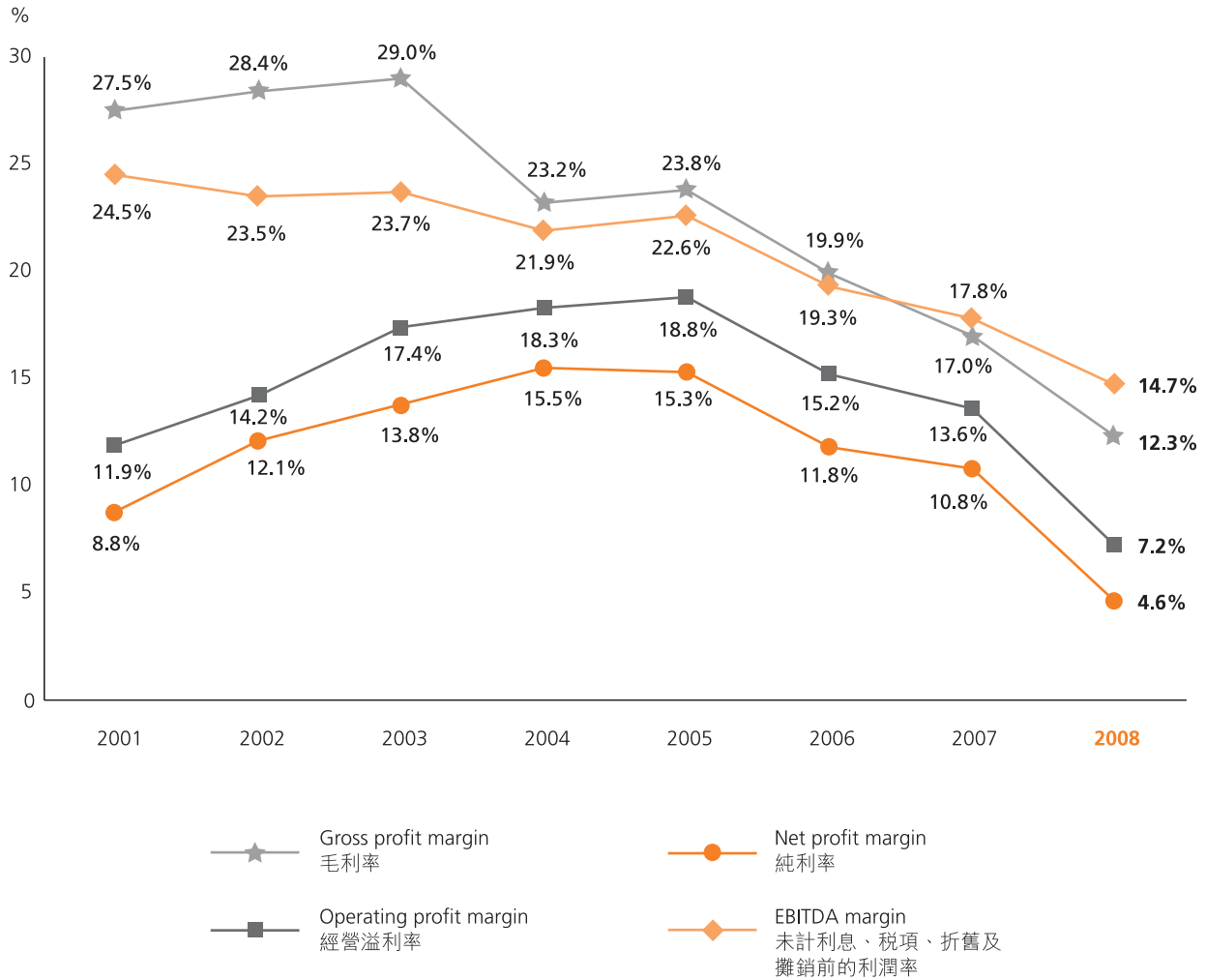
Basic earnings and dividends per share (HK cents)
每股基本盈利及股息(港仙)



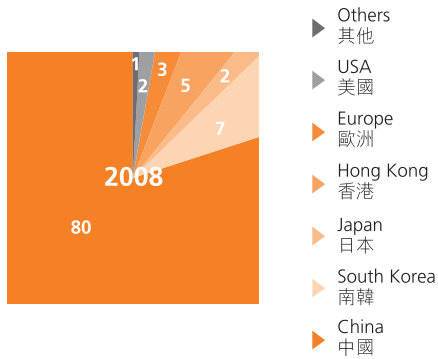
Financial Highlights (continued)

財務摘要 (續)

Analysis of EBITDA, gross, operating and net profit margins (%)
 未計利息、稅項、折舊及攤銷前的利潤率、毛利率、經營溢利率以及純利率分析(%)

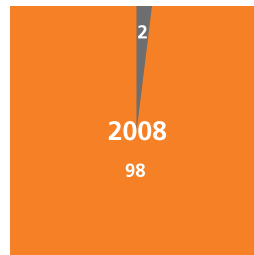


Turnover by geographical segments
按地區分類劃分之營業額

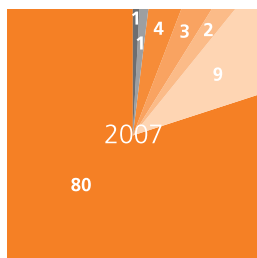


- ▶ Others 其他
- ▶ USA 美國
- ▶ Europe 歐洲
- ▶ Hong Kong 香港
- ▶ Japan 日本
- ▶ South Korea 南韓
- ▶ China 中國

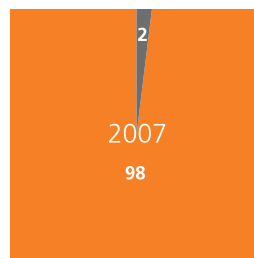
Turnover by business segments
按業務分類劃分之營業額



- ▶ Electronic Consumer Products 電子消費產品
- ▶ LCD Products 液晶體顯示器產品

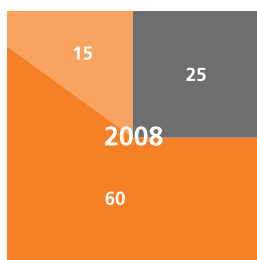


- ▶ Others 其他
- ▶ USA 美國
- ▶ Europe 歐洲
- ▶ Hong Kong 香港
- ▶ Japan 日本
- ▶ South Korea 南韓
- ▶ China 中國

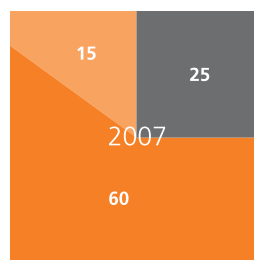


- ▶ Electronic Consumer Products 電子消費產品
- ▶ LCD Products 液晶體顯示器產品

LCD sales breakdown
液晶顯示器銷售明細



- ▶ Mono STN & TN LCD 單色STN及TN液晶顯示器
- ▶ TFT LCD 薄膜電晶體液晶顯示器
- ▶ CSTN LCD 彩色超扭曲向列型液晶顯示器



- ▶ Mono STN & TN LCD 單色STN及TN液晶顯示器
- ▶ TFT LCD 薄膜電晶體液晶顯示器
- ▶ CSTN LCD 彩色超扭曲向列型液晶顯示器

► The Chairman's Statement

主席報告書

2008 was a very special year for Truly. In this 30th anniversary we become a flat panel display solution provider who is complete with all commercial LCD panel production lines. They are the monochrome twisted-nematic (TN) and super twisted-nematic (MSTN); the colour super twisted-nematic (CSTN) and thin film transistor (TFT) LCDs. These core display technologies are embraced with massive production capabilities of resistive and capacitive touch screen, compact camera module, backlight unit, HDI and flexible PCB. Any portable consumer electronic device is made with at least 3 of the above critical components. But it is not easy for Truly to come to the front edge of the industry. There is a dear price to be pre-paid.

Over the last two years our organization was in the state of metamorphosis. From an incomplete panel maker with immature peripheral self-sufficiency Truly emerges as it is today through dedicated cash investment in its first TFT panel production and an advanced ODF-CSTN production line. The total investment is gigantic; it was more than three times our 2007 earnings. The impact to our account books is further rocked by 12.7% reduction of revenue partly due to the sharp erosion of product average selling price (ASP) at the last quarter of 2008. Therefore our 2008 net earning was down to HK\$261 million, a big drop from 2007's HK\$702 million.

But the focal issue remains: Is Truly on the right direction with right strategy?

Our goal is to become the world's largest small size LCD solution providers with full range of technologies. We may not yet be the largest but we surely are complete in know-how.

Our strategy is to capture telecommunication, industrial, automotive and medical applications, to venture out from the firm market base in China we created since 1986 to the rest of the world through our Hong Kong and China regional headquarters, UK, Singapore, Korea and US branch offices.

二零零八年對信利而言是極不平凡的一年。在公司成立三十週年之際，我們組建成能夠生產所有類型商用液晶顯示器(LCD)的生產線，一舉成為產品種類齊全的平板顯示器解決方案供應商。我們的生產線包括單色扭曲向列型(TN)及超扭曲向列型(MSTN)；彩色超扭曲向列型(CSTN)及薄膜電晶體(TFT)液晶顯示器。該等核心顯示技術與電阻及電容式觸控屏、微型相機模組、背光模組、高密度連接(HDI)及軟性印刷電路板(PCB)方面強大的生產能力相得益彰。所有便携式消費電子產品均離不開上述關鍵部件當中的至少三種。但信利今日能夠走到行業的最前沿，確實是來之不易。我們為此付出了高昂的先行代價。

我們過去這兩年經歷了蛻變的過程。透過投入巨資建成首條TFT面板生產線及先進的液晶滴注法(ODF)CSTN生產線，信利從一個自給能力有限、產品種類不全的面板製造商一躍成為當今業界頂尖的生產商。總投資額規模空前，相當於公司二零零七年盈利的三倍之巨。受此影響，加上二零零八年第四季度產品平均售價大幅下滑，本公司營銷收入下降12.7%。因此，本公司二零零八年盈利淨額減少至2.61億港元，較二零零七年的7.02億港元顯著下滑。

但最重要的問題是：信利的方向和策略是否正確？

我們的目標是成為世界最大、掌握全面技術的小型LCD解決方案供應商。雖然我們現在未必是世界最大，但可以肯定我們的技術已十分完備。

我們的策略是立足我們自一九八六年以來已經穩佔優勢的中國市場，依靠我們在中國和香港的地區總部，英國、新加坡、韓國及美國的分公司，把握電訊、工業、汽車及醫療等行業的機遇進軍世界其他地區。

The Chairman's Statement (continued)

主席報告書(續)

I do not accuse the economic downturn; it is a difficulty for an entrepreneur to conquer. This is an unprecedented event in terms of its magnitude. I am not shaken in leading Truly to become what it deserves to be. I admit that the timetable would be stretched, as only revenue and profit generating business can get us there. And the rest of the world will not provide enough marketplaces in the near term for Truly to diversify into. For these markets we have to be patient but not without action. In low tide it is easier to get to the shores. We dispatch more frequently sales and engineering experts to visit our clients in automotive, industrial and medical sectors to support their delayed but ongoing projects. Our timely helping hands are very much welcome by these manpower constrained product planning and R&D departments.

We are holding our handset-dependant Chinese market securely as important buoyancy to await the world business to resume normal. Our sales within and export from China were at the bottom in the 4th quarter of 2008. As of March 2009 our revenue gained significant recovery. We remain cautious at this point as the re-stocking led rally might mislead one to believe Chinese handset market is coming back soon and strong. However, we opt that the handset market will have a steady and sustainable upward movement towards third quarter of 2009 steamed by the joint promotion efforts of all three 3G licensed Chinese telecom operators who now have a common goal.

I want to express my appreciation to the banks for supporting us to swiftly deal with technical accounting issue raised by our auditors. I thank the people of Truly to have braved the headwind with dedication and enthusiasm.

Lam Wai Wah, Steven

Chairman

Hong Kong, 8 April 2009

本人不會以經濟下滑為借口；作為一位企業家，我要去克服這個困難。本次金融海嘯具有前所未有的破壞力。但本人決不會退縮，而是會繼續領導信利朝著既定的目標前進。本人承認，時間表將會較預期的長，因為只有當業務收入增加，實現盈利，我們才能夠達致該等目標。短期內，信利或會無法從世界其他地區獲得足夠的市場空間去實現產品多元化的策略。對於該等市場，我們必須要有充份的耐性，但亦不能坐等機會降臨。在潮退的時候搶灘會更加容易。我們更頻繁地派遣銷售及工程專家前去探訪我們汽車、工業及醫療行業的客戶，為他們受到推延但仍持續開展的項目提供人力及技術支援，幫助客戶解決產品規劃及研發部門人手不足的問題，受到客戶的熱烈歡迎。

我們將依靠穩佔中國手機市場的優勢作為堅強後盾，以待全球經濟環境回復正常。我們在中國國內及出口的銷售已於二零零八年第四季度見底。而截至二零零九年三月，由於買家補充存貨，收入錄得顯著回升。市場出現補倉主導的反彈，人們或會誤以為中國手機市場將持續強勁回升，對此，我們將繼續保持審慎態度。但我們認為，目前中國獲發3G牌照的三大電訊營運商會積極搶佔市場，相信在他的合力推動下，手機市場將於二零零九年第三季度起展開一輪持續而穩定的升勢。

本人感謝各間銀行迅速支持我們處理核數師提出的會計技術問題。本人亦感激信利全體員工，以奉獻精神及滿腔熱情勇敢面對困境，迎難而上。

主席

林偉華

香港，二零零九年四月八日

► Management Discussion and Analysis

管理層討論及分析

Business review

Sales for the fourth quarter of the year were exceptionally bad with an over 30% drop quarter-on-quarter resulting in an overall decrease of about 12.7% in revenue for the full year period which was down to around HK\$5.67 billion (2007: HK\$6.49 billion). Audited profit for the year was about HK\$261 million which was approximately 62.8% less than the last corresponding period in 2007 (HK\$702 million). The reasons were mainly because of the high depreciation charges of the new TFT panel production line recorded during the year, the impairment loss on inventory due to reduced selling price and the appreciation of Renminbi (RMB) resulting in higher production overheads. Gross profit margin was down significantly from 17.0% to 12.3%. Net profit margin was also decreased to 4.6% from 10.8% accordingly.

The deep downturn in the market-place during the fourth quarter of 2008 was a bad signal for most of the manufacturers who found themselves difficult to turnaround immediately. Even with quick response like us to this adverse market change, there were only a limited number of measures to make a remedy. With sharp diminishing in sales orders in November and the following months, we managed to reduce the factory overheads and the related operating expenses by reducing 20% salaries across-the-board and cutting headcounts in December so as to reduce the selling prices to keep our products as competitive as before. In the medium to long run, we are able to secure our market share especially in the China handset display market. However, the effect of an aggressive reduction in selling prices had resulted in an impairment loss on inventory in particular finished goods as at the financial year end when the outcome was subsequently reflected in the management accounts of January and February, 2009. The provision amounting to almost HK\$40 million had on one hand affected the gross profit margin of 2008 but on the other hand ensured a true and fair performance of the subsequent quarters including first quarter of 2009.

Exceptionally high depreciation charges of the new TFT-panel production facilities were still the most significant factor of squeezing the gross profit margin of the Group. This key issue was especially important during the year and would be the case in the next one or two years before its productivity and efficiency are ramped up to the optimal level and its targeted niche market is ready. The upcoming strategy is still relying on the fully-automated characteristic of the advanced facilities by enhancing production yields and reducing labour costs.

業務回顧

本年度第四季度銷售表現尤為遜色，按季下跌超過30%，導致全年收益整體下跌約12.7%至約56.7億港元（二零零七年：64.9億港元）。年內經審核溢利約為2.61億港元，較二零零七年同期（7.02億港元）下降約62.8%。主要原因是年內新型TFT面板生產線錄得高額折舊費用，存貨因售價下降產生減值虧損以及人民幣（「人民幣」）升值推高生產成本。毛利率由17.0%大幅下跌至12.3%。純利率亦自10.8%下降至4.6%。

二零零八年第四季度期間市場大幅下滑帶來負面信號，大部份製造商隨即陷入難以即時翻身之境。儘管我們迅速應對此種不利的市場變動，但補救措施卻相當有限。面對11月及其後多個月份銷售訂單大幅減少的情況，為下調售價以維持產品於過往的競爭力，我們於12月份成功透過全面減薪20%及裁員削減了工廠營運成本及有關經營開支。中長期而言，我們有能力維持我們的市場佔有率，尤其是中國的手機顯示屏市場。然而，本財政年底售價大幅下降已令存貨（尤其是製成品）產生減值虧損，有關影響其後反映於二零零九年一月及二月之管理賬目。撥備近4,000萬港元已對二零零八年的毛利率構成影響，但同時亦確保了隨後季度（包括二零零九年第一季度）真實及公平之表現。

新型TFT面板生產設施之高額折舊費用仍為影響本集團毛利率之最主要因素。在本集團生產力及效率升至最佳水平以及有利可圖之目標市場準備就緒之前，該主要因素對本年度而言尤為重要，且仍有可能於未來一至兩年持續帶來影響。我們日後的策略仍是繼續依賴先進設施之全自動特點提高良品率及削減勞動力成本。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

The rapid appreciation of RMB during the first half year of 2008 had no doubt been a negative stimulus to all the production costs incurred in our China factory including but not limited to raw material purchases from the domestic suppliers, labour and energy costs and other major manufacturing overheads for the whole year. This unfavourable situation is however expected to lessen in 2009 when there will be some changes in the China's monetary policy to cater for the anticipated economic problems.

二零零八年上半年人民幣匯率急升，無疑對我們中國工廠的一切生產成本構成負面影響，其中包括但不限於從大陸供應商購買之原材料成本、勞動力及能源成本以及全年之其他主要製造成本。然而，鑒於中國貨幣政策將因應預期發生之經濟問題作出變動，此等不利狀況於二零零九年有望舒緩。

Segmental information

Business segments

For management purposes, the Group is currently organised into two operating divisions LCD products and electronic consumer products. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

LCD products	—	manufacture and distribution of LCD products
Electronic consumer products	—	manufacture and distribution of electronic consumer products

分類資料

業務分類

就管理而言，本集團目前經營兩大業務 — 液晶顯示器產品與電子消費產品，本集團以此等分類作為呈報其主要分類資料之基準。

主要業務如下：

液晶顯示器產品	—	製造及分銷液晶顯示器產品
電子消費產品	—	製造及分銷電子消費產品

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Segment information about these businesses is presented below:

此等業務之分類資料呈列如下：

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		LCD products 液晶 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益				
External sales	外銷	5,555,605	113,669	—	5,669,274
Inter-segment sales	分類間銷售	—	171,317	(171,317)	—
		5,555,605	284,986	(171,317)	5,669,274

Inter-segment sales are charged at prevailing market rates.

分類間銷售乃按當前市場利率支銷。

		LCD products 液晶 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
RESULT	業績			
Segment result	分類業績	350,062	1,303	351,365
Unallocated corporate income	未分配之公司收入			76,496
Unallocated corporate expenses	未分配之公司費用			(21,788)
Finance costs	財務費用			(67,015)
Profit before tax	除稅前溢利			339,058
Income tax expense	所得稅開支			(77,923)
Profit for the year	本年度溢利			261,135

Management Discussion and Analysis (continued)

管理層討論及分析(續)

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		LCD products 液晶 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益			
External sales	外銷	6,362,402	130,992	6,493,394
RESULT	業績			
Segment result	分類業績	814,674	14,444	829,118
Unallocated corporate income	未分配之公司收入			73,939
Unallocated corporate expenses	未分配之公司費用			(19,468)
Share of loss of an associate	應佔一家聯營公司虧損	—	(445)	(445)
Finance costs	財務費用			(57,821)
Profit before tax	除稅前溢利			825,323
Income tax expense	所得稅開支			(123,294)
Profit for the year	本年度溢利			702,029

Geographical segments

The Group's manufacturing operation is located in the PRC. The sales and marketing functions are located at all reportable segments as listed below.

The revenue of the Group, analysed by location of customers, is as follows:

地區分類

本集團之製造業務位於中國，銷售及市場推廣業務則位於下文所呈列之所有可呈報分類地區。

本集團按客戶地區分析之收益如下：

Revenue by geographical segments

按地區分類劃分之收益

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
PRC	中國	4,507,916	5,162,994
South Korea	南韓	414,004	595,018
Japan	日本	109,410	115,532
Hong Kong	香港	268,661	178,636
Europe	歐洲	179,920	282,110
Others	其他	189,363	159,104
		5,669,274	6,493,394

Outlook

The Chinese telecom industry is migrating from GSM to TD-SCDMA(3G) platform. This provides enormous opportunities for the telecom hardware chain suppliers from network infrastructure & equipment, handset terminal to parts and components.

The high-speed high-volume audio-video wireless market will cause a dramatic change among new generations of Chinese telecom users when the nation-wide 3G network will be matted to connect coastal cities to inland mountain villages, allowing university students to video-con their farming grandparents, growers to monitor their produce conditions in remote valleys 24 hours a day, 7 days a week. This process takes time to progress and mature in a steady pace.

Truly expects to experience a modest sales growth in first half of 2009 mainly due to re-stocking and sell through of GSM handsets. Towards second half it is anticipated that 3G handsets will come into play. We should be cautious that during this transition of wireless technology in the middle of the year, there might be a withdrawal in demand of GSM handsets before the 3G handset sales start to pick up for a relatively short period of time; but the plunge could be quite deep.

Despite weak global demand prevails, the export of our products recovered some lost ground for the past few months and we budget a level sales performance for this year.

Financial analysis

Investment, assets and liabilities

During the year, the Group acquired plant and machinery amounting to HK\$1,183 million and properties under development amounting to HK\$163 million for the purpose of expanding its manufacturing capacity in the China factory campus.

Total assets were increased by approximately 11% to HK\$6,560 million which comprised HK\$2,163 million of current assets, HK\$4,214 million of property, plant and equipment and HK\$183 million of other long-term assets. Total liabilities were about HK\$3,314 million, of which HK\$3,164 million were current liabilities and HK\$150 million were long term liabilities.

展望

中國的電訊行業正從GSM制式逐漸向TD-SCDMA (3G)平台過渡。這為電訊硬件產業供應鏈帶來巨大機遇，惠及網絡基建及設備、終端手機至零部件等行業。

覆蓋全國的3G網絡一旦建成，速度高容量大的視頻——音頻無線市場將為中國新一代電訊用戶的生活帶來翻天覆地的變化。屆時，沿海城市與內陸山村的距離將會拉近，使在外求學的學生能夠方便地與農村家中的長輩進行視像通話，人們亦可以在千里之外全天候不間斷地監看偏遠地區農作物的生長情況。這需要一定時間才能穩步發展，走向成熟。

主要受惠於買家補充存貨及GSM手機銷情尚可，信利預期二零零九年上半年銷售將取得溫和增長。展望下半年，估計3G手機銷售將開始佔據主導地位。預測在今年年中無線科技轉型期間，GSM手機的需求量或會隨著3G手機銷售量開始接著上升而於一個較短時期內大幅下滑，我們要保持警惕。

雖然全球需求持續疲弱，我們的產品出口已於最近幾個月錄得一定回升，展望今年全年銷售將會持平。

財務狀況分析

投資、資產及負債

年內，集團為擴充其於國內生產基地之產能，添置總值1,183,000,000港元之廠房及機器，以及總值163,000,000港元之發展中物業。

總資產上升約11%至6,560,000,000港元，當中計有2,163,000,000港元流動資產、4,214,000,000港元物業、廠房及設備及183,000,000港元其他長期資產。總負債約為3,314,000,000港元，當中包括3,164,000,000港元流動負債及150,000,000港元長期負債。

As at 31 December 2008 and for the year then ended, the Group had breached certain of the banks' financial covenants. Among others, based on the unaudited consolidated management accounts of the Group, the current ratio as at 31 December 2008 was less than one which was generally below the major banks' pre-set limit resulting in a non-compliance. The application of the Hong Kong Accounting Standard 1 to reclassify the long-term portion of those bank loans with covenants breached to current liabilities was however considered by the management not practicable as it was not expected that the said covenants would be breached before the year end date as the accounts were prepared and finalized subsequently. A *proforma unaudited condensed consolidated balance sheet* was therefore prepared for the purpose of obtaining the waivers from those major banks with financial covenants breached which were thereafter accepted and waivers granted unconditionally before the approval of the annual results. The *proforma balance sheet* was presented for the special reference purpose as if the waivers were granted by the banks by 31 December 2008.

Liquidity and financial resources

Revenue for the year were decreased by 12.7%. Profit for the year and earnings per share were decreased by 62.8% and 63.1% respectively.

As at 31 December 2008, the outstanding bank borrowings, net of cash and bank balances, were about HK\$1,425 million (2007: HK\$833 million). These borrowings bear interest at prevailing market rate and their maturity profiles are shown in the notes to the financial statements.

The financial position of the Group is healthy and ready for future capital expansion while keeping a sufficiently high level of cash and bank balances (HK\$688 million at 31 December 2008) together with adequate unutilised banking facilities. The gearing ratio based on total interest bearing debts, net of cash and bank balances was approximately 44%.

Capital expenditure of around HK\$120 million for the next three years in respect of acquisitions of property, plant and equipment was authorized but not contracted for. Their expected sources of funding will be principally from internal reserves.

於二零零八年十二月三十一日及截至該日止年度，本集團違反若干銀行財務契約。其中包括，根據本集團之未經審核綜合管理賬目，本集團於二零零八年十二月三十一日之流動比率不足1，普遍低於主要銀行之預設下限，從而導致違約。然而，由於管理層預期於年度結束日期至賬目編製及最終確定前並不會違反上述契約，故認為應用香港會計準則第1號將該等違反契約之銀行貸款長期部份重新歸類為流動負債並不可行。因此，本集團編製一份備考未經審核簡明綜合資產負債表以向違反其財務契約之主要銀行作出豁免之申請，隨後獲該等銀行接受，並於年度業績批准前獲得無條件豁免。該備考資產負債表作為此特殊參考目的，猶如該等銀行已於二零零八年十二月三十一日授出該等豁免。

流動資金及財政資源

年內，收益減少12.7%。本年度溢利及每股盈利分別減少62.8%及63.1%。

於二零零八年十二月三十一日，未償還銀行借貸(扣除現金及銀行結存)約為1,425,000,000港元(二零零七年：833,000,000港元)。該等貸款之利率乃根據現行市場息率而釐定，其還款期載於財務報表附註。

本集團之財務狀況維持穩健，其同時持有高度充盈之現金及銀行結餘(於二零零八年十二月三十一日為688,000,000港元)，及足夠之尚未運用銀行備用額，足以應付未來之資本擴展所需。資本負債比率按計息債務總額(經扣除現金及銀行結餘)計算約為44%。

未來三年，將有約120,000,000港元之資本支出會用作購置物業、廠房及設備，此事已獲授權但尚未訂約，預期資金來源主要來自內部儲備。

General

During the year, the Company issued a total of 135,000 ordinary shares of HK\$0.1 each under the share option scheme at HK\$2.196 per share for an aggregate consideration of HK\$296,460. The new shares rank pari passu with the existing shares in all respects and the issued share capital of the Company was accordingly increased to HK\$47,287,953 at 31 December 2008.

The state of the Group's current order books is very good.

Except for investments in subsidiaries, an associate (being reclassified as a subsidiary during the year) and the long term investment of a Japanese corporation, neither the Group nor the Company had held any other material investments during the year.

Additions to fixed assets mainly in properties under development and plant and machinery were approximately HK\$1,350 million. There were no material disposals of fixed assets during the year. As at 31 December 2008, the Group had no pledge or mortgage on its fixed assets.

More than 10,000 workers and staff are currently employed in our Shan Wei factory in China and less than 80 personnel in the Group's Hong Kong office. Total staff costs for the year were approximately HK\$413 million.

The Group had no material contingent liabilities at the balance sheet date and exposure to fluctuations in exchange rates will be hedged, if any.

Other information

Dividends

The directors recommend the payment of a final dividend for the year ended 31 December 2008 of 1 HK cent per share (2007: 30 HK cents) to shareholders whose names appear on the Register of Members on 15 May 2009 which, together with the interim dividend of 25 HK cents per share (2007: 25 HK cents) paid in October, 2008, makes a total dividend for the year of 26 HK cents per share (2007: 55 HK cents). It is expected that the final dividend payments will be made to shareholders on 18 June 2009.

The total dividend payout ratio for the year was about 47%.

一般事項

年內，本公司根據購股權計劃以每股2.196港元總共發行135,000股每股面值0.1港元之普通股，總代價為296,460港元。該等新股份與現有股份在各方面均享有同等權利，本公司於二零零八年十二月三十一日之已發行股本因此增加至47,287,953港元。

本集團現時之訂單數量非常理想。

除附屬公司及一間聯營公司(已於年內重新歸類為附屬公司)投資，以及對一家日本公司之長期投資外，本集團及本公司均無於年內持有任何其他重大投資。

年內，固定資產添置(以在建物業、廠房及機器為主)約為1,350,000,000港元。年內概無重大出售固定資產。於二零零八年十二月三十一日，本集團並無將其固定資產質押或抵押。

現時超過10,000名工人及僱員受聘於本集團位於國內汕尾之工廠，以及不足80名員工受聘於本集團香港辦事處。本年度員工總成本約為413,000,000港元。

本集團於結算日概無任何重大或然負債，如有匯率波動風險，則會進行對沖。

其他資料

股息

董事建議就截至二零零八年十二月三十一日止年度向於二零零九年五月十五日名列股東名冊之股東派付每股1港仙(二零零七年：30港仙)之末期股息，連同已於二零零八年十月派付之中期股息每股25港仙(二零零七年：25港仙)計算，本年度之股息總額為每股26港仙(二零零七年：55港仙)。預期待期股息將於二零零九年六月十八日向股東派付。

年內之總派息比率約為47%。

Customers and suppliers

In the year under review, sales to the five largest customers and purchases from the five largest suppliers accounted for less than 30% of the total sales and purchases of the Group respectively.

As at 31 December 2008, none of the directors, their associates, or any shareholders which to the knowledge of the directors owned more than 5% of the Company's issued share capital had any beneficial interests in the Group's five largest customers and/or five largest suppliers mentioned in the preceding paragraph.

Directors and senior management

Biographical details of the directors of the Company and senior management of the Group are set out as follows:

Mr. Lam Wai Wah, Steven, aged 56, is the Chairman and Managing Director of the Company. He is the founder of the Group and has over 32 years of experience in the electronics industry. He is primarily responsible for the formulation of the Group's overall strategic planning and business development.

Mr. Wong Pong Chun, James, aged 50, is an Executive Director of the Company and the Chief Operating Officer of the Group. He is responsible for the Group's operations in respect of internal controls and risk management, investors' relationship and external affairs. He joined the Group in 1987.

Mr. Cheung Tat Sang, James, aged 53, is an Executive Director of the Company. He is responsible for the sales of the Group's LCD products and other semiconductor components. Prior to joining the Group in 1989, he had been the sales managers of a number of electronics companies for over 10 years.

Mr. Li Jian Hua, aged 45, is the Head of the Group's LCD Production Division and an Executive Director of the Company. Mr. Li graduated from the Jilin University of Technology and Engineering Management in 1987 and joined the group in 1989. Prior to joining the Group, he worked in a multinational motor car manufacturer in Guangzhou City, the PRC for almost two years.

客戶及供應商

回顧年內，向五大客戶進行之銷售及自五大供應商之購貨額分別佔本集團總銷售額及購貨額不足30%。

於二零零八年十二月三十一日，概無董事、彼等之聯繫人或據董事所知擁有本公司已發行股本超過5%之股東於前段所述本集團五大客戶及／或五大供應商中擁有任何實益權益。

董事及高級管理人員

以下所載為本公司董事及本集團高級管理人員之履歷：

林偉華先生，現年五十六歲，本公司之主席兼董事總經理。彼為本集團之創辦人，從事電子業超過三十二年，主要負責制訂本集團之整體策略及業務發展。

黃邦俊先生，現年五十歲，本公司之執行董事兼集團營運總監。彼負責本集團有關內部監控及風險管理方面之業務運作、投資者關係與對外事務。彼於一九八七年加入本集團。

張達生先生，現年五十三歲，本公司之執行董事。彼負責銷售本集團之液晶顯示器產品及其他半導體元件。彼於一九八九年加入本集團之前，曾任多間電子公司之營業經理逾十年。

李建華先生，現年四十五歲，本集團之液晶顯示器生產部主管兼本公司之執行董事。李先生於一九八七年畢業於吉林工業大學管理學院，後於一九八九年加入本集團。彼於加入本集團之前，曾於中國廣州市一間國際汽車生產商任職近兩年。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Mr. Chung Kam Kwong, aged 51, is an independent Non-executive Director of the Company and the Chairman of the Group's Audit, Remuneration and Nomination Committees. He is a practising Certified Public Accountant in Hong Kong and is members of the Hong Kong Institute of Certified Public Accountants and the Australian Society of Certified Practising Accountants and a council member of the Macau Society of Certified Practising Accountants. Mr. Chung has extensive experience in accounting and financial management and has been the independent Non-executive Director, management consultant and Company Secretary of a number of listed companies in Hong Kong.

Mr. Ip Cho Ting, Spencer, aged 50, is an independent Non-executive Director and members of the Group's Audit, Remuneration and Nomination Committees. He is the holder of a Bachelor of Science degree from the University of Wisconsin, Green Bay, U.S.A. Mr. Ip is a member of the Institute of Financial Planner of Hong Kong and is the Senior Financial Advisor of a professional insurance company in Hong Kong.

Mr. Heung Kai Sing, aged 60, is an independent Non-executive Director and members of the Group's Audit, Remuneration and Nomination Committees. He has experience in textile industry.

Mr. Ng Sui Wa, Thomas, aged 46, is the Group's Chief Financial Officer and the Finance Director of Truly Semiconductors Limited. He graduated from the University of Hong Kong and is a fellow member of the Association of Chartered Certified Accountants. Mr. Ng joined the Group in 1996 and has over 21 years of experiences for working in an international accounting firm and in the commercial and industrial sectors.

By Order of the Board
Lam Wai Wah, Steven
Chairman

Hong Kong, 8 April 2009

鍾錦光先生，現年五十一歲，本公司之獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會的主席。彼為香港執業會計師，並為香港會計師公會資深會員，澳洲註冊會計師，亦為澳門執業會計師公會的委員會成員。鍾先生於會計及財務管理上擁有深厚經驗，並為香港多間上市公司的獨立非執行董事、管理顧問及公司秘書。

葉祖亭先生，現年五十歲，獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會之成員。彼持有美國Green Bay威斯康辛大學之理學士學位。葉先生為香港財務策劃師學會會員，亦為香港一間專業保險公司之高級財務顧問。

香啟誠先生，現年六十歲，獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會之成員。彼於紡織業擁有豐富經驗。

吳瑞華先生，現年四十六歲，為本集團之財務總監，並為信利半導體有限公司之財務董事。彼畢業於香港大學，並為英國特許公認會計師公會之會員。吳先生於一九九六年加入本集團，擁有在一間國際會計師行及工商界逾二十一年的工作經驗。

承董事會命
主席
林偉華

香港，二零零九年四月八日

▶ Directors' Report

董事會報告書

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

董事會謹此提呈截至二零零八年十二月三十一日止年度之年報及經審核財務報表。

Principal activities

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the manufacture and sale of liquid crystal display products and electronic consumer products including calculators, electric toothbrush and electronic components.

主要業務

本公司乃投資控股公司，其附屬公司之主要業務為製造及銷售液晶顯示器產品及電子消費產品，包括計算機、電動牙刷及電子零件。

Results and appropriations

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 38.

業績及溢利分配

截至二零零八年十二月三十一日止年度的本集團業績載列於第38頁的綜合收益表內。

An interim dividend of 25 HK cents per share, amounting to HK\$118,220,000, was paid to the shareholders during the year.

本公司已於年內向股東支付中期股息每股25港仙，合共118,220,000港元。

The directors now recommend the payment of a final dividend of 1 HK cent per share to the shareholders of the Company whose names appear on the register of members on 15 May 2009, amounting to HK\$4,729,000, and the retention of the remaining profit of HK\$138,186,000 for the year.

董事建議向二零零九年五月十五日名列本公司股東名冊的股東派發末期股息每股1港仙，合共4,729,000港元，並且保留本年度餘下溢利138,186,000港元。

Property, plant and equipment

During the year, the Group acquired plant and machinery and properties under development amounting to HK\$1,183,000,000 and HK\$163,000,000 respectively for the purpose of expanding its manufacturing capacity in Shan Wei City, Guangdong Province in the People's Republic of China.

物業、廠房及設備

年內，本集團就擴充中華人民共和國廣東省汕尾市之生產力而添置總值分別為1,183,000,000港元及163,000,000港元之廠房與設備及發展中之物業。

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

本集團年內之物業、廠房及設備之上述及其他變動詳情載於財務報表附註第16項。

Share capital

Details of movements during the year in the issued share capital of the Company are set out in note 29 to the financial statements.

股本

本公司之已發行股本於年內之變動詳情載於財務報表附註第29項。

Distributable reserves of the Company

The Company's reserves available for distribution to shareholders as at 31 December 2008 were as follows:

		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Share premium	股份溢價	319,913	319,630
Special reserve	特別儲備	17,492	17,409
Retained earnings	保留溢利	31,448	21,257
		368,853	358,296

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

The special reserve of the Company represents the difference between the net book values of the underlying assets of the Company's subsidiaries acquired at the date on which the shares of these companies were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisitions.

本公司之可分派儲備

於二零零八年十二月三十一日，本公司可分派予股東之儲備如下：

		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Share premium	股份溢價	319,913	319,630
Special reserve	特別儲備	17,492	17,409
Retained earnings	保留溢利	31,448	21,257
		368,853	358,296

根據開曼群島之適用法例，本公司之股份溢價可依據其組織章程大綱或細則之條文向股東作出分派或支付股息，惟於緊隨作出分派或支付股息後，本公司須可於日常業務過程中支付到期債項。

本公司之特別儲備乃指於本公司在收購其附屬公司之股份當日該等被收購公司之相關資產賬面淨值與本公司就收購而發行之股份面值兩者間之差額。

Directors

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

Executive directors:

Lam Wai Wah, Steven
Wong Pong Chun, James
Cheung Tat Sang, James
Li Jian Hua

Independent non-executive directors:

Chung Kam Kwong
Heung Kai Sing
Ip Cho Ting, Spencer

In accordance with Articles 100 and 120 of the Company's Articles of Association, Cheung Tat Sang, James, Li Jian Hua and Chung Kam Kwong retire and, being eligible, offer themselves for re-election.

The independent non-executive directors are subject to retirement by rotation in accordance with the above articles.

No director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' interests in contracts

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

董事

年內及截至本報告書之日期止，本公司之董事名單如下：

執行董事：

林偉華
黃邦俊
張達生
李建華

獨立非執行董事：

鍾錦光
香啟誠
葉祖亭

依據本公司組織章程細則第100條及第120條之規定，張達生、李建華及鍾錦光行將告退，惟合資格並表示願意膺選連任。

獨立非執行董事須按上述細則輪值告退。

擬於即將舉行之股東週年大會膺選連任之董事概無與本公司或其附屬公司訂立任何本集團不得於一年內免付賠償(法定賠償除外)而予以終止之服務合約。

董事之合約權益

本公司或其任何附屬公司，概無訂立任何本公司董事直接或間接擁有重大權益，並且於本年底或年內任何時間仍然生效之重大合約。

Directors' interests in shares and underlying shares

At 31 December 2008, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions

(a) Ordinary shares of HK\$0.1 each of the Company

Name of director 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持之已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司之已 發行股本百分比 %
Lam Wai Wah, Steven 林偉華	Beneficial owner 實益擁有人	207,072,000	43.79
	Held by spouse (note 1) 由配偶持有(附註1)	13,608,000	2.88
		220,680,000	46.67
Wong Pong Chun, James 黃邦俊	Beneficial owner 實益擁有人	6,450,000	1.37
	Held by spouse (note 2) 由配偶持有(附註2)	300,000	0.06
		6,750,000	1.43
Cheung Tat Sang, James 張達生	Beneficial owner 實益擁有人	1,554,000	0.33
Li Jian Hua 李建華	Beneficial owner 實益擁有人	1,680,000	0.36

董事之股份及相關股份權益

根據本公司遵照證券及期貨條例第352條所保存之登記冊所載，或根據《上市公司董事進行證券交易的標準守則》須知會本公司及香港聯合交易所有限公司，於二零零八年十二月三十一日，董事及其聯繫人擁有之本公司及其相聯法團之股份及相關股份權益如下：

好倉

(a) 本公司每股面值0.1港元之普通股

(b) Share options

(b) 購股權

Name of director 董事姓名	Capacity 身份	Number of options held 所持之購股權數目	Number of underlying shares 相關股份數目
Lam Wai Wah, Steven 林偉華	Beneficial owner 實益擁有人	—	—
Wong Pong Chun, James 黃邦俊	Beneficial owner 實益擁有人	8,900,000	8,900,000
Cheung Tat Sang, James 張達生	Beneficial owner 實益擁有人	9,300,000	9,300,000
Li Jian Hua 李建華	Beneficial owner 實益擁有人	4,150,000	4,150,000
	Held by spouse (note 3) 由配偶持有(附註3)	4,400,000	4,400,000
		26,750,000	26,750,000

Notes:

1. Lam Wai Wah, Steven is deemed to be interested in 13,608,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Chung King Yee, Cecilia.
2. Wong Pong Chun, James is deemed to be interested in 300,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Lai Ching Mui, Stella.
3. Li Jian Hua is deemed to be interested in 4,400,000 share options of the Company, being the interests held beneficially by his spouse, Guo Yu Yan.

附註：

1. 林偉華被視為擁有 13,608,000 股由其配偶鍾琮綺實益擁有之本公司普通股權益。
2. 黃邦俊被視為擁有 300,000 股由其配偶黎清梅實益擁有之本公司普通股權益。
3. 李建華被視為擁有 4,400,000 份由其配偶郭玉燕實益擁有之本公司購股權權益。

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations as at 31 December 2008.

除上文所披露者外，於二零零八年十二月三十一日，各董事或其聯繫人概無擁有本公司或其任何相聯法團之任何股份及相關股份之任何權益或淡倉。

Share options

Particulars of the Company's share option schemes are set out in note 35 to the financial statements.

The following table discloses movements in the Company's share options during the year:

購股權

有關本公司購股權計劃之詳情載於財務報表附註第35項。

下表披露本公司之購股權於年內之變動：

Option type		Number of options outstanding at beginning of year 於年初尚未行使 購股權數目	Exercised during year 年內行使	Number of options outstanding at end of year 於年終尚未行使 購股權數目
購股權類別				
Category 1: Directors				
第一類：董事				
Lam Wai Wah, Steven 林偉華	2001	—	—	—
Wong Pong Chun, James 黃邦俊	2001	—	—	—
	2003	4,400,000	—	4,400,000
	2006	4,500,000	—	4,500,000
Cheung Tat Sang, James 張達生	2001	400,000	—	400,000
	2003	4,400,000	—	4,400,000
	2006	4,500,000	—	4,500,000
Li Jian Hua (Note) 李建華(附註)	2003	8,550,000	—	8,550,000
		26,750,000	—	26,750,000

Note: Li Jian Hua is deemed to be interested in 4,400,000 2003 shares options, being the interests held beneficially by his spouse, Guo Yu Yan.

附註：李建華被視為擁有 4,400,000 份由其配偶郭玉燕實益擁有之二零零三年購股權權益。

Category 2: Substantial shareholder

Other than the share options previously held by Lam Wai Wah, Steven, no share option has been granted to other substantial shareholders.

第二類：主要股東

除由林偉華過往持有之購股權外，本公司概無向其他主要股東授予購股權。

	Option type 購股權類別	Number of options outstanding at beginning of year 於年初尚未行使 購股權數目	Exercised during year 年內行使	Number of options outstanding at end of year 於年終尚未行使購 股權數目
Category 3: Employees	2001	140,000	(135,000)	5,000
第三類：僱員	2003	25,625,000	—	25,625,000
	2006	4,500,000	—	4,500,000
		30,265,000	(135,000)	30,130,000

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$6.88.

本公司股份於緊接購股權行使日期前之加權平均收市價為6.88港元。

Arrangement to acquire shares or debentures

Other than the share option schemes disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

購買股份或債券之安排

除上述披露之購股權計劃外，本公司或其任何附屬公司於年內並無參予任何安排，致使本公司之董事可透過收購本公司或任何其他法人團體之股份或債券而獲得利益。

Substantial shareholders

As at 31 December 2008, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that other than the interests disclosed above in respect of Lam Wai Wah, Steven, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK\$0.1 each of the Company

Name of shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares held 所持之已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司之已發行 股本百分比 %
Chan Kin Sun (note) 陳建新(附註)	Beneficial owner 實益擁有人	28,900,000	6.11
	Held by spouse 由配偶持有	9,856,000	2.08
		38,756,000	8.19
Chan Lai Lan 陳麗蘭	Beneficial owner 實益擁有人	25,896,000	5.48

Note: Chan Kin Sun and his spouse, Cheng Kwan Ying, Jennifer, are deemed to be interested in 38,756,000 shares of the Company.

主要股東

除上文所披露有關林偉華擁有之權益外，根據本公司遵照證券及期貨條例第336條所保存之主要股東登記冊所披露，截至二零零八年十二月三十一日，下列股東已知會本公司其於本公司之已發行股本中擁有之有關權益。

好倉

本公司每股面值0.1港元之普通股

附註：陳建新及其配偶鄭群英被視為擁有本公司38,756,000股股份權益。

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2008.

除上文所披露者外，截至二零零八年十二月三十一日，本公司並未獲悉任何其他本公司已發行股本之有關權益或淡倉。

Emolument policy

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted share option schemes as an incentive to directors and eligible employees, details of the schemes are set out in note 35 to the financial statements.

Pre-emptive rights

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

Purchases, sales or redemption of listed securities

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

Model code

None of the Directors of the Company is aware of information that would reasonably indicate that the Company was not in the year under review in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited.

薪酬政策

本集團僱員之薪酬政策乃由薪酬委員會按僱員之貢獻、資歷及能力釐定。

本公司董事之酬金乃由薪酬委員會經考慮本公司之經營業績、個人表現及可資比較市場統計數據釐定。

本公司已採納購股權計劃，作為對董事及合資格僱員之獎勵。有關計劃詳情載於財務報表附註第35項。

優先購買權

本公司之組織章程細則或開曼群島法例均無關於優先購買權之規定。本公司無須按此規定而按現有股東之持股比例發行新股。

購買、出售或贖回上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

標準守則

根據本公司董事所知悉，並無資料合理顯示本公司於回顧年度未有遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十所載之上市發行人董事進行證券交易的標準守則。

Audit committee

The Company has an Audit Committee which was established in accordance with the code provisions of the Corporate Governance Code (the "Code") for the purposes of reviewing and providing supervision over the Group's financial reporting matters and internal controls. The annual results of the Group for the year ended 31 December 2008 has been reviewed by the Audit Committee which comprises all the three independent non-executive directors namely Mr. Chung Kam Kwong (being the Chairman), Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, and Mr. Wong Pong Chun, James, an executive director, as members. They meet at least four times a year.

The Group has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

Remuneration and nomination committees

The Company has a Remuneration Committee and a Nomination Committee respectively which were established in accordance with the relevant requirements of the Code. The two Committees are chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members, namely Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, being independent non-executive directors and Mr. Wong Pong Chun, James, an executive director of the Company.

Corporate governance

The Board considers that good corporate governance of the Company is essential to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintain and ensure high standards of corporate governance. The Company has complied with all the applicable code provisions set out in the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules throughout the year ended 31 December 2008, except for a major deviation as below:

- Code Provision A.2.1 — The roles of the Chairman and the Chief Executive are not separated and are performed by the same individual, Mr. Lam Wai Wah, Steven. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of Company and believes that this structure will enable us to make and implement decisions promptly and efficiently.

審核委員會

本公司已遵照企業管治常規守則(「守則」)之守則條文成立審核委員會，以便審閱及監察本集團財務申報事宜及內部控制。本集團截至二零零八年十二月三十一日止年度之全年業績已經由審核委員會審閱，而審核委員會由全體三名獨立非執行董事鍾錦光先生(委員會主席)、葉祖亭先生及香啟誠先生(委員會成員)，以及執行董事黃邦俊先生(委員會成員)組成。彼等每年最少召開四次會議。

本集團已根據上市規則第3.13條接獲各獨立非執行董事分別發出有關其獨立性之年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

薪酬委員會及提名委員會

本公司已根據守則之相關規定分別成立薪酬委員會及提名委員會。兩個委員會均由獨立非執行董事鍾錦光先生出任主席，並包括三名其他成員葉祖亭先生及香啟誠先生(獨立非執行董事)以及黃邦俊先生(本公司執行董事)。

企業管治

董事會認為本公司良好的企業管治對保障股東利益及提升本集團表現而言至關重要。董事會致力維持及確保高水準之企業管治。截至二零零八年十二月三十一日止年度，本公司一直遵守上市規則附錄十四內企業管治常規守則所載之所有適用守則條文，惟以下重大偏差除外：

- 守則條文第A.2.1條 — 主席及行政總裁之職位並未分開，由同一人(林偉華先生)出任。董事會將定期舉行會議，以考慮影響本公司運作之重大事宜。董事會認為此架構將不會使董事會與本公司管理層之間之權力及授權失衡，並相信此架構將使本集團能快速及有效制定及推行決策。

Directors' Report (continued)

董事會報告書(續)

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner. More details are contained in the separate Corporate Governance Report on pages 29 to 35.

董事會將持續回顧及改進本公司之企業管治實務及準則，以確保恰當及審慎規管業務活動及決策制定過程。更多詳情載於第29至35頁之獨立企業管治報告。

Sufficiency of public float

The Company has maintained a sufficient public float throughout the year ended 31 December 2008.

公眾持股量充裕程度

本公司於截至二零零八年十二月三十一日止年度內一直維持足夠之公眾持股量。

Donations

During the year, the Group made charitable and other donations amounting to HK\$18,924,000.

捐款

於年內，本集團捐出為數18,924,000港元之慈善及其他捐款。

Auditor

A resolution will be submitted to the Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

核數師

在本公司之股東週年大會上將提呈一項決議案，以重新委聘德勤•關黃陳方會計師行連任本公司核數師之職。

On behalf of the Board

代表董事會

Lam Wai Wah, Steven

CHAIRMAN

Hong Kong, 8 April 2009

主席

林偉華

香港，二零零九年四月八日

► Corporate Governance Report 企業管治報告

Board of Directors and Board Committees

The Board

The Board was responsible for the Company's corporate governance, and was ultimately accountable for the Company's activities, strategies and financial performance.

The Board was mainly responsible for formulating and approving the business strategies, objectives, policies and plans of the Company, and monitoring the execution of the Company's strategies. It was also responsible for overseeing the operating and financial performance of the Company and establishing appropriate risk control policies and procedures in order to ensure that the strategic objectives of the Company are materialized. In addition, the Board was also responsible for improving the corporate governance structure and enhancing communications with shareholders.

The Board has delegated the responsibilities for the execution of strategies and decision-making for day-to-day operation of the Company to the management team headed by the Managing Director, Mr. Lam Wai Wah, Steven.

The management reported regularly to the Board on the operating and financial performance of the Company. Development, expansion and other major capital expenditure and commitment, as well as major financing decisions were all reviewed and approved by the Board.

Connections between members of the Board

None of the members of the Board have any connections (including financial, business, family relationship and other material/related relationships) with each other during the period under review.

Director's dealing in securities

Having made specific enquiry of all the Directors, the Company confirmed that all Directors had complied with their obligations regarding dealings in securities under the Model Code set out in Appendix 10 of the Listing Rules during the period under review.

Non-executive Directors

The non-executive Directors were not appointed for a specific term but were subject to retirement by rotation in accordance with the Company's Articles of Association.

董事會及董事會委員會

董事會

董事會負責本公司之企業管治，以及對本公司之活動、策略及財務表現承擔最終責任。

董事會主要負責制定及批准本公司之業務策略、目標、政策及計劃，以及監督本公司策略的執行。董事會亦負責監督本公司的經營及財務表現，制定合適的風險監控政策及程序，以確保本公司策略性目標的實現。此外，董事會亦負責改善企業管治結構及增強和股東的溝通。

董事會將本公司的策略執行、日常經營決策等職責轉授予由董事總經理林偉華先生領導的管理層團隊。

管理層向董事會定期報告本公司的經營及財務表現。發展、擴張及其他重大資本開支及承擔以及重要融資決策均由董事會審閱及批准。

董事會成員之關連

於回顧期間，董事會成員之間概無任何關連（包括財務、業務、家庭關係及其他重大／關聯關係）。

董事之證券交易

經向所有董事作出特定查詢後，本公司確認所有董事於回顧期間內已遵守上市規則附錄十所載之標準守則關於證券交易的規定。

非執行董事

非執行董事無固定任期，惟須根據本公司之組織章程細則輪值告退。

Independent non-executive Directors

The Company has received confirmation from each of the independent non-executive Directors as regards his independence to the Company and considered that each of the independent non-executive Directors was independent to the Company during the period under review.

Board committees

The Board was supported by three Board Committees. Each Board Committee has its own responsibilities, power and functions. The chairman of the respective Board Committees reported to the Board from time to time and made recommendations on matters discussed when appropriate.

The roles and functions of the Remuneration Committee were as follows:

- (1) to make recommendations to the Board on the Company's policy and structure for remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration;
- (2) to determine the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive Directors;
- (3) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (4) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and
- (5) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.

獨立非執行董事

本公司已接獲各名獨立非執行董事就彼等為本公司獨立人士之事宜而發出之確認函，並認為各名獨立非執行董事於回顧期間內確屬本公司獨立人士。

董事會委員會

董事會下設三個董事會委員會。各董事會委員會之職責、權力及職能各不相同。各董事會委員會的主席不時向董事會報告，並於適當時候就所討論事務向董事會提供建議。

薪酬委員會的職責及職能包括下列工作：

- (1) 就本公司董事及高級管理層的薪酬政策及架構，及就設立正規而具透明度的程序製訂此等薪酬政策，向董事會提出建議；
- (2) 釐定全體執行董事及高級管理層的特定薪酬待遇，包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的任何賠償），並就非執行董事的薪酬向董事會提出建議；
- (3) 透過參照董事會不時通過的公司宗旨及目標，檢討及批准按表現而釐定的薪酬；
- (4) 檢討及批准向執行董事及高級管理層支付那些與喪失或終止職務或委任有關的賠償，以確保該等賠償按有關合約條款釐定；若未能按有關合約條款釐定，賠償亦須公平合理，不會對本公司造成過重負擔；及
- (5) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排按有關合約條款釐定；若未能按有關合約條款釐定，有關賠償亦須合理適當。

The main role of the Nomination Committee was to assure the process of appointments and reelection of the Board members were transparent and to assess effectiveness of the Board as a whole and the contribution of individual directors to the effectiveness of the Board. The responsibilities of the Nomination Committee were as follows:

- (1) to regularly review the structure, size and composition (including skills, knowledge and experience) of the Board and make recommendations to the Board in relation to any proposed changes;
- (2) to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (3) to evaluate the independence of independent non-executive directors; and
- (4) to evaluate the performance of directors and make recommendations to the Board in respect of the appointment or re-appointment of directors and succession planning for directors in particular the Chairman and CEO.

The roles and functions of the Audit Committee were as follows:

- (1) primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
- (2) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (3) to develop and implement policies on the engagement of an external auditor to supply non-audit services. The Audit Committee should report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps may be taken;

提名委員會之主要職責為確保董事會成員委任及重選程序之透明度以及評估董事會之整體效率及董事個人對董事會效率之貢獻。提名委員會的職責包括下列工作：

- (1) 定期檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)並就任何擬作出的變動向董事會提出建議；
- (2) 物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事會成員或就此向董事會提供意見；
- (3) 評核獨立非執行董事的獨立性；及
- (4) 評估董事之表現及就董事委任或重新委任以及董事(尤其是主席以及行政總裁)繼任計劃的有關事宜向董事會提出建議。

審核委員會的職責及職能包括下列工作：

- (1) 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；
- (2) 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效。審核委員會應於核數工作開始前先與核數師討論核數性質及範疇及有關申報責任；
- (3) 就外聘核數師提供非核數服務制定政策，並予以執行。審核委員會應就其認為必須採取的行動或改善的事項向董事會報告，並建議有哪些可採取的步驟；

Corporate Governance Report (continued)

企業管治報告(續)

- | | |
|---|---|
| <p>(4) to monitor integrity of financial statements, accounts, annual reports and interim reports of the Company and to review significant financial reporting judgments contained in them, including:</p> <ul style="list-style-type: none">(a) any changes in accounting policies and practices;(b) major judgment areas;(c) significant adjustments resulting from audit;(d) the going concern assumptions and any qualifications;(e) compliance with accounting standards; and(f) compliance with the Listing Rules and other legal requirements in relation to financial reporting; | <p>(4) 監察本公司的財務報表、賬目、年度報告及中期報告的完整性，並審閱報表及報告所載有關財務申報的重大判斷，其中包括：</p> <ul style="list-style-type: none">(a) 會計政策及實務的任何更改；(b) 涉及重要判斷的地方；(c) 因核數而出現的重大調整；(d) 企業持續經營的假設及任何保留意見；(e) 是否遵守會計準則；及(f) 是否遵守有關財務申報的《上市規則》及其他法律規定； |
| <p>(5) to review the Company's financial controls, internal control and risk management systems;</p> | <p>(5) 檢討本公司的財務監控、內部監控及風險管理制度；</p> |
| <p>(6) to discuss with the management the system of internal control and ensure that the management has discharged its duty to have an effective internal control system;</p> | <p>(6) 與管理層討論內部監控系統，確保管理層已履行職責建立有效的內部監控系統；</p> |
| <p>(7) to consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response;</p> | <p>(7) 主動或應董事會的委派，就有關內部監控事宜的任何重要調查結果及管理層的回應進行研究；</p> |
| <p>(8) to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and</p> | <p>(8) 確保內部和外聘核數師的工作得到協調，及確保內部核數功能在本公司內部有足夠資源運作，並且有適當的地位；及</p> |
| <p>(9) to review and monitor the effectiveness of the internal audit function.</p> | <p>(9) 檢討及監察內部核數功能是否有效。</p> |

Meetings of the Board and Board Committees

The Directors' attendances at the meetings of the Board and the Board Committees for the year ended 31 December 2008 were as follows:

董事會及董事會委員會會議

於截至二零零八年十二月三十一日止年度，董事於董事會及董事會委員會會議的出席情況如下：

Director 董事	Number of meetings attended 出席會議次數			
	Board 董事會	Board Committees 董事會委員會		
		Audit 審核	Remuneration 薪酬	Nomination 提名
Executive directors: 執行董事：				
Lam Wai Wah, Steven 林偉華	3	n/a 不適用	n/a 不適用	n/a 不適用
Wong Pong Chun, James 黃邦俊	6	4	0	1
Cheung Tat Sang, James 張達生	6	n/a 不適用	n/a 不適用	n/a 不適用
Li Jian Hua 李建華	2	n/a 不適用	n/a 不適用	n/a 不適用
Independent non-executive directors: 獨立非執行董事：				
Chung Kam Kwong 鍾錦光	6	4	0	1
Heung Kai Sing 香啟誠	2	0	0	0
Ip Cho Ting, Spencer 葉祖亭	6	4	0	1
Total number of meetings held 舉行會議總數	6	4	0	1

Auditor's remuneration

For the year ended 31 December 2008, the fees paid to the Company's external auditor amounted to HK\$2,296,000, of which fees paid for non-audit services amounted to HK\$267,000.

核數師之薪酬

截至二零零八年十二月三十一日止年度，支付予本公司外聘核數師之費用為2,296,000港元，其中非核數服務費用為267,000港元。

Internal control

The Board was fully responsible for the maintenance of a sound and effective internal control system within the Group. Throughout the year from 1 January 2008 to 31 December 2008, the Board conducted reviews of the effectiveness of the internal control system in all material respects including but not limited to operational, financial, risk management and compliance controls. The Group's system of internal control comprised a well-defined organizational and management structure with levels and limits of authority which was established to help achieve business objectives, safeguard assets against unauthorized access or disposal, ensure the maintenance of proper accounting records to produce reliable management and financial information for internal use and for publication purpose, help management mitigate potential risk factors and ensure compliance with relevant rules and regulations. The system was designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems so as to achieve the Group's objectives and long-term goals.

The Group's internal control system comprised the following five components:

- (1) Organizational and Management Structure — the Group has established an organizational and management structure with operating policies and procedures, lines of responsibilities and delegated authority has already been established.
- (2) Authority and Control — the relevant executive Directors and senior management have been delegated with respective levels of authorities with regard to key corporate strategy and policy, contractual commitments and the dealing of price sensitive information.
- (3) Budgetary Control and Management and Financial Reporting — budgets have been prepared by senior management including various department heads and were subject to review and approval by the executive Directors on a regular basis prior to being adopted. Operating results against budgets have been analyzed and reported to the executive Directors as a reference to monitor the Group's strategy and policy. Regular reviews by the Audit Committee and audits by external auditors respectively have been carried out to ensure the preparation of the management information and financial statements are in accordance with the generally accepted accounting principles, the Group's accounting policies and applicable laws and regulations.

內部監控

董事會全權負責維持本集團的內部監控系統穩妥且有效。於二零零八年一月一日至二零零八年十二月三十一日止年度期間，董事會就內部監控系統之成效進行檢討，有關檢討涵蓋所有重要的監控方面，包括但不限於營運監控、財務監控、風險管理及合規監控。本集團內部監控系統包括一個明確界定標準及權限之組織及管理架構，旨在協助達致本集團的業務目標，保障資產免受未經授權使用或出售，確保備存適當的會計記錄以提供可靠的管理及財務資料作內部使用或刊發之用，幫助管理層減低潛在風險因素，以及確保遵守有關法規及規定。該系統旨在合理（但並非絕對）保證並無重大失實陳述或損失之情況，並管理（但非完全杜絕）營運系統之失誤風險以達致本集團之目的及長期目標。

本集團內部監控系統包括以下五個部份：

- (1) 組織及管理架構 — 本集團已建立一套組織及管理架構，訂明相關的營運政策及程序、職責及權限。
- (2) 權限及監控 — 相關執行董事及高級管理層已獲授予相關權限就主要的企業策略、政策、合約承諾及股價敏感資料處理有關事務。
- (3) 預算控制及管理及財務報告機制 — 高級管理層（包括各部門之負責人）制定的預算於獲採納前須由執行董事定期進行審閱及批准。經營業績亦與預算進行比較分析，並向執行董事報告，作為監察本集團策略及政策之參考。審核委員會已作出之定期檢討及外聘核數師已進行核數以確保管理層資料及財務報表之編製符合公認會計原則、本集團之會計政策以及適用法律及法規。

- (4) Systems and Procedures — systems and procedures have been established to identify, measure, manage and control various risks including business, compliance, operational, financial and information that may have an impact on the Group and each major department. Exposure to these risks was monitored by the executive Directors and the management with reference to the regular reports produced by the Audit Committee and the external auditors.
- (5) Internal Audit — the Audit Committee has performed independent reviews of the controls and risks identified to ensure that adequate controls have been put in place and risk elements have been properly addressed.

According to the review results of the Audit Committee for the year from 1 January 2008 to 31 December 2008, the Group's internal control system is functioning effectively and there was no significant weakness found in the course of the review processes. The Board has reviewed the effectiveness of the Group's internal control systems and is of the opinion that there are no suspected frauds, irregularities, internal control deficiencies or suspected infringement of laws, rules and regulations that cause the Board to believe that the systems of internal control are ineffective or inadequate. The Board is satisfied that the Company and the Group have fully complied with the code provisions on internal control as set out in the Corporate Governance Code for the aforesaid year.

- (4) 制度及程序 — 本集團建立制度及程序以辨別、量度、管理及控制各種風險，包括可能影響本集團及各主要部門的業務、合規、營運、財務及資訊等方面的風險。此等風險由執行董事及管理層參照審核委員會及外聘核數師作出的定期報告進行監控。
- (5) 內部審核 — 審核委員會對已辨別的監控及風險進行獨立檢討，以確保作出足夠的監控及適當處理風險因素。

根據審核委員會於二零零八年一月一日至二零零八年十二月三十一日止年度之審核結果，本集團之內部監控系統現正有效地運作，在審核的過程中並無發現嚴重弊病。董事會已檢討本集團內部監控系統的有效性，認為目前並無任何疑屬欺詐及不當行為、內部監控不足或涉嫌觸犯法例、規則及規定的情況致使董事會相信內部監控系統是沒有成效或有所不足。董事會確信本公司及本集團於上述年度完全遵守企業管治守則載列的內部監控守則條文。

► Independent Auditor's Report

獨立核數師報告書

Deloitte.

德勤

**TO THE SHAREHOLDERS OF
TRULY INTERNATIONAL HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Truly International Holdings Limited (the "Company") and its subsidiaries (collectively referred as the "Group") set out on pages 38 to 107, which comprise the consolidated balance sheet as at 31 December 2008, and 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 consolidated financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated 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.

致信利國際有限公司股東

(於開曼群島註冊成立之有限公司)

本核數師行已完成審核列載於第38至107頁信利國際有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。綜合財務報表包括於二零零八年十二月三十一日之綜合資產負債表，以及截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表連同主要會計政策摘要及其他附註解釋。

董事就綜合財務報表須承擔之責任

貴公司之董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製及真實與公平地列報該等綜合財務報表。此責任包括設計、實施及維持與編製及真實而公平地列報綜合財務報表相關的內部監控，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇及應用適當之會計政策，及按情況作出合理之會計估計。

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
8 April 2009

核數師之責任

本行之責任是根據本行之審核，對該等綜合財務報表提出意見，並根據已協定之委聘條款僅向全體股東報告本行之意見，而不作其他用途。本行概不就本報告內容向任何其他人士承擔或負任何責任。本行乃根據香港會計師公會頒佈之香港審計準則進行審核工作。該等準則要求本行遵守道德規範，並策劃及執行審核，以合理確定該等綜合財務報表是否不存在任何重大錯誤陳述。

審核涉及執程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。所選用之程序由核數師作判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。當核數師作出該等風險評估時，會考慮與該公司編製及真實與公平地列報綜合財務報表相關之內部監控，以設計適合當時情況之審核程序，但並不就該公司之內部監控效率發表意見。審核亦包括評價董事所採用之會計政策是否合適，及所作出之會計估計是否合理，以及評價綜合財務報表之整體呈列方式。

本行相信本行得到足夠及適當之審核憑證以作為提供該審核意見之基礎。

意見

本行認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴集團於二零零八年十二月三十一日之財務狀況及截至該日止年度 貴集團之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

德勤·關黃陳方會計師行
執業會計師

香港
二零零九年四月八日

► 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

		Notes 附註	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	6	5,669,274	6,493,394
Cost of sales	銷售成本		(4,973,300)	(5,387,613)
Gross profit	毛利		695,974	1,105,781
Other income	其他收入	8	89,397	85,669
Administrative expenses	行政費用		(238,876)	(168,753)
Distribution and selling expenses	分銷及銷售成本		(140,422)	(139,108)
Share of loss of an associate	應佔一家聯營公司虧損		—	(445)
Finance costs	財務費用	9	(67,015)	(57,821)
Profit before tax	除稅前溢利		339,058	825,323
Income tax expense	所得稅支出	10	(77,923)	(123,294)
Profit for the year	本年度溢利	11	261,135	702,029
Attributable to:	以下人士應佔：			
Equity holders of the Company	本公司股東		261,121	702,029
Minority interests	少數股東權益		14	—
			261,135	702,029
Dividends	股息	14	260,046	235,343
Earnings per share	每股盈利	15		
Basic	基本		HK\$0.55港元	HK\$1.49港元
Diluted	攤薄		HK\$0.55港元	HK\$1.46港元

► 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

			2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	4,214,029	3,214,313
Prepaid lease payments	預付租賃款項	17	129,630	119,908
Intangible assets	無形資產	18	18,307	22,121
Goodwill	商譽		413	413
Interest in an associate	於一家聯營公司之權益	19	—	391
Available-for-sale investments	可供出售投資	20	5,250	10,500
Deferred tax assets	遞延稅項資產	28	754	800
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之已付定金		28,908	39,148
			4,397,291	3,407,594
CURRENT ASSETS	流動資產			
Inventories	存貨	21	708,344	808,007
Prepaid lease payments	預付租賃款項	17	3,713	3,245
Loans receivable	應收貸款	22	53,479	53,442
Trade and other receivables	應收賬項及其他應收款項	23	649,718	1,030,674
Tax recoverable	可收回稅項		56,997	17,590
Derivative financial instruments	衍生金融工具	24	2,752	27,016
Bank balances and cash	銀行結存及現金	25	687,915	554,476
			2,162,918	2,494,450
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付賬項及其他應付款項	26	1,103,723	1,359,790
Tax liabilities	稅項債務		59,369	76,459
Derivative financial instruments	衍生金融工具	24	8,731	12,074
Bank and other borrowings, unsecured	銀行及其他借貸，無抵押	27	1,992,050	698,597
Bank overdrafts, unsecured	銀行透支，無抵押		526	653
			3,164,399	2,147,573
NET CURRENT (LIABILITIES) ASSETS	流動(負債)資產淨值		(1,001,481)	346,877
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		3,395,810	3,754,471
NON-CURRENT LIABILITIES	非流動負債			
Bank and other borrowings, unsecured	銀行及其他借貸，無抵押	27	120,569	688,059
Deferred tax liabilities	遞延稅項負債	28	29,136	34,081
			149,705	722,140
			3,246,105	3,032,331

Consolidated Balance Sheet (continued)

綜合資產負債表(續)

At 31 December 2008
於二零零八年十二月三十一日

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	29	47,288	47,274
Share premium and reserves	股份溢價及儲備		3,198,755	2,985,057
Equity attributable to equity holders of the Company	本公司股東應佔權益		3,246,043	3,032,331
Minority interests	少數股東權益		62	—
Total equity	權益總額		3,246,105	3,032,331

The consolidated financial statements on pages 38 to 107 were approved and authorised for issue by the Board of Directors on 8 April 2009 and are signed on its behalf by:

載於第38頁至第107頁之綜合財務報表已於二零零九年四月八日獲董事會批准及授權刊發，並由以下人士代表簽署：

Lam Wai Wah, Steven

林偉華

DIRECTOR

董事

Wong Pong Chun, James

黃邦俊

DIRECTOR

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

		Share	Share	Share	Capital	Exchange	Other	Retained		Minority		
	Share capital	premium	option reserve	Special reserve	redemption reserve	reserve	reserves	profits	Total	interests	Total	
	股本	股份溢價	購股權儲備	特別儲備	資本贖回儲備	外匯儲備	其他儲備	保留溢利	合計	少數股東權益	合計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
				(note a)			(note b)					
				(附註a)			(附註b)					
At 1 January 2007	於二零零七年一月一日	46,830	300,668	10,000	990	82	112,035	219,730	1,675,667	2,366,002	—	2,366,002
Exchange differences arising on translation of foreign operations and total income directly recognised in equity	換算海外經營業務所產生之外匯差額及已於股本內直接確認之收入總額	—	—	—	—	—	180,237	—	—	180,237	—	180,237
Profit for the year	本年度溢利	—	—	—	—	—	—	702,029	702,029	—	702,029	
Total recognised income for the year	本年度已確認收入總額	—	—	—	—	—	180,237	702,029	882,266	—	882,266	
Shares issued at premium	按溢價發行股份	444	18,962	—	—	—	—	—	19,406	—	19,406	
Transfer	轉撥	—	—	—	—	—	91,318	(91,318)	—	—	—	
Dividends paid	已付股息	—	—	—	—	—	—	(235,343)	(235,343)	—	(235,343)	
At 31 December 2007	於二零零七年十二月三十一日	47,274	319,630	10,000	990	82	292,272	311,048	2,051,035	3,032,331	—	3,032,331
Exchange differences arising on translation of foreign operations and total income directly recognised in equity	換算海外經營業務所產生之外匯差額及已於股本內直接確認之收入總額	—	—	—	—	—	212,340	—	—	212,340	—	212,340
Profit for the year	本年度溢利	—	—	—	—	—	—	261,121	261,121	14	261,135	
Total recognised income for the year	本年度已確認收入總額	—	—	—	—	—	212,340	261,121	473,461	14	473,475	
Arising from acquisition of additional interest in a subsidiary	收購一家附屬公司額外權益所產生之金額	—	—	—	—	—	—	—	—	48	48	
Shares issued at premium	按溢價發行股份	14	283	—	—	—	—	—	297	—	297	
Transfer	轉撥	—	—	—	—	—	136,309	(136,309)	—	—	—	
Dividends paid	已付股息	—	—	—	—	—	—	(260,046)	(260,046)	—	(260,046)	
At 31 December 2008	於二零零八年十二月三十一日	47,288	319,913	10,000	990	82	504,612	447,357	1,915,801	3,246,043	62	3,246,105

Notes:

- (a) The special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisitions.
- (b) Other reserves comprise statutory surplus reserve and enterprise expansion reserve of the subsidiaries established in the People's Republic of China other than Hong Kong (the "PRC"). According to the Articles of Association of the PRC subsidiaries, a percentage of net profit as reported in the PRC statutory accounts should be transferred to statutory surplus reserve and enterprise expansion reserve determined at the discretion of the board of directors of these companies. The statutory surplus reserve can be used to set off accumulated loss whilst the enterprise expansion reserve can be used for expansion of production facilities or increase in registered capital.

附註：

- (a) 特別儲備指所收購附屬公司之股份賬面值與本公司就收購而發行之股份賬面值兩者間之差額。
- (b) 其他儲備包括在中華人民共和國（不包括香港）（「中國」）成立之附屬公司之法定盈餘儲備及企業發展儲備。根據中國附屬公司之組織章程細則，中國法定賬目內呈報之純利若干百分比須轉撥至法定盈餘儲備及企業發展儲備，該百分比乃由該等附屬公司的董事會酌情決定。法定盈餘儲備可用作抵銷累計虧損，而企業發展儲備則可用於擴展生產設施或增加註冊資本。

► 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
	Note 附註		
OPERATING ACTIVITIES			
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	339,058	825,323
Adjustments for:	調整：		
Interest income	利息收入	(11,223)	(12,644)
Impairment loss on available-for-sale investments	可供出售投資減值虧損	5,250	—
Change in fair value on derivative financial instruments	衍生金融工具之公平值變動	(2,921)	(14,942)
Amortisation of development expenditure	發展支出攤銷	1,170	10,625
Amortisation of trademarks	商標攤銷	175	210
Amortisation of technical know-how	技術專業知識攤銷	5,665	—
Allowance for bad debts	壞賬撥備	5,178	7,160
Depreciation and amortisation of property, plant and equipment	物業、廠房及設備折舊及攤銷	417,918	263,398
Release of prepaid lease payments	解除預付租賃款項	3,713	3,245
Loss on disposal/write-off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	1,701	1,563
Government grants	政府補助	(1,421)	(5,456)
Finance costs	財務費用	67,015	57,821
Share of loss of an associate	應佔一家聯營公司虧損	—	445
Operating cash flows before movements in working capital	未計營運資金變動前之經營現金流量	831,278	1,136,748
Decrease (Increase) in inventories	存貨減少(增加)	139,458	(214,932)
Decrease (increase) in trade and other receivables	應收賬項及其他應收款項減少(增加)	433,736	(400,327)
(Decrease) increase in trade and other payables	應付賬項及其他應付款項(減少)增加	(234,643)	488,893
Settlement of derivative financial instruments	衍生金融工具結算	25,457	—
Cash generated from operations	經營業務所賺取之現金	1,195,286	1,010,382
Hong Kong Profits Tax paid	已繳香港利得稅	(37,073)	(48,190)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(107,231)	(64,016)
NET CASH FROM OPERATING ACTIVITIES	經營業務所產生之現金淨額	1,050,982	898,176
INVESTING ACTIVITIES			
INVESTING ACTIVITIES	投資業務		
Purchase of property, plant and equipment	購置物業、廠房及設備	(1,310,135)	(1,584,821)
Advancement of loans	貸款墊付	(42,298)	(53,442)
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之已付按金	(28,908)	(39,148)

Consolidated Cash Flow Statement (continued)

綜合現金流量表(續)

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
	Note 附註		
Addition of prepaid lease payments	預付租賃款項增加	(7,518)	(18,213)
Acquisition of intangible assets	收購無形資產	(3,196)	(19,601)
Additional interest in subsidiary	於附屬公司之額外權益	(324)	—
Repayment of loans receivable	償還應收貸款	45,455	—
Interest received	已收利息	11,223	12,644
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	10,319	—
Amount repaid from an associate	一家聯營公司償還款項	—	352
NET CASH USED IN INVESTING ACTIVITIES	投資業務所使用之現金淨額	(1,325,382)	(1,702,229)
FINANCING ACTIVITIES	融資活動		
Repayment of bank and other borrowings	償還銀行及其他借貸	(1,965,085)	(2,250,203)
Dividends paid	已付股息	(260,046)	(235,343)
Interest paid on bank and other borrowings	已付銀行及其他借貸利息	(67,015)	(57,821)
New bank and other borrowings raised	新造銀行及其他借貸	2,691,048	2,862,319
Proceeds from issue of shares	發行股份所得款項	297	19,406
NET CASH FROM FINANCING ACTIVITIES	融資活動產生之現金淨額	399,199	338,358
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加(減少)淨額	124,799	(465,695)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值項目	553,823	1,018,228
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	8,767	1,290
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by	年終之現金及現金等值項目，指	687,389	553,823
Bank balances and cash	銀行結存及現金	687,915	554,476
Bank overdrafts	銀行透支	(526)	(653)
		687,389	553,823

► Notes to the Consolidated Financial Statements

綜合財務報表附註

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

I. General

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company. The Company is a public limited company with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "General Information" to the annual report.

The functional currency of the Company is United State dollar. The consolidated financial statements are presented in Hong Kong dollar which is different from the functional currency of the Company, as the directors of the Company consider that Hong Kong dollars is the most appropriate presentation currency in view of its place of listing.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the business of manufacture and sale of liquid crystal display ("LCD") products and electronic consumer products including calculators and other electronic components.

2. Basis of preparation of consolidated financial statements

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by HK\$1,001,481,000 as at 31 December 2008. As at 31 December 2008, the Group had bank and other borrowings of HK\$2,112,619,000, of which HK\$1,812,036,000 were in breach of covenants and accordingly, an aggregate amount of HK\$883,702,000 with maturity date over one year was included in the consolidated balance sheet under current liabilities.

Subsequent to the balance sheet date, the Group has received waiver letters from certain banks which confirmed that they have agreed to waive the right to demand for immediate repayment of the loan balances of HK\$1,633,079,000. Accordingly, bank loans of HK\$834,202,000 which were classified as current liabilities at year end will be repaid after 2009 according to the original terms of repayment and the remaining balance of HK\$798,877,000 will be repaid according to the original terms of repayment in 2009. The directors of the Company believe that these loan facilities will continue to be available and will not be withdrawn within the next twelve months from the balance sheet date.

I. 一般事項

本公司於開曼群島根據開曼群島公司法註冊成立為一間受豁免公司。本公司為一間上市有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點之地址於年報「一般資料」一節披露。

本公司之功能貨幣為美元。本公司董事經考慮其上市地點，認為港幣為最適合之呈列貨幣，故綜合財務報表乃以本公司功能貨幣以外之港元呈報。

本公司乃投資控股公司，其附屬公司之主要業務為製造及銷售液晶顯示器（「液晶顯示器」）產品及電子消費產品，包括計算機及其他電子零部件。

2. 綜合財務報表之編製基準

鑒於本集團於二零零八年十二月三十一日之流動負債超過其流動資產1,001,481,000港元，於編製綜合財務報表時，本公司董事已審慎考慮本集團未來之流動資金。於二零零八年十二月三十一日，本集團擁有銀行及其他借款2,112,619,000港元，其中1,812,036,000港元違反了契約條款，因此，還款期超過一年的總金額883,702,000港元乃列入綜合資產負債表的流動負債項下。

於結算日後，本集團收到由若干銀行發出之豁免函，確認該等銀行同意豁免要求即時償還貸款結存1,633,079,000港元之權利。因此，於年底列為流動負債的銀行貸款834,202,000港元將於二零零九年之後按原訂還款條款償還，而餘下結存798,877,000港元將於二零零九年按原訂還款條款償還。本公司董事相信，該等銀行信貸將繼續生效且不會於結算日之後的未來十二個月內被撤回。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

2. Basis of preparation of consolidated financial statements (continued)

The directors of the Company are of the opinion that, taking into account of the internally generated funds of the Group and the presently available banking facilities, the Group has sufficient working capital for its present requirements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. Application of new or revised Hong Kong financial reporting standards (“HKFRSs”)

In the current year, the Group has applied the following amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

2. 綜合財務報表之編製基準(續)

本公司董事認為，經計及本集團內部產生之資金及目前可獲得之銀行信貸後，本集團擁有充裕的營運資金滿足當前所需。因此，綜合財務報表已按持續經營基準編製。

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

本年度內，本集團採納以下由香港會計師公會(「香港會計師公會」)頒佈之修訂及詮釋(「新訂香港財務報告準則」)，此等準則均已生效。

香港會計準則 第39號及 香港財務報告 準則第7號(修訂)	金融資產的 重新分類
香港(國際財務 報告詮釋委員會) — 詮釋第11號	香港財務報告準則 第2號：集團及 庫存股份交易
香港(國際財務 報告詮釋委員會) — 詮釋第12號	服務特許權安排
香港(國際財務 報告詮釋委員會) — 詮釋第14號	香港會計準則 第19號 — 界定福利 資產之限額、 最低資金要求 及兩者相互關係

採納新訂香港財務報告準則對本會計期間或過往會計期間業績和財務狀況之編製及呈列方式並無重大影響。因此，毋須就過往期間作出調整。

3. Application of new or revised Hong Kong financial reporting standards (“HKFRSs”)

(continued)

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible Hedged Items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments ²
HKFRS 8	Operating Segments ²
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives ⁴
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁵
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate ²

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團並無提早採用以下已頒佈但尚未生效之新訂及經修訂準則、修訂或詮釋。

香港財務報告準則(修訂)	香港財務報告準則之改進 ¹
香港會計準則第1號(經修訂)	財務報表的呈列 ²
香港會計準則第23號(經修訂)	借貸成本 ²
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ³
香港會計準則第32號及第1號(修訂)	清盤產生之可沽售金融工具及責任 ²
香港會計準則第39號(修訂)	合資格對沖項目 ³
香港財務報告準則第1號及香港會計準則第27號(修訂)	附屬公司、共同控制實體或聯營公司之投資成本 ²
香港財務報告準則第2號(修訂)	歸屬條件及取消 ²
香港財務報告準則第3號(經修訂)	業務合併 ³
香港財務報告準則第7號(修訂)	財務工具的披露修訂 ²
香港財務報告準則第8號	經營分類 ²
香港(國際財務報告詮釋委員會) – 詮釋第9號及香港會計準則第39號(修訂)	內含衍生工具 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第13號	客戶忠誠度計劃 ⁵
香港(國際財務報告詮釋委員會) – 詮釋第15號	房地產建造協議 ²

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

3. Application of new or revised Hong Kong financial reporting standards (“HKFRSs”) (continued)

HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation ⁶
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC)-Int 18	Transfer of Assets from Customers ⁷

¹ Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 July 2009

⁴ Effective for annual periods ending on or after 30 June 2009

⁵ Effective for annual periods beginning on or after 1 July 2008

⁶ Effective for annual periods beginning on or after 1 October 2008

⁷ Effective for transfers on or after 1 July 2009

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after the beginning of 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港(國際財務報告詮釋委員會) – 詮釋第16號	海外業務投資淨額對沖 ⁶
香港(國際財務報告詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產 ³
香港(國際財務報告詮釋委員會) – 詮釋第18號	轉讓客戶之資產 ⁷

- ¹ 於二零零九年一月一日或以後開始之年度期間生效，惟香港財務報告準則第5號之修訂於二零零九年七月一日或以後開始之年度期間生效
- ² 於二零零九年一月一日或以後開始之年度期間生效
- ³ 於二零零九年七月一日或以後開始之年度期間生效
- ⁴ 於二零零九年六月三十日或以後結束之年度期間生效
- ⁵ 於二零零八年七月一日或以後開始之年度期間生效
- ⁶ 於二零零八年十月一日或以後開始之年度期間生效
- ⁷ 於二零零九年七月一日或以後之轉讓生效

採納香港財務報告準則第3號(經修訂)可能會影響本集團收購日期為二零一零年一月一日開始或以後之業務合併之會計處理。香港會計準則第27號(經修訂)將影響本集團於附屬公司之所有權權益變動之會計處理。本公司董事預期，應用其他新訂及經修訂準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

4. Significant accounting policies

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on Stock Exchange and by the Hong Kong Companies Ordinance. The principal accounting policies adopted are as follows:

Basis of consolidation

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

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

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

All inter-company transactions and balances within the Group have been eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

4. 主要會計政策

誠如下文所載會計政策所闡釋，綜合財務報表乃根據歷史成本法編製，惟若干按公平值計量之金融工具除外。

綜合財務報表已按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例規定之適用披露資料。所採用之主要會計政策如下：

綜合賬目之基準

綜合財務報表包括本公司及本公司控制之實體(其附屬公司)之財務報表。倘本公司有權管理一個實體的財務及經營政策以便從其業務中取得利益，則具有控制權。

年內收購或出售之附屬公司之業績乃由收購生效日起或截至出售生效日止(如適用)計入綜合收益表。

倘有必要，則會調整附屬公司之財務報表，以使其會計政策與本集團其他成員公司所採用者一致。

本集團所有集團內公司間之交易及結餘已於綜合賬目時予以對銷。

綜合附屬公司資產淨值中的少數股東權益與本集團於其中的股本權益分開呈列。資產淨值中的少數股東權益包括於最初業務合併日期的該等權益金額及自合併日期起少數股東應佔權益變動。少數股東應佔虧損超出少數股東於附屬公司應佔的權益的差額，計入本集團的權益，惟僅以少數股東須承擔具約束力責任及能夠作出額外投資以彌補虧損為限。

4. Significant accounting policies (continued)

Business combinations

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

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

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

Goodwill

Goodwill arising on an acquisition of net assets and operations of another entity for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant acquiree at the date of acquisition.

For previously capitalised goodwill arising on acquisitions, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

Capitalised goodwill arising on an acquisition of net assets and operations of another entity is presented separately in the consolidated balance sheet.

4. 主要會計政策(續)

業務合併

收購業務採用收購法入賬。收購成本按所給予之資產、所產生或承擔之負債，以及由本集團為交換被收購方之控制權而發行的股本權益工具於交換日期的公平值總額，另加業務合併直接應佔之任何成本計量。被收購方符合香港財務報告準則第3號業務合併項下確認條件之可識別資產、負債及或然負債，於收購日期按其公平值確認。

收購產生之商譽確認為資產並初步按成本計量，即為業務合併成本超出本集團於已確認之可識別資產、負債及或然負債之公平值淨值中所佔權益之差額。倘重新評估後，本集團於被收購方之可識別資產、負債及或然負債之公平值淨值中所佔權益超過業務合併成本，差額即時在損益中確認。

少數股東於被收購方之權益初步按少數股東所佔已確認資產、負債及或然負債之公平值淨值的比例計量。

商譽

因收購另一實體之資產淨值及業務而產生而協議日期為於二零零五年一月一日之前的商譽，乃指收購成本超出本集團在有關被收購方之可識別資產及負債於收購日期之公平值中應佔權益之部份。

就過往已資本化的收購產生之商譽而言，本集團自二零零五年一月一日起不再繼續攤銷，而有關商譽每年及每當有跡象顯示與商譽有關之現金賺取單位有可能出現減值時進行減值測試(見下文會計政策)。

因收購另一實體之資產淨值及業務所產生之資本化商譽乃於綜合資產負債表獨立呈列。

4. Significant accounting policies (continued)

Goodwill (continued)

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

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Interest in an associate

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associate are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long term interests that, in substance, form part of the Group's net investment in the associates), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

4. 主要會計政策(續)

商譽(續)

就減值測試而言，收購所產生之商譽乃被分配到預期將從收購之協同效應中受益之各有關現金賺取單位，或現金賺取單位之組別。已獲分配商譽之現金賺取單位每年及每當該單位有可能出現減值之跡象時進行減值測試。就於某個財政年度之收購所產生之商譽而言，已獲分配商譽之現金賺取單位於該財政年度完結前進行減值測試。當現金賺取單位之可收回金額少於該單位之賬面值時，則會分配減值虧損，以削減首先分配到該單位，而之後以該單位各資產之賬面值為基準按比例分配到該單位之其他資產之任何商譽之賬面值。商譽之任何減值虧損乃直接於綜合收益表內確認。商譽之減值虧損於其後期間不予撥回。

若其後出售有關現金賺取單位，則在釐定出售損益之金額時會計及資本化商譽之應佔金額。

於聯營公司之權益

聯營公司指投資者對其擁有重大影響力的實體，且不屬於附屬公司或於合營公司的權益。

聯營公司之業績、資產及負債乃以會計權益法併入該等綜合財務報表。根據權益法，於聯營公司之投資乃按成本(經就本集團應佔該聯營公司資產淨值之收購後變動調整)減任何已識別減值虧損於綜合資產負債表中列賬。當本集團應佔聯營公司虧損相等於或超出其於該聯營公司之權益(包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司的投資淨額的一部份)，則本集團不再繼續確認其應佔進一步虧損。僅在本集團承擔法定或推定責任或代表該聯營公司付款之情況下，方就額外應佔虧損撥備並確認負債。

4. Significant accounting policies (continued)

Interest in an associate (continued)

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, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Revenue recognition

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

Revenue from sale of goods are recognised when goods are delivered and title has passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment, including building held for use in the production or supply of goods or services, or for administrative purposes other than properties under development, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment, other than buildings and properties under development, over their estimated useful lives, and after taking into account of their estimated residual value using the reducing balance method.

Buildings are depreciated over their useful lives, where shorter, in the terms of respective leases, using the straight-line method.

4. 主要會計政策(續)

於聯營公司之權益(續)

本集團應佔可識別資產、負債及或然負債之公平值淨值高於收購成本之差額，在重新進行評估後，即時於損益中確認。

當集團實體與本集團聯營公司進行交易，任何盈虧將以本集團應佔相關聯營公司權益為限予以對銷。

收益確認

收益乃以已收或應收代價之公平值計量，指於正常業務過程中出售貨品之經扣除折扣及有關銷售稅項之應收款項。

貨品之銷售收益乃在貨品已經付運及擁有權已轉移時確認。

金融資產利息收入按時間基準，參考未清還之本金，根據適用的實際利率計提。所適用之實際利率即於初步確認時，將金融資產預期年限內之估計未來所得現金準確折現至該資產賬面淨值之折算率。

物業、廠房及設備

物業、廠房及設備(包括持作生產或提供貨品或服務用途，或用作行政用途之樓宇，惟發展中物業除外)乃按成本值減其後累計折舊及累計減值虧損入賬。

物業、廠房及設備(發展中樓宇及物業除外)採用餘額遞減法經考慮其估計剩餘價值後，按該等資產之估計可使用年期計提折舊，以撇銷其成本。

樓宇採用直線法按其可使用年期或有關租期兩者之較短者計算折舊。

4. Significant accounting policies (continued)

Property, plant and equipment (continued)

Buildings in the course of development for production are carried at cost, less any identified impairment losses. Depreciation of these assets, on the same basis as other property within property, plant and equipment, commences when the assets are ready for their intended uses.

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

Intangible assets

Intangible assets including technical know-how acquired and the cost incurred in the registration of trademarks with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation is provided on a straight-line basis over their estimated useful lives.

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

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its estimated useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

4. 主要會計政策(續)

物業、廠房及設備(續)

用作生產之發展中樓宇以成本值減任何已識別減值虧損入賬。當此等資產可作擬定用途時，該等資產將按與物業、廠房及設備內之其他物業相同之基準開始計算折舊。

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

無形資產

無形資產(包括所收購的專門知識技術及註冊有限使用年期商標所產生之成本)乃按成本值減累計攤銷及任何累計減值虧損入賬。攤銷採用直線法按該等資產之估計可使用年期計提撥備。

研究活動費用於其產生期間確認為開支。

因開發費用而於內部形成之無形資產，只有在清晰界定之項目所引致之開發費用，預期可通過未來商業活動收回之情況下才會獲得確認。而由此所得之資產按其估計可使用年期以直線法攤銷，並按成本值減其後累計攤銷及任何累計減值虧損入賬。

如無法確認任何內部形成之無形資產，則開發費用於產生期間自損益扣除。

取消確認無形資產所產生之損益乃按該資產之出售所得款項淨額與其賬面值之差額計算，並在取消確認該資產時於綜合收益表中確認。

存貨

存貨乃以成本值及可變現淨值兩者之較低值入賬。成本值以先入先出法計算。

4. Significant accounting policies (continued)

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

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

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

4. 主要會計政策(續)

租賃

凡租約之條款基本上將資產擁有權之全部風險及回報轉由承租人承擔者，即歸類為融資租約。其他租約全部列作經營租約。

本集團作為租賃人

經營租約之租金收入乃按有關租約期限以直線法於綜合收益表確認。於磋商及安排經營租約時產生之初步直接成本計入租賃資產之賬面值，並按租約期限以直線法確認為開支。

本集團作為承租人

經營租約之應付租金按有關租約期限以直線法於損益扣除。作為訂立經營租約獎勵之已收及應收利益乃按租約期限以直線法確認為租金開支之減少。

租賃土地及樓宇

就租賃分類而言，租賃土地及樓宇之土地及樓宇部份被視作獨立項目，除非租賃款項不能可靠地在土地及樓宇部份間作出分配，於此情況下，整項租賃一般被當作融資租賃及作物業、廠房以及設備入賬。倘租賃款項能可靠分配，則土地之租賃權益會作為經營租約列賬。

外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)所進行之交易乃以其功能貨幣(即該實體營運所在之主要經濟環境之貨幣)按交易日期之現行匯率入賬。於各結算日，以外幣列值之貨幣項目乃按結算日之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目則不予重新換算。

貨幣項目結算及貨幣項目換算所產生之匯兌差額乃於產生之期間在損益中確認。

4. Significant accounting policies (continued)

Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to depreciable assets are presented as deferred income and are released to income over the useful lives of the assets. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are reported separately as other income.

Retirement benefit costs

Payments to the defined contribution retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated 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.

4. 主要會計政策(續)

外幣(續)

就呈報綜合財務報表而言，本集團經營業務之資產及負債乃按結算日之現行匯率換算為本集團之呈報貨幣(即港元)，而該等業務之收入及開支則按本年度之平均匯率換算，惟倘期內匯率顯著波動除外，於該情況下，則採用交易日期之現行匯率。所產生之匯兌差額(如有)乃確認為股本權益之獨立部份(匯兌儲備)。該項匯兌差額乃於出售海外經營業務之期間在損益中確認。

借貸成本

所有借貸成本乃於產生期間確認為財務費用並計入綜合收益表。

政府補助

政府補助在與相關費用配對所需之期間確認為收入。有關應折舊資產之補助呈列為遞延收入，及於資產可使用年期內撥作收入。有關開支項目之補助於該等開支自綜合收益表扣除之相同期間確認，並獨立呈報為其他收入。

退休福利成本

定額供款退休福利計劃供款於僱員提供服務使其有權享有供款之時作為開支扣除。

稅項

所得稅支出指現時應付稅項與遞延稅項之總和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括其他年度之應課稅收入或可扣減支出項目，亦不包括毋須課稅或不可扣稅之項目，故與綜合收益表所列溢利不同。本集團之即期稅項負債乃使用於結算日已生效或實質生效之稅率計算。

4. Significant accounting policies (continued)

Taxation (continued)

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

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. Deferred tax is charged or credited in the consolidated 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.

4. 主要會計政策(續)

稅項(續)

遞延稅項乃按綜合財務報表資產與負債賬面值及計算應課稅溢利所用之相應稅基兩者間之差額確認，並以資產負債表負債法列賬。遞延稅項負債通常會就所有應課稅暫時差額確認，而倘有可能利用可扣稅暫時差額抵扣應課稅溢利，則會確認遞延稅項資產。倘於一項交易中，因其他資產及負債之商譽或初步確認(不包括業務合併)產生之暫時差額既不影響應課稅溢利，亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃按因附屬公司及聯營公司之投資所產生之應課稅暫時差額進行確認，惟倘本集團可控制暫時差額撥回及暫時差額有可能不會於可預見將來撥回之情況則除外。

遞延稅項資產之賬面值於各結算日進行審閱，並於不可能有足夠應課稅溢利用於收回全部或部份資產價值時作出調減。

遞延稅項乃按預期於負債清償或資產變現之期間適用之稅率計算。遞延稅項於綜合收益表中扣除或計入綜合收益表，惟倘相關項目直接在股本權益中扣除或計入股本權益時則除外(在此情況下遞延稅項亦於股本權益中處理)。

4. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL comprise financial assets held for trading. At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with the changes in fair value recognised directly in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including loans receivable, trade and other receivables, amount due from an associate and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

4. 主要會計政策(續)

金融工具

金融資產及金融負債乃於集團實體成為工具合約條文之訂約方時在綜合資產負債表上確認。金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔之交易成本(於損益以公平值列值之金融資產及金融負債除外)乃於初步確認時加入金融資產或金融負債之公平值或自其公平值內扣除(視情況而定)。收購於損益以公平值列值之金融資產或金融負債直接應佔之交易成本即時於損益內確認。

金融資產

本集團之金融資產主要分類為於損益以公平值列值之金融資產、貸款及應收款項以及可供出售金融資產。所有以一般方式買賣之金融資產均按買賣日期基準確認及取消確認。一般方式買賣指資產須於市場規則或慣例所設定時限內交付之金融資產買賣。

於損益以公平值列值之金融資產(「於損益以公平值列值」)

於損益以公平值列值之金融資產包括持作買賣之金融資產。於初步確認後之各結算日，於損益以公平值列值之金融資產乃按公平值計算，而公平值之變動乃於產生期間直接於損益確認。

貸款及應收款項

貸款及應收款項乃並無於活躍市場報價之固定或可釐定付款之非衍生金融資產。於初步確認後各結算日，貸款及應收款項(包括應收貸款、貿易及其他應收款項、應收一間聯營公司款項以及銀行結存及現金)均採用實際利率法按攤銷成本減任何已識別減值虧損入賬(見下文金融資產減值虧損之會計政策)。

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale investments are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

At each balance sheet date subsequent to initial recognition, available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets other than financial assets at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

可供出售金融資產

可供出售投資乃未獲指定或未分類為於損益以公平值列值之金融資產、貸款及應收款項或持至到期投資之非衍生工具。

於初步確認後各結算日，並無活躍市場報價且公平值未能可靠計算之可供出售股本投資按成本值減任何已識別減值虧損計算(見下文金融資產減值虧損之會計政策)。

實際利率法

實際利率法乃一種於相關期間內計算金融資產之攤銷成本及分配利息收入之方法。實際利率指於初步確認時將金融資產在估計年期或更短期間(如適用)內之估計未來現金收入(包括所有構成實際利率一部份的已付或已收費用、交易成本以及其他溢價或折讓)準確折現至賬面淨值之折算率。

金融資產減值

金融資產(於損益以公平值列值者除外)於各結算日評估是否存在減值跡象。倘有客觀證據證明初步確認金融資產後發生之一項或多項事件導致金融資產之估計未來現金流量受到影響，則對金融資產計提減值。

客觀減值證據可包括：

- 發行人或對手方遇到嚴重財政困難；或
- 違約或拖欠利息或本金還款；或
- 借款人有可能破產或進行財務重組。

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payment, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivables is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

若干金融資產類別，如應收賬款及被評估為非個別減值之資產，其後按整體基準進行減值評估。應收款項組合之客觀減值證據可包括本集團過往之收款經驗、延遲還款次數增加以及與應收款項違約有關之全國或地方經濟狀況明顯改變。

就按攤銷成本列賬之金融資產而言，減值虧損乃於有客觀證據證明資產出現減值時於損益內確認，並按該資產之賬面值與按原先實際利率折現之估計未來現金流量之現值間之差額計量。

就按成本列賬之金融資產而言，減值虧損之金額以資產之賬面值與估計未來現金流量之現值(以類似金融資產之當前市場回報率折現)間之差額計量。該等減值虧損不會於其後期間撥回。

就所有金融資產而言，金融資產之賬面值直接按減值虧損調減，惟賬面值透過使用撥備賬目調減之貿易及其他應收款項除外。撥備賬目之賬面值變動乃於損益內確認。倘貿易及其他應收款項被視為無法收回，則於撥備賬目撇銷。其後收回過往撇銷之款項計入損益。

就按攤銷成本計量之金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生之事件相關聯，則先前確認之減值虧損透過損益撥回，惟該資產於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之攤銷成本。

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities at FVTPL comprise derivative financial instruments. At each balance sheet date subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with the changes in fair value recognised directly in profit or loss in the period in which they arise.

Financial liabilities

Financial liabilities (including trade and other payables, bank and other borrowings and bank overdrafts) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

4. 主要會計政策(續)

金融工具(續)

金融負債及股本

集團實體發行之金融負債及股本工具乃根據已簽訂之合同安排之性質與金融負債及股本工具之定義分類。

股本工具乃證明集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。

於損益以公平值列值之金融負債(「於損益以公平值列值」)

於損益以公平值列值之金融負債包括衍生金融工具。於初步確認後各結算日，於損益以公平值列值之金融負債以公平值計值，其公平值變動直接於變動產生之期間內於損益確認。

金融負債

金融負債包括貿易及其他應付款項、銀行及其他借貸以及銀行透支，其後以實際利率法按攤銷成本計算。

股本工具

本公司發行之股本工具於扣除直接發行成本後按已收所得款項記賬。

實際利率法

實際利率法乃一種於相關期間內計算金融負債的攤銷成本以及分配利息開支的方法。實際利率指於初步確認時將金融負債在估計年期或更短期間(如適用)內之估計未來現金付款準確折現至賬面淨值之折算率。

利息開支按實際利率基準確認。

4. Significant accounting policies (continued)

Financial instruments (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's 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 profit or loss.

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

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees after 7 November 2002 and vested on or after 1 January 2005

The fair value of services received determined by reference to the fair value of share options granted on or after 1 January 2005 is recognised as an expense in full at grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

4. 主要會計政策(續)

金融工具(續)

衍生金融工具

衍生工具最初於衍生合約簽訂日期以公平值確認，隨後於各結算日重新計算至公平值。所產生之收益或虧損即時於損益中確認。

取消確認

倘從資產收取現金流量之權利已到期，或金融資產已轉讓且本集團已將其於金融資產擁有權之絕大部份風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收及應收代價以及已直接於股本權益確認之累計損益總和之差額，將於損益中確認。

倘於有關合約之特定責任獲解除、註銷或到期，則相關金融負債將取消確認。取消確認之金融負債賬面值與已付或應付代價之差額，將於損益中確認。

以股份為基礎支付之交易

以權益結算以股份為基礎支付之交易

於二零零二年十一月七日之後授予僱員且於二零零五年一月一日或之後歸屬之購股權

已獲取服務之公平值參照於二零零五年一月一日或之後授出之購股權之公平值釐定，並於所批授購股權即時歸屬之授出日全部確認為開支，而權益(購股權儲備)亦相應增加。

於行使購股權之時，之前於購股權儲備確認之金額將轉撥至股份溢價賬。當購股權於歸屬日後被沒收或於屆滿日期仍未獲行使，則之前在購股權儲備確認之款項將轉撥至保留溢利。

4. Significant accounting policies (continued)

Share-based payment transactions (continued) Equity-settled share-based payment transactions (continued)

Share options granted to employees on or before 7 November 2002, or granted after 7 November 2002 and vested before 1 January 2005

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

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4. 主要會計政策(續)

以股份為基礎支付之交易(續) 以權益結算以股份為基礎支付之 交易(續)

於二零零二年十一月七日或之前授予僱 員之購股權，或於二零零二年十一月七 日之後授出且於二零零五年一月一日之 前歸屬之購股權

授出之購股權獲行使前，其財務影響不會計入綜合財務報表，且其價值亦不會於綜合收益表內確認扣除。於購股權獲行使後，由此發行之股份以股份賬面值記作增發股本，而每股行使價超出股份面值之餘額記作股份溢價。於行使日期之前失效或註銷之購股權將從尚未行使購股權名冊中刪除。

除商譽外之有形及無形資產之 減值虧損(參見上述有關商譽 之會計政策)

本集團於各結算日對有形及無形資產之賬面值進行審閱，以確認該等資產是否出現減值虧損跡象。倘資產之估計可收回金額低於其賬面值，則資產之賬面值減少至可收回金額。減值虧損即時確認為開支。

若減值虧損隨後撥回，資產之賬面值增加至經修訂估計可收回金額，但增加後之賬面值不得超過倘若資產於過往年度並未確認減值虧損所釐定之賬面值。減值虧損撥回即時於收益中確認。

5. 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 giving rise to a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated allowances for bad and doubtful debts

The Group makes allowances for bad and doubtful debts when there is objective evidence that debtors balances are impaired. The balances of the debtors are based on the present value of the estimated future cash flows discounted at the effective rate determined at initial recognition. The directors exercised a considerable amount of judgement in assessing the ultimate realisation of these receivables including the current creditworthiness and the past collection history of each customer. If the financial credit of customers of the Group were to deteriorate, resulting in an impairment of their activity to make payments and therefore affect the estimated future cash flow, additional allowance may be required.

6. Revenue

Revenue represents the gross proceeds received and receivable on the sale of goods during the year, net of sales tax, trade discounts and returns, and is analysed as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Sales of LCD products	銷售液晶體顯示器產品	5,555,605	6,362,402
Sales of electronic consumer products	銷售電子消費產品	113,669	130,992
		5,669,274	6,493,394

5. 估計不明朗因素的主要來源

可能導致下一財政年度資產及負債之賬面值須作重大調整的未來主要假設及結算日其他主要估計不明朗因素討論如下。

呆壞賬之估計撥備

當有客觀證據顯示應收賬項結餘出現減值時，本集團會就呆壞賬作出撥備。應收賬項結餘乃按估計未來現金流之現值(使用初步確認時釐定的實際利率折算)計量。董事於評估該等應收款項的最終變現時須作出大量判斷，包括各客戶目前之信用狀況及過往之還款記錄。倘本集團客戶之財務信用狀況出現惡化，導致其還款能力受損並因此影響估計未來現金流量，則須就此作出額外撥備。

6. 收益

收益指年內貨品銷售之已收及應收所得款項總額扣除銷售稅、貿易折讓及退貨，分析如下：

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

7. Business and geographical segments

Business segments

For management purposes, the Group is currently organised into two operating divisions — LCD products and electronic consumer products. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

LCD products	—	manufacture and distribution of LCD products
Electronic consumer products	—	manufacture and distribution of electronic consumer products

Segment information about these businesses is presented below:

For the year ended 31 December 2008

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益				
External sales	外銷	5,555,605	113,669	—	5,669,274
Inter-segment sales	分類間銷售	—	171,317	(171,317)	—
		5,555,605	284,986	(171,317)	5,669,274

Inter-segment sales are charged at prevailing market rates.

分類間銷售乃按當前市場利率支銷。

RESULT	業績			
Segment result	分類業績	350,062	1,303	351,365
Unallocated corporate income	未分配之公司收入			76,496
Unallocated corporate expenses	未分配之公司費用			(21,788)
Finance costs	財務費用			(67,015)
Profit before tax	除稅前溢利			339,058
Income tax expense	所得稅支出			(77,923)
Profit for the year	本年度溢利			261,135

7. 業務及地區分類

業務分類

就管理目的而言，本集團目前經營兩大業務 — 液晶體顯示器產品與電子消費產品，本集團以此等分類作為呈報其主要分類資料之基準。

主要業務如下：

液晶體顯示器產品	—	製造及分銷液晶體顯示器產品
電子消費產品	—	製造及分銷電子消費產品

此等業務之分類資料呈列如下：

截至二零零八年十二月三十一日止年度

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. Business and geographical segments (continued) 7. 業務及地區分類(續)

Business segments (continued)

As at 31 December 2008

Balance sheet

業務分類(續)

於二零零八年十二月三十一日

資產負債表

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產			
Segment assets	分類資產	5,176,542	576,521	5,753,063
Unallocated corporate assets	未分配之公司資產			807,146
Consolidated total assets	綜合資產總額			6,560,209
LIABILITIES	負債			
Segment liabilities	分類負債	1,076,276	27,085	1,103,361
Unallocated corporate liabilities	未分配之公司負債			2,210,743
Consolidated total liabilities	綜合負債總額			3,314,104

Other information

其他資料

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital additions	增加資本	1,300,916	52,572	—	1,353,488
Depreciation and amortisation	折舊及攤銷	377,963	46,965	—	424,928
Loss on disposal/write-off of property, plant and equipment	出售/撤銷物業、 廠房及設備之虧損	1,524	177	—	1,701
Allowance for bad debts	壞賬撥備	5,178	—	—	5,178
Impairment loss on available-for-sale investment	可供出售投資之 減值虧損	—	—	5,250	5,250

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. Business and geographical segments (continued) 7. 業務及地區分類(續)

Business segments (continued)
For the year ended 31 December 2007

業務分類(續)
截至二零零七年十二月三十一日
止年度

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益			
External sales	外銷	6,362,402	130,992	6,493,394
RESULT	業績			
Segment result	分類業績	814,674	14,444	829,118
Unallocated corporate income	未分配之公司收入			73,939
Unallocated corporate expenses	未分配之公司費用			(19,468)
Share of loss of an associate	應佔一間聯營公司之虧損	—	(445)	(445)
Finance costs	財務費用			(57,821)
Profit before tax	除稅前溢利			825,323
Income tax expense	所得稅支出			(123,294)
Profit for the year	本年度溢利			702,029

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. Business and geographical segments (continued) 7. 業務及地區分類(續)

Business segments (continued)

As at 31 December 2007

Balance sheet

業務分類(續)

於二零零七年十二月三十一日

資產負債表

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產			
Segment assets	分類資產	4,636,398	601,431	5,237,829
Interest in an associate	於一家聯營公司之權益	—	391	391
Unallocated corporate assets	未分配之公司資產			663,824
Consolidated total assets	綜合資產總額			5,902,044
LIABILITIES	負債			
Segment liabilities	分類負債	1,315,594	44,196	1,359,790
Unallocated corporate liabilities	未分配之公司負債			1,509,923
Consolidated total liabilities	綜合負債總額			2,869,713

Other information

其他資料

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子 消費產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital additions	增加資本	1,965,025	66,635	2,031,660
Depreciation and amortisation	折舊及攤銷	239,698	34,535	274,233
Loss on disposal/write-off of property, plant and equipment	出售/撤銷物業、廠房及 設備之虧損	1,508	55	1,563
Allowance for bad debts	壞賬撥備	5,289	1,871	7,160

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

7. Business and geographical segments (continued)

Geographical segments

The Group's manufacturing operation is located in the PRC. The sales and marketing functions are located at all reportable segments as listed below.

The revenue of the Group, analysed by location of customers, is as follows:

		Revenue by geographical segments 按地區分類劃分之收益	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
PRC	中國	4,507,916	5,162,994
South Korea	南韓	414,004	595,018
Japan	日本	109,410	115,532
Hong Kong	香港	268,661	178,636
Europe	歐洲	179,920	282,110
Others	其他	189,363	159,104
		5,669,274	6,493,394

A majority of sales arising on sales of goods and the relevant cost of goods sold are denominated and settled in USD.

7. 業務及地區分類(續)

地區分類

本集團之製造業務位於中國。銷售及市場推廣業務則位於下文所呈列之所有地區。

本集團按客戶所在地區分類分析之收益如下：

銷售額大部份來自貨品銷售，已售貨品之相關成本以美元列值及結算。

7. Business and geographical segments (continued) 7. 業務及地區分類(續)

Geographical segments (continued)

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located:

		Carrying amount of segment assets 分類資產賬面值		Additions to property, plant and equipment and intangible assets 物業、廠房及設備 以及無形資產之添置	
		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
PRC	中國	5,140,202	4,495,128	1,348,049	1,982,658
Hong Kong	香港	587,440	697,621	5,352	49,002
Europe	歐洲	46	87	—	—
Others	其他	25,375	44,993	87	—
		5,753,063	5,237,829	1,353,488	2,031,660

地區分類(續)

以下為按資產所在地區分析之分類資產賬面值與添置物業、廠房及設備以及無形資產：

8. Other income

8. 其他收入

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Other income includes:	其他收入包括：		
Fair value changes on derivative financial instruments	衍生金融工具之公平值變動	2,921	14,942
Government grants	政府津貼	1,421	5,456
Interest income	利息收入	11,223	12,644
Rental income	租金收入	5,491	4,064
Tax refund on reinvestment (note)	重新投資之稅務退款(附註)	56,861	42,289

Note: Pursuant to the relevant laws and regulations in the PRC, the immediate holding company of the PRC subsidiaries, 信利半導體有限公司, is entitled for the tax refund on the reinvestment on its profits. The tax approval was obtained from the relevant tax bureau before the financial year end dates.

附註：根據中國之有關法律及法規，中國附屬公司之直接控股公司信利半導體有限公司有權就其溢利獲得重新投資之稅務退款。於財政年度結束日期之前，已獲得相關稅務局之稅務審批。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

9. Finance costs

		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 and other borrowings wholly repayable within five years	銀行利息及其他須於五年內全部償還之借款	67,015	57,821

9. 財務費用

10. Income tax expense

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Current tax:	本期稅項：		
Hong Kong	香港	8,662	16,300
PRC Enterprise Income Tax	中國企業所得稅	77,271	113,055
Other jurisdictions	其他司法權區	5	110
		85,938	129,465
Overprovision in prior years:	以往年度超額撥備：		
Hong Kong	香港	(3,116)	(1,383)
		82,822	128,082
Deferred tax (note 28)	遞延稅項(附註28)		
— Current year	— 本年度	(2,984)	(4,788)
— Attributable to a change in tax rate	— 由稅率變動所產生	(1,915)	—
		(4,899)	(4,788)
Income tax expense for the year	本年度所得稅支出	77,923	123,294

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

Income tax arising in PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

於二零零八年六月二十六日，香港立法會通過二零零八年度收入條例草案，其中包括由二零零八／二零零九評稅年度起將公司利得稅稅率由17.5%減至16.5%。因此，香港利得稅乃按本年度估計應課稅溢利之16.5%（二零零七年：17.5%）計算。

於中國及其他司法權區所產生之所得稅乃根據有關司法權區適用之稅率計算。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

10. Income tax expense (continued)

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

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

		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	除稅前溢利	339,058	825,323
Tax at the applicable income tax rate of 23.01% (2007: 26.7%)	適用所得稅稅率為23.01% (二零零七年：26.7%)	78,009	220,768
Tax effect of share of profits of an associate	應佔一間聯營公司溢利之稅務影響	—	78
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	18,628	21,107
Tax effect of income not taxable for tax purpose	毋須扣稅收入之稅務影響	(14,747)	(9,040)
Overprovision in respect of prior years	過往年度超額撥備	(3,116)	(1,383)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	928	1,069
Effect of tax concession granted to a PRC subsidiary	中國附屬公司獲授稅務優惠之影響	—	(109,369)
Effect of change in tax rate	稅率變動之影響	(1,915)	—
Others	其他	136	64
Income tax expense for the year	本年度所得稅支出	77,923	123,294

Note: The average income tax rate for the year ended 31 December 2008 and 2007, represents the weighted average tax rate of the operations in different jurisdictions on the basis of the relevant amounts of net profits before taxation and the relevant rate for the year.

For the years of assessment from 1999/2000 to 2005/2006, the Inland Revenue Department ("IRD") issued profits tax assessments, in aggregate, of approximately HK\$55,050,000 against a wholly-owned subsidiary of the Company. The Group lodged objections with the IRD against the protective assessments. The IRD agreed to hold over the tax claimed completely subject to the subsidiary in question purchasing tax reserve certificates for those years of assessment. These tax reserve certificates amounting to HK\$32,402,000 were purchased by the relevant subsidiary.

10. 所得稅支出(續)

於二零零七年三月十六日，根據中華人民共和國主席令第63號，中國頒佈中國企業所得稅法(「新稅法」)。於二零零七年十二月六日，中國國務院頒發新稅法《實施條例》。根據新稅法及其《實施條例》，自二零零八年一月一日起，法定稅率將調整為25%。

本年度之稅項支出與綜合收益表之除稅前溢利之對賬如下：

附註：截至二零零八年及二零零七年十二月三十一日止年度之平均所得稅稅率指根據除稅前溢利淨額相關款額及年內相關稅率計算之不同司法權區業務之加權平均稅率。

根據稅務局(「稅務局」)向本公司全資附屬公司發出之利得稅評稅，其於一九九九／二零零零至二零零五／二零零六年度稅務評核之總額約為55,050,000港元。本集團已就該保障性評稅向稅務局提出反對。稅務局同意緩繳所徵收的全部稅款，惟所涉及之附屬公司須就該等年度之評核購買儲稅券。該等儲稅券為數32,402,000港元，已由相關附屬公司購買。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

10. Income tax expense (continued)

The directors of the Company believe that no profits tax is payable by the Group in respect of the concerned subsidiary, no provision for Hong Kong Profits Tax in respect of the protective assessments is necessary.

11. Profit for the year

10. 所得稅支出(續)

本公司董事認為，本集團無須就相關附屬公司繳付所得稅，亦無須就相關保障性評稅作出香港所得稅撥備。

11. 本年度溢利

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit for the year has been arrived at after charging:	本年度溢利經扣除下列各項：		
Allowance for doubtful debts	呆賬撥備	5,178	7,160
Auditor's remuneration	核數師酬金	2,029	1,977
Cost of inventories	存貨成本	4,820,319	5,336,606
Depreciation and amortisation on:	以下各項之折舊及攤銷：		
Property, plant and equipment	物業、廠房及設備	417,918	263,398
Development expenditure included in cost of sales	發展支出(計入銷售成本)	1,170	10,625
Technical know-how included in cost of sales	技術專業知識(計入銷售成本)	5,665	—
Trademarks included in cost of sales	商標(計入銷售成本)	175	210
		424,928	274,233
Net foreign exchange losses (included in administrative expenses)	外匯虧損淨額(計入行政費用)	35,845	12,390
Loss on disposal/write-off of property, plant and equipment	出售/撤銷物業、廠房及設備之虧損	1,701	1,563
Impairment loss on available-for-sale investments	可供出售投資之減值虧損	5,250	—
Operating lease rental in respect of rented premises	租賃物業之經營租約租金	7,277	4,729
Release of prepaid lease payments	解除預付租賃款項	3,713	3,245
Research costs included in cost of sales	研究成本(計入銷售成本)	1,170	10,624
Staff costs, inclusive of directors' remuneration:	員工成本，包括董事酬金：		
Salaries and other benefits	薪金及其他福利	383,095	374,193
Retirement benefits scheme contributions	退休福利計劃供款	29,913	19,408
		413,008	393,601

Of the consolidated profit for the year of HK\$261,135,000 (2007: HK\$702,029,000), a profit of HK\$270,236,000 (2007: HK\$235,306,000) has been dealt with in the financial statements of the Company.

於261,135,000 港元之本年度綜合溢利當中(二零零七年：702,029,000 港元)，270,236,000 港元(二零零七年：235,306,000 港元)已於本公司之財務報表中處理。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

12. Directors' remuneration

12. 董事酬金

		Lam Wai Wah, Steven (Chairman and Managing Director) 林偉華 (主席及董事總經理)	Wong Pong Chun, James (Executive Director) 黃邦俊 (執行董事)	Cheung Tat Sang, James (Marketing Director) 張達生 (市場推廣董事)	Li Jian Hua (Production Managing Director) 李建華 (生產部董事總經理)	Chung Kam Kwong 鍾錦光	Ip Cho Ting, Spencer 葉祖亨	Heung Kai Sing 香啟誠	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2008	二零零八年								
Directors' fees:	董事袍金：								
Executive Independent non-executive	執行獨立非執行	—	—	—	—	—	—	—	—
Other emoluments paid to the executive directors:	支付予執行董事之其他酬金：								
Salaries and other benefits	薪金及其他福利	2,031	1,122	1,592	1,888	—	—	—	6,633
Performance related incentive payments (note)	與業績掛鈎之獎金(附註)	5,175	—	312	640	—	—	—	6,127
Contributions to retirement benefit scheme	退休福利計劃供款	24	24	24	12	—	—	—	84
		7,230	1,146	1,928	2,540	88	50	50	13,032
2007	二零零七年								
Directors' fees:	董事袍金：								
Executive Independent non-executive	執行獨立非執行	—	—	—	—	—	—	—	—
Other emoluments paid to the executive directors:	支付予執行董事之其他酬金：								
Salaries and other benefits	薪金及其他福利	2,113	1,272	1,558	1,800	—	—	—	6,743
Performance related incentive payments (note)	與業績掛鈎之獎金(附註)	5,000	—	1,250	1,500	—	—	—	7,750
Contributions to retirement benefit scheme	退休福利計劃供款	24	24	24	12	—	—	—	84
		7,137	1,296	2,832	3,312	88	50	50	14,765

Note:

The performance related incentive payments are determined as a percentage of the turnover and operating profit of the Group for the year ended 31 December 2008.

附註：

與業績掛鈎之獎金乃按本集團截至二零零八年十二月三十一日止年度營業額及營運溢利之一定比例釐定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

13. Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three (2007: three) were directors of the Company whose emoluments are set out in note 12 above. The emoluments of the remaining two (2007: two) individuals were as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,494	3,954
Performance related incentive payments	與業績掛鈎之獎金	512	475
Contributions to retirement benefit scheme	退休福利計劃供款	24	36
		4,030	4,465

Their emoluments were within the following bands:

有關僱員酬金之金額介乎：

		2008 二零零八年 Number of employees 僱員數目	2007 二零零七年 Number of employees 僱員數目
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	1
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	1	1

14. Dividends

14. 股息

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Dividend paid during the year:	於本年度已派發股息：		
Interim dividend of 25 HK cents (2007: 25 HK cents) per share	中期股息每股25港仙 (二零零七年：25港仙)	118,220	117,985
Final dividend in respect of 2007 of 30 HK cents (2007: in respect of 2006 of 25 HK cents) per share	二零零七年之末期股息每股30港仙 (二零零七年：二零零六年之末期股息25港仙)	141,826	117,358
		260,046	235,343

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

14. Dividends (continued)

A final dividend of 1 HK cent (2007: 30 HK cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

14. 股息(續)

董事已建議派發末期股息每股1港仙(二零零七年: 30港仙), 惟須經由股東於應屆股東週年大會上批准。

15. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Earnings for the purposes of basic and diluted earnings per share	用作計算每股基本及攤薄盈利之盈利	261,121	702,029

15. 每股盈利

每股基本盈利及每股攤薄盈利乃按下列數據計算:

盈利

Number of shares

股份數目

		2008 二零零八年	2007 二零零七年
Weighted average number of ordinary shares for the purposes of basic earnings per share	用作計算每股基本盈利之加權平均普通股數目	472,805,938	470,304,880
Effect of dilutive potential ordinary shares: Share options issued by the Company	潛在普通股攤薄影響: 本公司所發行之購股權	349,309	11,156,785
Weighted average number of ordinary shares for the purposes of diluted earnings per share	用作計算每股攤薄盈利之加權平均普通股數目	473,155,247	481,461,665

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

16. Property, plant and equipment

16. 物業、廠房及設備

		Buildings	Furniture, fixtures and equipment	Plant and machinery	Motor vehicles	Properties under development	Total
		樓宇	傢俬、裝置及設備	廠房及機器	汽車	發展中物業	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
COST	成本值						
At 1 January 2007	於二零零七年一月一日	372,649	217,732	1,635,151	20,691	209,591	2,455,814
Currency realignment	貨幣調整	8,489	13,829	93,676	696	11,845	128,535
Transfer	轉撥	237,277	—	—	—	(237,277)	—
Additions	添置	8,882	125,234	1,636,454	12,155	229,334	2,012,059
Disposals/write off	出售/撤銷	—	(1,894)	(15,632)	—	—	(17,526)
At 31 December 2007	於二零零七年十二月三十一日	627,297	354,901	3,349,649	33,542	213,493	4,578,882
Currency realignment	貨幣調整	19,069	19,034	90,891	668	12,761	142,423
Transfer	轉撥	226,254	—	—	—	(226,254)	—
Additions	添置	—	2,785	1,183,190	1,372	162,832	1,350,179
Acquisition of a subsidiary	收購附屬公司	—	113	—	—	—	113
Disposals/write off	出售/撤銷	—	(306)	(22,341)	(3,094)	—	(25,741)
At 31 December 2008	於二零零八年十二月三十一日	872,620	376,527	4,601,389	32,488	162,832	6,045,856
DEPRECIATION AND IMPAIRMENT	折舊及減值						
At 1 January 2007	於二零零七年一月一日	80,497	117,018	838,695	15,884	—	1,052,094
Currency realignment	貨幣調整	1,540	8,295	54,573	632	—	65,040
Provided for the year	本年度撥備	9,759	33,119	215,474	5,046	—	263,398
Eliminated on disposals/write off	出售/撤銷對銷	—	(1,667)	(14,296)	—	—	(15,963)
At 31 December 2007	於二零零七年十二月三十一日	91,796	156,765	1,094,446	21,562	—	1,364,569
Currency realignment	貨幣調整	1,611	8,471	52,430	549	—	63,061
Provided for the year	本年度撥備	21,009	35,477	358,241	3,191	—	417,918
Eliminated on disposals/write off	出售/撤銷對銷	—	(1)	(11,330)	(2,390)	—	(13,721)
At 31 December 2008	於二零零八年十二月三十一日	114,416	200,712	1,493,787	22,912	—	1,831,827
CARRYING VALUES	賬面值						
At 31 December 2008	於二零零八年十二月三十一日	758,204	175,815	3,107,602	9,576	162,832	4,214,029
At 31 December 2007	於二零零七年十二月三十一日	535,501	198,136	2,255,203	11,980	213,493	3,214,313

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

16. Property, plant and equipment (continued)

The cost of buildings is depreciated over forty years or the terms of the respective leases, whichever is the shorter, using the straight-line method.

The other items of property, plant and equipment are depreciated on a reducing balance method at the following rates per annum:

Furniture, fixtures and equipment	15% to 50%
Plant and machinery	15% to 40%
Motor vehicles	25% to 45%

16. 物業、廠房及設備(續)

樓宇之成本以直線法以四十年年期或有關租賃年期(以較短者為準)折舊。

其他物業、廠房及設備之項目以餘額遞減法，按以下年率計算折舊：

傢俬、裝置及設備	15%至50%
廠房及機器	15%至40%
汽車	25%至45%

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
The carrying value of the Group's property interests shown above comprises:	上述本集團物業權益之賬面值包括：		
Leasehold properties in Hong Kong held under medium term leases	根據中期租約在香港持有之租賃物業	9,689	10,013
Leasehold properties in the PRC held under medium term leases	根據中期租約在中國持有之租賃物業	748,515	525,488
		758,204	535,501

17. Prepaid lease payments

17. 預付租賃款項

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
The Group's prepaid lease payments comprise:	本集團預付租賃款項包括：		
Leasehold land in Hong Kong held under medium-term lease	根據中期租約在香港持有之租賃土地	9,011	9,249
Land use rights in the PRC held under medium-term lease	根據中期租約在中國持有之土地使用權	124,332	113,904
		133,343	123,153
Analysed for reporting purposes as:	就匯報目的分析如下：		
Non-current asset	非流動資產	129,630	119,908
Current asset	流動資產	3,713	3,245
		133,343	123,153

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

18. Intangible assets

18. 無形資產

		Development expenditure 發展支出 HK\$'000 千港元	Technical know-how 技術專業知識 HK\$'000 千港元	Trademarks 商標 HK\$'000 千港元	Total 總額 HK\$'000 千港元
COST 成本值					
At 1 January 2007	於二零零七年 一月一日	43,602	—	3,464	47,066
Additions	增加	—	19,601	—	19,601
Write off	撇銷	—	—	(2,052)	(2,052)
At 31 December 2007	於二零零七年 十二月三十一日	43,602	19,601	1,412	64,615
Additions	增加	—	3,060	136	3,196
At 31 December 2008	於二零零八年 十二月三十一日	43,602	22,661	1,548	67,811
AMORTISATION 攤銷					
At 1 January 2007	於二零零七年 一月一日	30,639	—	3,072	33,711
Provided for the year	本年度撥備	10,625	—	210	10,835
Eliminated on write-off	撇銷對銷	—	—	(2,052)	(2,052)
At 31 December 2007	於二零零七年 十二月三十一日	41,264	—	1,230	42,494
Provided for the year	本年度撥備	1,170	5,665	175	7,010
At 31 December 2008	於二零零八年 十二月三十一日	42,434	5,665	1,405	49,504
CARRYING VALUES 賬面值					
At 31 December 2008	於二零零八年 十二月三十一日	1,168	16,996	143	18,307
At 31 December 2007	於二零零七年 十二月三十一日	2,338	19,601	182	22,121

Development expenditure, technical know-how and trademarks are amortised on a straight-line basis over 4 years.

發展支出、技術專業知識及商標乃以直線法攤銷，攤銷期為四年。

19. Interest in an associate

19. 於一家聯營公司之權益

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cost of investment in unlisted associate	投資非上市聯營公司成本	—	500
Share of post-acquisition profits, net of dividend received	應佔收購後溢利，扣除已收股息	—	(109)
		—	391

During the year, the Group acquired additional equity interest of 44% in Truly Semiconductors (Korea) Ltd. Accordingly, the associate became the subsidiary of the Group.

本年度，本集團收購 Truly Semiconductors (Korea) Ltd. 之 44% 額外權益。因此，該聯營公司成為本集團之附屬公司。

Particulars of the associate of the Group at 31 December 2007 are as follows:

本集團於二零零七年十二月三十一日之聯營公司之詳情如下：

Name of associate 聯營公司名稱	Form of business structure 業務架構形式	Country of incorporation/ operation 註冊成立/ 營業國家	Class of shares held 所持股份類別	Proportion of nominal value of issued capital held by the Group 本集團持有之已發行股本賬面值之百分比	Principal activity 主要業務
Truly Semiconductors (Korea) Ltd. (formerly known as Truly Instrument (Korea) Company Limited)	Incorporated	South Korea	Ordinary	50%	Trading of electric consumer products
Truly Semiconductors (Korea) Ltd. (前稱 Truly Instrument (Korea) Company Limited)	註冊為法團	南韓	普通股		電子消費產品貿易

The summarised financial information in respect of the Group's associate is set out below:

本集團聯營公司有關財務資料概述如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Total assets	總資產	—	1,408
Total liabilities	總負債	—	(627)
Net assets	淨資產	—	781
Group's share of net assets of an associate	本集團應佔一家聯營公司淨資產	—	391

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

19. Interest in an associate (continued)

		Year ended 31.12.2008 截至 二零零八年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31.12.2007 截至 二零零七年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收益	—	4,438
Loss for the year	本年度虧損	—	(890)
Group's share of loss of an associate for the year	本集團年內應佔一家聯營公司虧損	—	(445)

20. Available-for-sale investments

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Unlisted equity shares, at cost	非上市權益股份(按成本值)	10,500	10,500
Less: Impairment loss recognised	減: 已確認減值虧損	(5,250)	—
		5,250	10,500

The investments represent the unlisted equity shares issued by private entities in Japan. The investments are stated at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair value cannot be measured reliably.

The Group recognised an impairment loss of HK\$5,250,000 for the year after taking into account the estimated cash flows to be recovered from the investments.

19. 於一家聯營公司之權益(續)

20. 可供出售投資

該投資指一家於日本的私人實體發行的非上市權益股份。由於其合理公平值之估計範圍過大，本公司董事認為其公平值不能可靠計量，故於各結算日按成本值減減值入賬。

本集團經計及將從該投資收回之估計現金流量後，確認本年度減值虧損5,250,000港元。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

21. Inventories

21. 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	202,230	395,163
Work in progress	在製品	322,320	203,521
Finished goods	製成品	183,794	209,323
		708,344	808,007

22. Loans receivable

22. 應收貸款

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Fixed-rate loan receivable	定息應收貸款		
— At contemporary lending rate quoted by the People's Bank of China (Note 1)	— 按中國人民銀行所報之 同期借款利率計(附註1)	22,727	42,891
— At 4% (Note 2)	— 按利率4%計(附註2)	5,990	—
Interest-free loans receivable (Note 3)	免息應收貸款(附註3)	24,762	10,551
		53,479	53,442

Aging of loan receivables which are past due but not impaired:

已過期但未減值之應收貸款賬齡分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within 60 days	60天以內	33,932	—
More than 60 days	60天以上	—	42,891
		33,932	42,891

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

22. Loans receivable (continued)

Notes:

1. The amount is unsecured and will be repayable within one year from the date when the loan agreement was entered into. Based on the loan agreement entered into between a subsidiary of the Company ("subsidiary") and an independent third party, after the expiry of the loan agreement, the independent third party agrees to repay and compensate the subsidiary by repaying the principal outstanding balance together with the interest which is calculated on the basis of the contemporary lending interest rate of 0.625% (2007: 0.465%) per month provided by the People's Bank of China. Any further delay in the repayment of the outstanding balance will subject to an additional penalty interest of 30% (2007: 2% per month).
2. The amounts are unsecured, bears fixed interest rate of 4% per annum and repayable within one year the date when the loan agreement was entered into.
3. The amounts are unsecured, interest-free and repayable within one year the date when the loan agreement was entered into.

23. Trade and other receivables

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade receivables	應收賬款	610,918	972,272
Less: Allowance for doubtful debts	減：呆賬撥備	(6,745)	(9,150)
		604,173	963,122
Other receivables, deposits and prepayment	其他應收款項、定金及預付款項	45,545	67,552
Total trade and other receivables	應收賬款及其他應收款項總額	649,718	1,030,674

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

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Denominated in HK\$	以港元計值	61,847	53,139
Denominated in Euro	以歐元計值	1,346	2,115

22. 應收貸款(續)

附註：

1. 該款項為無抵押及須於貸款協議訂立日期起一年內收回。根據本公司一家附屬公司(「附屬公司」)與一名獨立第三方訂立的貸款協議，於該貸款協議到期後，獨立第三方同意連同利息返還未償還本金結餘，利息以中國人民銀行公佈的同期月度借款利率0.625% (二零零七年：0.465%) 為基準計算，以償還及補償附屬公司。若進一步延遲償還未償結餘，則須追加30% (二零零七年：每月2%) 的罰息。
2. 該款項為無抵押、按固定年利率4%計算且須於貸款協議訂立日期起一年內收回。
3. 該款項為無抵押、免息且須於貸款協議訂立日期起一年內收回。

23. 貿易及其他應收款項

本集團以有關集團實體功能貨幣以外之貨幣列值之應收賬款載列如下：

23. Trade and other receivables (continued)

The Group allows an average credit period ranging from 30 to 90 days to its trade customers. The following is an aged analysis of trade receivables, net of allowance for doubtful debts at the reporting date:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within 60 days	60天以內	546,827	909,199
61 to 90 days	61至90天	28,337	14,271
More than 90 days	90天以上	29,009	39,652
		604,173	963,122

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit rating limits for each customer. Limits attributed to customers are reviewed once a year. 57% (2007: 81%) of the trade receivables are neither past due nor impaired.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$258,744,000 (2007: HK\$181,902,000) which are past due at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within 60 days	60天以內	201,398	127,979
61 to 90 days	61至90天	28,337	14,271
More than 90 days	90天以上	29,009	39,652
Total	總額	258,744	181,902

23. 貿易及其他應收款項(續)

本集團給予其貿易客戶平均30至90天的信貸期。於報告日之應收賬款減呆賬撥備之賬齡分析如下：

於接納任何新客戶前，本集團會評估潛在客戶之信貸質素及確定各客戶之信貸評級限額。給予客戶之信貸限額每年審查一次。57%(二零零七年：81%)之應收賬款均未過期及減值。

本集團之應收賬款結餘內包括總賬面值為258,744,000港元之應收賬款(二零零七年：181,902,000港元)，該筆款項於報告日已過期，惟由於其信貸質素並無重大變動且該金額仍視為可收回，因此本集團並無作出減值虧損撥備。本集團並無就該等結餘持有任何抵押。

已過期但未減值之應收賬款賬齡分析如下：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

23. Trade and other receivables (continued)

Movement in the allowance for doubtful debts

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	9,150	12,907
Allowance for doubtful debts recognised	已確認呆賬撥備	5,178	7,160
Amounts written off as uncollectible	撇銷為不可收回之款項	(7,583)	(10,917)
Balance at end of the year	年終結餘	6,745	9,150

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$5,571,000 (2007: HK\$7,160,000) which the debtors have financial difficulties in repaying the outstanding balances. The Group does not hold any collateral over these balances.

23. 貿易及其他應收款項(續)

呆賬撥備的變動

由於債務人於清償未償還結餘時出現財務困難，因此本集團之呆賬撥備包括總值為5,571,000港元之獨立減值應收賬款（二零零七年：7,160,000港元）。本集團並無就該等結餘持有任何抵押。

24. Derivative financial instruments

		Assets 資產		Liabilities 負債	
		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
Foreign currency forward contracts	外匯遠期合約	2,752	27,016	1,043	12,074
Interest rate swaps	利率掉期	—	—	7,688	—
		2,752	27,016	8,731	12,074

The derivative financial instruments are measured at fair value at each balance sheet date. The fair value of derivative financial instruments is estimated using discounted cash flow analysis with reference to market rate of foreign currency and/or interest rate at the balance sheet date for remaining duration of the outstanding contracts.

24. 衍生金融工具

衍生金融工具於各結算日按公平值計量。衍生金融工具之公平值乃參考外幣之市場匯率及／或未完成合約之剩餘期限於結算日之利率，利用折現現金流量估算。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

24. Derivative financial instruments (continued)

- (i) Major terms of foreign currency forward contracts as at 31 December, 2008 are as follows:

Aggregate principal amount 本金總額	Maturity 合約期限	Forward exchange rates 遠期匯率
US\$12,000,000 12,000,000美元	January 2009 二零零九年一月	Sell Renminbi ("RMB")/buy United State dollars ("US\$") US\$ at 6.630 to 6.643 於6.630至6.643之間賣出人民幣(「人民幣」)/買入美元(「美元」)
US\$12,000,000 12,000,000美元	January 2009 二零零九年一月	Sell US\$/buy RMB at 6.762 to 6.7625 於6.762至6.7625之間賣出美元/買入人民幣

- (ii) Major terms of interest rate swap agreements are as follow:

At 31 December 2008 於二零零八年十二月三十一日	Maturity 到期日	Term 條款
HK\$100,000,000 100,000,000港元	2011 二零一一年	From 3 months Hong Kong Interbank Offered Rate ("HIBOR") to the fixed rate of 2.39% per annum 介乎3個月香港銀行同業拆息(「香港銀行同業拆息」)至固定年利率2.39%
HK\$100,000,000 100,000,000港元	2011 二零一一年	5.25% per annum minus 3.95%, subject to the adjustment of accrual factor to 3 months HIBOR 年率5.25%減3.95%，須根據3個月香港銀行同業拆息的應計因素作出調整

24. 衍生金融工具(續)

- (i) 外匯遠期合約於二零零八年十二月三十一日之主要條款如下：

- (ii) 利率掉期協議之主要條款如下：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

25. Bank balances and cash

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

		Japanese Yen 日圓 HK\$'000 千港元	HK\$ 港元 HK\$'000 千港元	US\$ 美元 HK\$'000 千港元
As at 31 December 2008	於二零零八年 十二月三十一日	14	26,392	138
As at 31 December 2007	於二零零七年 十二月三十一日	—	51,273	—

Bank balances carry interest at variable rates which ranged from 0.01% to 3.6% (2007: 0.61% to 5.0%) per annum.

25. 銀行結存及現金

本集團以有關集團實體功能貨幣以外之貨幣列值之銀行結存及現金載列如下：

銀行結存按介乎0.01%至3.6% (二零零七年：0.61%至5.0%)之浮動年利率計息。

26. Trade and other payables

The following is an aged analysis of trade payables at the balance sheet date:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within 60 days	60天以內	283,500	664,287
61 to 90 days	61至90天	130,837	128,189
More than 90 days	90天以上	376,992	181,830
		791,329	974,306

The average credit period on purchases of goods is 60-90 days. The Group has financial risk management policies in place to ensure that all payables within the credit timeframe.

26. 應付賬款及其他應付款項

於結算日之應付賬款賬齡分析如下：

採購貨品的平均信貸期為60至90天。本集團制定有適當之財務風險管理政策，以確保於信貸期內支付所有應付款項。

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

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Denominated in HK\$	以港元計值	128,320	384,237
Denominated in Japanese Yen	以日圓計值	317,000	107,695

本集團以有關集團實體功能貨幣以外之貨幣列值之應付賬款載列如下：

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

27. Bank and other borrowings, unsecured

27. 銀行及其他借貸，無抵押

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Bank loans	銀行借貸	1,744,414	1,094,121
Trust receipt loans	信託收據貸款	333,795	268,030
Other loans	其他貸款	34,410	24,505
		2,112,619	1,386,656
The Group's bank and other borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:			
Denominated in HK\$	以港元計值	1,817,633	1,195,416
Denominated in Japanese Yen	以日圓計值	85,860	9,559
The maturity profile of the bank and other borrowings is as follows:			
On demand or within one year	於催繳時或於一年內	1,992,050	698,597
More than one year, but not exceeding two years	一年後但於兩年內	53,841	440,680
More than two years, but not exceeding five years	兩年後但於五年內	66,728	247,379
		2,112,619	1,386,656
Less: Amount due within one year shown under current liabilities	減：列於流動負債中之一年內到期款項	(1,992,050)	(698,597)
Amount due after one year	一年後到期款項	120,569	688,059

All the Group's borrowings are variable-rate borrowings which carry interest at HIBOR or London Interbank Offered Rate ("LIBOR") plus certain basis points. Interest is repricing every three months and the range of effective interest rates is at 1.31% to 5.85% (2007: 5.13% to 7.88%) per annum.

As at 31 December 2008, the Group had bank and other borrowings of HK\$2,112,619,000, of which HK\$1,812,036,000 were in breach of covenants and accordingly, an aggregate amount of HK\$883,702,000 with maturity date over one year was presented as current liabilities in the consolidated balance sheet.

本集團所有借貸均為浮息借貸，其按香港銀行同業拆息或倫敦銀行同業拆息（「倫敦銀行同業拆息」）加若干基點計息。利息每三個月重定，實際利率之年息率介乎1.31%至5.85%（二零零七年：5.13%至7.88%）。

於二零零八年十二月三十一日，本集團之銀行及其他借貸為2,112,619,000港元，其中1,812,036,000港元違反契約，因此總額為883,702,000港元之到期日超過一年之款項於綜合資產負債表呈列為流動負債。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

28. Deferred tax liabilities

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

		Accelerated tax depreciation	Others	Total
		加速稅項折舊	其他	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2007	於二零零七年一月一日	38,905	(836)	38,069
(Credit) charge to income for the year	於年度收入中(抵免)支銷	(4,824)	36	(4,788)
At 31 December 2007	於二零零七年十二月三十一日	34,081	(800)	33,281
(Credit) charge to income for the year	於年度收入中(抵免)支銷	(3,024)	40	(2,984)
Effect of change in tax rate	稅率變動的影響	(1,921)	6	(1,915)
At 31 December 2008	於二零零八年十二月三十一日	29,136	(754)	28,382

The following is the analysis of the deferred tax balances for financial reporting purposes:

		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Deferred tax liabilities	遞延稅項負債	29,136	34,081
Deferred tax assets	遞延稅項資產	(754)	(800)
		28,382	33,281

At the balance sheet date, the Group has unused tax losses of HK\$37,014,000 (2007: HK\$31,947,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are no tax losses (2007: tax losses of HK\$6,573,000) that will expire from 2008 to 2010, other losses may be carried forward indefinitely.

28. 遞延稅項負債

在本年度及之前年度內確認的主要遞延稅項負債(資產)及其變動如下:

就財務呈報而言之遞延稅項結餘分析如下:

於結算日，本集團之未動用稅務虧損37,014,000港元(二零零七年：31,947,000港元)可用作抵銷未來溢利。由於未能估計將來之溢利，因此並無就該等虧損確認遞延稅項資產。未確認之稅務虧損包括將於二零零八年至二零一零年屆滿之稅務虧損零港元(二零零七年：稅務虧損6,573,000港元)，而其他虧損可無限期結轉。

28. Deferred tax liabilities (continued)

At the balance sheet date, the Group had other deductible temporary differences of HK\$6,218,000 (2007: HK\$6,218,000) available for offset against future profit. A deferred tax asset has not been recognised due to the unpredictability of future profit streams.

Under the New Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

28. 遞延稅項負債(續)

於結算日，本集團之其他可扣減暫時差額6,218,000港元(二零零七年：6,218,000港元)可用作抵銷未來溢利。由於未能估計將來之溢利，故並無確認遞延稅項資產。

根據中國的新法律，由二零零八年一月一日起，就中國附屬公司賺取之溢利所宣派之股息須繳納預扣稅。由於本集團能控制暫時差額的撥回時間及暫時差額可能不會於可見將來撥回，因此並無在綜合財務報表中就中國附屬公司之累計溢利應佔的暫時差額作出遞延稅項撥備。

29. Share capital

29. 股本

		Number of shares 股數		Share capital 股本	
		2008 二零零八年	2007 二零零七年	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元之 普通股				
Authorised: At 1 January and 31 December	法定： 於一月一日及 十二月三十一日	650,000,000	650,000,000	65,000	65,000
Issued and fully paid: At 1 January	已發行及繳足： 於一月一日	472,744,527	468,296,527	47,274	46,830
Exercise of share options	行使購股權	135,000	4,448,000	14	444
At 31 December	於十二月三十一日	472,879,527	472,744,527	47,288	47,274

Details of the exercise of share options are set out in note 35.

行使購股權之詳情載於附註35。

30. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in note 25 (net of cash and cash equivalents) and equity, comprising issued share capital and reserves.

The directors of the Company reviews the capital structure periodically. As a part of this review, the directors consider the cost of capital and the risks associates with each class of capital. The Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

31. Financial instruments

a. Categories of financial instruments

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Financial assets	金融資產		
Loan and receivable (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值項目)	1,349,801	1,552,611
Available-for-sale investments	可供出售投資	5,250	10,500
Derivative financial instruments	衍生金融工具	2,752	27,016
		1,357,803	1,590,127
Financial liabilities	金融負債		
Amortised cost	攤銷成本	3,022,617	2,722,090
Derivative financial instruments	衍生金融工具	8,731	12,074
		3,031,348	2,734,164

30. 資本風險管理

本集團進行資本管理以確保其實體能持續經營，同時透過優化債務與權益平衡為股東帶來最大回報。本集團之總體策略與上一年度保持不變。

本集團的資本架構由債務淨額(包括附註25所披露之借款，經扣除現金及現金等值項目)及股權(包括已發行股本及儲備)組成。

本公司董事定期審查其資本架構。作為審閱的一部份，董事考慮資本成本及與各類別資本相關之風險。本集團將會透過支付股息、發行新股份、發行新債或贖回現有債務以平衡其總體資本架構。

31. 金融工具

a. 金融工具分類

31. Financial instruments

b. Financial risk management objectives and policies

The Group's major financial instruments include bank balances and cash, loans receivable, derivative financial instruments, available-for-sale investments, bank and other borrowings, trade and other receivables and trade and other payables. Details of the financial instruments are disclosed in respective notes.

The management monitors and manages the financial risk relating to the Group through internal risk assessment which analyses exposures by degree and magnitude of risks. The risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Group's overall strategy remains unchanged from prior year.

Market risk

(i) Currency risk

The Group undertakes certain transactions denominated in foreign currencies which are different from the United States dollar and Renminbi, the functional currency of the respective subsidiaries. In addition, the Group has entered into foreign currency forward contracts, as set out in note 24.

The carrying amounts of foreign currency risk arising from foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

		Liabilities 負債		Assets 資產	
		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
Hong Kong dollar	港元	1,967,542	1,801,067	88,271	139,929
Japanese Yen	日圓	438,826	130,710	5,264	10,500
Euro	歐元	37	382	1,347	2,115

31. 金融工具

b. 金融風險管理目標及政策

本集團之主要金融工具包括銀行結存及現金、應收貸款、衍生金融工具、可供出售投資、銀行借貸及其他借款、應收賬項及其他應收款項以及應付賬項及其他應付款項。金融工具之詳情於各項附註分別作出披露。

管理層透過內部風險評估分析風險的嚴重程度及影響範圍，從而監察及管理與本集團相關的金融風險。該等風險包括市場風險(包括貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。降低該等風險的政策載於下文。管理層會管理及監察有關風險，確保及時有效地實施適當的措施。

本集團的整體策略仍與前一年相同。

市場風險

(i) 貨幣風險

本集團之若干交易以外幣計值，該等外幣為相關附屬公司功能貨幣(美元及人民幣)以外的貨幣。此外，本集團已簽訂外匯遠期合約，詳情見附註24。

於報告日期，以外幣列值之貨幣資產及貨幣負債產生之外幣風險之賬面值如下：

31. Financial instruments (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

The Group continually assesses and monitors the exposure to foreign exchange risk. The management will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

The following table indicates the approximate change in the Group's profit before taxation for the year in response to reasonably possible change in the functional currency i.e. United State dollar to the relevant currencies which the Group have significant exposure at the balance sheet date.

		2008 二零零八年		2007 二零零七年	
		United States dollar strengthen (weaken) 美元升值 (貶值)	Increase (decrease) in profit 溢利增加 (減少) HK\$'000 千港元	United States dollar strengthen (weaken) 美元升值 (貶值)	Increase (decrease) in profit 溢利增加 (減少) HK\$'000 千港元
Hong Kong dollar	港元	1%	18,793	1%	16,701
		(1%)	(18,793)	(1%)	(16,701)
Japanese Yen	日圓	5%	21,678	5%	6,536
		(5%)	(21,678)	(5%)	(6,536)
Euro	歐元	1%	(13)	1%	(87)
		(1%)	13	(1%)	87

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the group entities' exposure to currency risk for non-derivative financial instruments in existence at that date, and that all other variable remain constant.

31. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

本集團持續評估及監察外匯風險。管理層將於有需要時考慮對沖重大外匯風險。

敏感度分析

下表顯示由於功能貨幣(如美元)兌換本集團於結算日面對重大風險之相關貨幣可能出現之合理變動,而導致本集團本年度除稅前溢利所產生之大致變動。

31. Financial instruments (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

The stated changes represent the management's assessment of reasonably possible changes in foreign exchange rate over the period until the next annual balance sheet date. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' profit or loss measured in the respective functional currencies, translated into Hong Kong Dollar at the exchange rate ruling at the balance sheet date for presentation purposes. The analysis is performed on the same basis for 2007.

In managements opinion, the sensitivity analysis is unrepresentative of the currency risk as the year end exposure does not reflect the exposure during the year.

The sensitivity analyses below show the exposure to change in forward exchange rate on the derivative financial instruments assets/liabilities. Sensitivity rate of 5% represents management's assessment of the reasonably possible change in forward exchange rate.

Increase (decrease) in profit for the year

		At 31 December 於十二月三十一日	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
— as a result of increase in forward exchange rate	— 遠期匯率上升	(298)	747
— as a result of decrease in forward exchange rate	— 遠期匯率下跌	298	(747)

In managements opinion, the sensitivity analysis is unrepresentative of the other price risk as the year end exposure does not reflect the exposure during the year.

31. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析(續)

所列變動為管理層對截至下一年度結算日期止期間外幣匯率可能出現之合理變動的評估。上表顯示之分析結果為本集團各實體以各自功能貨幣計量之損益所受影響之總額，並且以結算日適用之匯率換算為港元作呈列用途。該分析乃根據與二零零七年相同之基準進行。

管理層認為，由於年底之風險未能反映整個年度之風險，敏感度分析對貨幣風險不具代表性。

以下敏感度分析顯示衍生金融工具資產／負債遠期匯率變動之風險。敏感度為5%，代表管理層對遠期匯率可能出現合理變動作出之評估。

本年度溢利增加／(減少)

		At 31 December 於十二月三十一日	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
— as a result of increase in forward exchange rate	— 遠期匯率上升	(298)	747
— as a result of decrease in forward exchange rate	— 遠期匯率下跌	298	(747)

管理層認為，由於年底之風險未能反映整個年度之風險，敏感度分析對其他價格風險不具代表性。

31. Financial instruments (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances, interest rate swaps and variable-rate bank and other borrowings (see notes 24 and 27 for details). The Group is also exposed to fair value interest rate risk in relation to fixed-rate loans receivable. The management monitors the interest rate exposure and manages it by entering into certain interest rate swaps contracts.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR and LIBOR arising from the Group's Hong Kong dollar denominated borrowings and interest rate swaps.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank borrowings and interest rate swaps and bank balances. The analysis is prepared assuming the amount of asset and liability outstanding at the balance sheet date was existed for the whole year. A 100 basis point (2007: 100% basis point) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

31. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團須承擔現金流量利率風險，該風險乃來自銀行結存、利率掉期及浮息銀行借貸以及其他借貸(詳情參見附註24及27)之現行市場利率變動。本集團亦承擔定息應收貸款有關之公平值利率風險。管理層對利率風險實施監察，並透過簽訂若干利率掉期合約對其進行管理。

本集團就其金融資產及金融負債所承擔利率風險之詳情載於本附註流動資金風險管理一節。本集團之現金流量利率風險來自本集團以港元列值之借貸及利率掉期，主要集中於香港銀行同業拆息及倫敦銀行同業拆息之變動。

敏感度分析

以下敏感度分析乃根據浮息銀行借貸、利率掉期及銀行結存之利率風險而釐定。該分析乃假定於結算日未收回資產及未償還負債之款項於全年內存在而編製。向主要管理人員內部報告利率風險時乃使用100點子(二零零七年：100點子)之增加或減少，代表管理層對利率可能出現合理變動作出之評估。

31. Financial instruments (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis (continued)

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2008 would decrease/increase by HK\$14,271,000 (2007: decrease/increase by HK\$13,873,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank balances, bank and other borrowings and interest rate swaps.

The Group's sensitivity to interest rate has increased during the current year mainly due to the addition in variable rate bank and other borrowing and interest rate swaps.

In managements opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

Credit risk

As at 31 December 2008, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet.

Other than loans receivable as disclosed in note 22, the Group does not have significant concentration of credit risk as trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

31. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

敏感度分析(續)

倘利率上升/下跌100點子，而所有其他變量維持不變，本集團於截至二零零八年十二月三十一日止年度之溢利則減少/增加14,271,000港元(二零零七年：減少/增加13,873,000港元)。溢利變動主要由於本集團就其浮息銀行結存、銀行借貸及其他借貸以及利率掉期承擔利率風險所致。

本年度，本集團對利率之敏感度有所增加，主要由於浮息銀行借貸及其他借貸以及利率掉期增加所致。

管理層認為，由於年底之風險未能反映整個年度之風險，敏感度分析對利率風險不具代表性。

信貸風險

於二零零八年十二月三十一日，本集團因對手方未能履行其責任而導致本集團出現財務虧損之信貸風險上限，為已確認金融資產於綜合資產負債表所列之賬面值。

除附註22所披露之應收貸款外，由於本集團應收賬項涉及眾多行業及不同地區之大量客戶，因此本集團並無過分集中之信貸風險。

31. Financial instruments (continued)

b. Financial risk management objectives and policies (continued)

Credit risk (continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

With respect of credit risk arising from the loan receivables, the management of the Company considers that the Group's exposure to credit risk arising from default of these receivables is limited as these parties are the PRC local government authorities. The Group manages its credit risk by closing monitoring and follow up action has been taken to recover the overdue loan receivables. The Group does not expect to result in any financial loss for the loan receivables.

31. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險(續)

為將信貸風險減至最低，本集團管理層已委派專職團隊釐定信貸上限、信貸批核及其他監察程序，以確保採取跟進行動收回逾期債項。此外，本集團會於各結算日審閱各筆應收款項之可收回金額，確保就無法收回金額計提足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大為降低。

流動資金之信貸風險有限，主要由於對手方均為獲得國際信貸評級機構極高信貸評級之銀行。

就應收貸款產生之信貸風險而言，本公司管理層認為由於有關各方為中國地方政府機構，本集團所承擔之該等應收款項違約產生之信貸風險有限。本集團管理層透過密切監察管理其信貸風險，並採取跟進行動以收回逾期應收貸款。本集團預期，應收貸款不會產生任何財務虧損。

31. Financial instruments (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk

Although the Group had net current liabilities at the balance sheet date, the Group monitors its current and expected liquidity requirements regularly and ensuring sufficient liquid cash and adequate committed lines of funding from reputable financial institutions to meet the Group's liquidity requirements in the short and long term.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2008, the Group has available banking facilities of approximately HK\$903,242,000 (2007: HK\$1,223,984,000). Details of bank and other borrowings are set out in note 27.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flow.

31. 金融工具(續)

b. 金融風險管理目標及政策(續)

流動資金風險

儘管本集團於結算日擁有流動負債淨額，惟本集團定期監察其現時及預期流動資金需求，並確保擁有充足之流動資金及獲得信譽卓著之金融機構之足夠信貸額度，以滿足本集團之短期及長期流動資金需求。

本集團倚賴銀行借貸作為流動資金之主要來源。於二零零八年十二月三十一日，本集團可動用之銀行信貸額度約為903,242,000港元(二零零七年：1,223,984,000港元)。銀行借貸及其他借貸之詳情載於附註27。

於管理流動資金風險時，本集團會監督及維持現金及現金等值項目於管理層認為充足之水平，以為本集團之營運提供資金及減低現金流量波動之影響。管理層會監督銀行借貸之使用情況，並確保遵守貸款契約。

下表詳細呈列本集團金融負債之剩餘合約年期。該表根據本集團可能被要求還款之最早日期金融負債之未折現現金流量呈列非衍生金融負債。該表包括利息及本金現金流量。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

31. Financial instruments (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

For derivative instruments settle on a net basis, undiscounted net cash outflows are presented.

31. 金融工具(續)

b. 金融風險管理目標及政策(續)

流動資金風險(續)

按淨值結算之衍生工具以未折現現金流出淨額呈列。

		Weighted average effective interest rate	0 to 3 months	4-6 months	7-12 months	1-2 year	2-3 years	3-5 years	Total undiscounted cash flows	Carrying amount at 31/12/2008
		加權平均實際利率	零至三個月	四至六個月	七至十二個月	一至兩年	兩至三年	三至五年	未折現現金流量總額	於二零零八年十二月三十一日之賬面值
		%	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2008	二零零八年									
Non-derivative instruments	非衍生工具									
Trade and other payables	應付賬項及其他應付款項	—	909,472	—	—	—	—	—	909,472	909,472
Variable interest rate bank and other borrowings	浮息銀行借貸及其他借貸	3.61	2,075,624	12,814	22,671	42,629	41,708	20,054	2,215,500	2,113,145
			2,985,096	12,814	22,671	42,629	41,708	20,054	3,124,972	3,022,617
Derivative instruments	衍生工具									
— net settlement	— 按淨值結算									
Foreign exchange forward contracts	遠期外匯合約									
— outflow	— 流出		1,043	—	—	—	—	—	1,043	1,043
Interest rate swap	利率掉期									
— net cash outflows	— 現金流出淨值		1,005	1,005	2,011	4,022	2,011	—	10,054	7,688
			2,048	1,005	2,011	4,022	2,011	—	11,097	8,731
2007	二零零七年									
Non-derivative instruments	非衍生工具									
Trade and other payables	應付賬項及其他應付款項		1,334,781	—	—	—	—	—	1,334,781	1,334,781
Variable interest rate bank and other borrowings	浮息銀行借貸及其他借貸	6.5	394,408	89,513	253,580	419,222	232,230	93,440	1,482,393	1,387,309
			1,729,189	89,513	253,580	419,222	232,230	93,440	2,817,174	2,722,090
Derivative instruments	衍生工具									
— net settlement	— 按淨值結算									
Foreign exchange forward contracts	遠期外匯合約									
— outflow	— 流出		3,799	3,172	5,103	—	—	—	12,074	12,074

31. Financial instruments (continued)

c. Fair value

The fair value of financial assets and financial liabilities (excluding derivative financial instrument) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The fair value of derivative financial instruments is estimated using discounted cash flow analysis with reference to market rate of foreign currency and/or interest rate at the balance sheet date for remaining duration of the outstanding contracts.

The directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

31. 金融工具(續)

c. 公平值

金融資產及金融負債(不包括衍生金融工具)之公平值乃根據普遍接受之定價模式基於折現現金流量分析釐定。折現現金流量分析利用可觀察之當前市場交易價格或利率計算。

衍生金融工具之公平值乃參考未完成合約之剩餘期限按結算日之市場匯率及/或利率，採用折現現金流量分析估計。

董事認為按攤銷成本列入綜合財務報表之金融資產及金融負債之賬面值與其公平值相若。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

32. Additional interest in subsidiary

During the year, the Group further acquired 44% of the issued share capital of Truly Semiconductors (Korea) Ltd. for consideration of HK\$497,000.

This acquisition has been accounted for using the purchase method. There was no goodwill arising as a result of the acquisition.

The carrying amount and fair value of net assets acquired in the transaction are as follows:

		HK\$'000 千港元
Net assets acquired:	所收購之淨資產：	
Property, plant and equipment	物業、廠房及設備	113
Inventories	存貨	254
Trade and other receivables	應收賬項及其他應收款項	839
Bank balances and cash	銀行結存及現金	173
Trade and other payable	應付賬項及其他應付款項	(443)
Net assets acquired	所收購之淨資產	936
Less: Minority interest	減：少數股東權益	(48)
		888
Total consideration satisfied by:	總代價以下列方式支付：	
Interest in an associate	於聯營公司之權益	391
Cash	現金	497
		888
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：	
Cash consideration paid	已付現金代價	(497)
Bank balances and cash acquired	所收購之銀行結存及現金	173
		(324)

The subsidiary acquired during the year did not have any material impact on the Group's results for the year.

32. 於附屬公司之新增權益

年內，本集團進一步收購 Truly Semiconductors (Korea) Ltd. 之 44% 已發行股本，代價為 497,000 港元。

該收購乃採用收購法入賬，且並無產生商譽。

該交易所收購之淨資產之賬面值及公平值如下：

		HK\$'000 千港元
Net assets acquired:	所收購之淨資產：	
Property, plant and equipment	物業、廠房及設備	113
Inventories	存貨	254
Trade and other receivables	應收賬項及其他應收款項	839
Bank balances and cash	銀行結存及現金	173
Trade and other payable	應付賬項及其他應付款項	(443)
Net assets acquired	所收購之淨資產	936
Less: Minority interest	減：少數股東權益	(48)
		888
Total consideration satisfied by:	總代價以下列方式支付：	
Interest in an associate	於聯營公司之權益	391
Cash	現金	497
		888
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：	
Cash consideration paid	已付現金代價	(497)
Bank balances and cash acquired	所收購之銀行結存及現金	173
		(324)

年內所收購之附屬公司並無對本集團之本年度業績產生重大影響。

33. Operating lease commitments

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due 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	4,699	5,581
In the second to third years inclusive	第二年至第三年 (包括首尾兩年)	888	4,541
		5,587	10,122

Operating lease payments represent rentals payable by the Group for certain of its office premises and other equipment. Leases are negotiated for an average term of two years with fixed rentals.

The Group as lessor

Property rental income earned during the year was HK\$5,065,000 (2007: HK\$3,793,000). All of the Group's investment properties are held for rental purposes.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

		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	1,818	1,287
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	3,550	4,021
		5,368	5,308

33. 經營租約承擔

本集團作為承租人

於結算日，本集團根據不可撤銷經營租約於下列期限到期之未來最低租約付款承擔如下：

		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	4,699	5,581
In the second to third years inclusive	第二年至第三年 (包括首尾兩年)	888	4,541
		5,587	10,122

經營租約付款指本集團就其若干辦公室物業及其他設備而應付之租金。平均協定期為兩年，並為固定租金。

本集團作為租賃人

本年度賺取之物業租金收入為5,065,000港元(二零零七年：3,793,000港元)。本集團全部投資物業均持作租賃用途。

於結算日，本集團已就下列未來最低租約付款與租戶訂立合約：

		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	1,818	1,287
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	3,550	4,021
		5,368	5,308

34. Capital commitments

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of plant and equipment	就購置廠房及設備已訂約但未在綜合財務報表中撥備之資本支出	56,246	115,409
Capital expenditure authorised but not contracted for in respect of acquisition of plant and equipment	就購置廠房及設備已獲授權但未訂約之資本支出	120,000	600,000

35. Share option schemes

Pursuant to resolutions passed at an extraordinary general meeting of the Company on 22 December 2003, the Company has terminated a share option scheme which was adopted on 22 May 2001 (the "Old Scheme") and adopted a new share option scheme (the "New Scheme").

(i) Old scheme

The purpose of the Old Scheme is to motivate employees of the Group and to allow them to participate in the growth of the Company. The maximum number of shares in respect of which options may be granted under the Old Scheme is not permitted to exceed 10% of the share capital of the Company in issue from time to time. The maximum number of shares in respect of which options may be granted to any individual is not permitted to exceed 25% of the aggregate number of shares for the time being issued and issuable under the Old Scheme. Any participants who accepts an offer of the grant of an option in accordance with the terms of the Old Scheme shall pay to the Company HK\$1.00 by way of consideration for the grant thereof within a period of 30 days from the date on which an option is offered to the participant.

At 31 December 2008, the number of shares in respect of which options had been granted previously and remained outstanding under the Old Scheme was 405,000 (2007: 540,000), representing approximately 0.1% (2007: 0.1%) of total issued share capital of the Company. The options are exercisable at any time until 21 May 2011.

34. 資本承擔

35. 購股權計劃

根據本公司於二零零三年十二月二十二日舉行之股東特別大會通過之決議案，本公司已終止於二零零一年五月二十二日採納之購股權計劃(「舊計劃」)，並採納一項新購股權計劃(「新計劃」)。

(i) 舊計劃

舊計劃旨在鼓勵本集團之僱員，並讓彼等參與本公司之增長。根據舊計劃可予授出之購股權所涉及之股份數目，最高不得超過本公司不時已發行股本的10%。可授予任何個別人士之購股權所涉及之股份數目，最高不得超過當時根據舊計劃已發行及可發行之股份總數的25%。任何根據舊計劃條款接納所獲授購股權之參與者須於購股權授予參與者當日起計30日內以代價形式向本公司支付1.00港元。

於二零零八年十二月三十一日，舊計劃項下於過往已授出但尚未行使購股權所涉及之股份數目為405,000股(二零零七年：540,000股)，佔本公司已發行股本總數之約0.1%(二零零七年：0.1%)。購股權可於二零一一年五月三十一日之前之任何時間內行使。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

35. Share option schemes (continued)

(i) Old scheme (continued)

The following tables disclose details of the Company's share options held by the employees (including directors) and movements in such holdings during the year:

2008

Date of grant	Exercisable period	Exercise price	Outstanding at 1.1.2007	Number of options			
				Exercised during the year	Outstanding at 31.12.2007	Exercised during the year	Outstanding at 31.12.2008
授出日期	行使期間	行使價 HK\$ 港元	尚未行使 於 二零零七年 一月一日	年內行使	尚未行使 於 二零零七年 十二月 三十一日	年內行使	尚未行使 於 二零零八年 十二月 三十一日
Directors:							
董事：							
16 July 2001 二零零一年七月十六日	17.7.2001 to 21.5.2011 二零零一年七月十七日至 二零一一年五月二十一日	2.196	2,700,000	(2,300,000)	400,000	—	400,000
Employees:							
僱員：							
16 July 2001 二零零一年七月十六日	17.7.2001 to 21.5.2011 二零零一年七月十七日至 二零一一年五月二十一日	2.196	1,263,000	(1,123,000)	140,000	(135,000)	5,000
			3,963,000	(3,423,000)	540,000	(135,000)	405,000

The average closing price of the Company's share immediately before the date(s) on which the options were exercised and at dates of exercised is HK\$6.88 (2007: HK\$7.39).

本公司股份於緊接購股權行使日期之前及行使之日之平均收市價為6.88港元(二零零七年:7.39港元)。

35. 購股權計劃(續)

(i) 舊計劃(續)

下表披露僱員(包括董事)所持本公司購股權之詳情及年內該等購股權之變動情況：

二零零八年

35. Share option schemes (continued)

(ii) New scheme

The Company's New Scheme was adopted for the primary purpose of providing incentives to eligible persons or rewarding for their contribution or potential contribution to the Group and will expire on 21 December 2013. Under the New Scheme, the Board of Directors of the Company may grant options to eligible persons, including (i) any director or proposed director, full-time employee or proposed employee of any member of the Group or controlling shareholder or any company controlled by a controlling shareholder; (ii) any holder of any securities issued by any member of the Group or any controlling shareholder or any company controlled by a controlling shareholder; and (iii) any business or joint venture partner, contractor, agent or representative of any supplier of goods or services to or any customer or distributor of goods or services of any member of the Group or any controlling shareholder or a company controlled by a controlling shareholder.

The total number of shares in respect of which options may be granted under the New Scheme and the Old Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be accepted within 21 days from the date of option offer, upon payment of HK\$1.00 per option. Options may be exercised at any time from the date of grant of the share option to the 10th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

35. 購股權計劃(續)

(ii) 新計劃

本公司之新計劃主要為鼓勵合資格人士或獎勵彼等對本集團之貢獻或潛在貢獻而採納，並將於二零一三年十二月三十一日屆滿。根據新計劃，本公司董事會可授出購股權予合資格人士，包括(i)本集團任何成員公司、控權股東或控權股東控制之任何公司之任何董事或建議董事、全職僱員或建議僱員；(ii)本集團任何成員公司、控權股東或控權股東控制之任何公司發行之任何證券之任何持有人；及(iii)本集團任何成員公司、控權股東或控權股東控制之任何公司之任何業務或合營夥伴、承包商、代理商、任何貨品或服務供應商代表、任何客戶、貨品或服務分銷商。

於未獲本公司股東事先批准之情況下，根據新計劃及舊計劃可予授出之購股權所涉及之股份總數，不得超過本公司任何時間之已發行股份10%。於未獲本公司股東事先批准之情況下，於任何一年內向任何個別人士可予授出之購股權所涉及之股份數目，不得超過本公司任何時間已發行股份之1%。向主要股東或獨立非執行董事授出超過本公司股本0.1%及價值超過5,000,000港元之購股權必須事先經本公司股東批准。

授出之購股權必須於購股權發售要約起計21日內以支付每份購股權1.00港元之方式接納。購股權可於授出購股權日期起計至授出日期十週年期間內隨時行使。行使價由本公司董事釐定，且將不少於以下最高者：(i)本公司股份於授出日期之收市價，(ii)股份於緊接授出日期前五個營業日之平均收市價；及(iii)本公司股份之面值。

35. Share option schemes (continued)

(ii) New scheme (continued)

At 31 December 2008, the number of shares in respect of which options had been granted previously and remained outstanding under the New Scheme was 56,475,000 (2007: 56,475,000), representing approximately 11.9% (2007: 11.9%) of total issued share capital of the Company. The options are exercisable at any time until 21 December 2013.

The following table discloses details of the Company's share options held by the employees (including directors):

Date of grant	Exercisable period	Exercise price	Number of options		
			Outstanding at 1.1.2007	Exercised during the year	Outstanding at 31.12.2007 and 31.12.2008
授出日期	行使期間	行使價 HK\$ 港元	於二零零七年 一月一日 尚未行使	年內行使	於二零零七年 十二月三十一日 及二零零八年十 二月三十一日 尚未行使
Directors: 董事：					
26 February 2004 二零零四年二月二十六日	27.2.2004 to 21.12.2013 二零零四年二月二十七日至 二零一三年十二月三十一日	11.6	17,600,000	(250,000)	17,350,000
15 June 2006 二零零六年六月十五日	16.6.2006 to 21.12.2013 二零零六年六月十六日至 二零一三年十二月三十一日	9.58	9,000,000	—	9,000,000
			26,600,000	(250,000)	26,350,000
Employees: 僱員：					
26 February 2004 二零零四年二月二十六日	27.2.2004 to 21.12.2013 二零零四年二月二十七日至 二零一三年十二月三十一日	11.6	26,400,000	(775,000)	25,625,000
15 June 2006 二零零六年六月十五日	16.6.2006 to 21.12.2013 二零零六年六月十六日至 二零一三年十二月三十一日	9.58	4,500,000	—	4,500,000
			30,900,000	(775,000)	30,125,000
			57,500,000	(1,025,000)	56,475,000

During the year ended 31 December 2007, the average closing price of the Company's share immediately before the date(s) on which the options were exercised and at dates of exercise is HK\$11.55.

35. 購股權計劃(續)

(ii) 新計劃(續)

於二零零八年十二月三十一日，根據新計劃於過往已授出及尚未行使購股權所涉及之股份數目為56,475,000股(二零零七年：56,475,000股)，佔本公司已發行股本總數之約11.9%(二零零七年：11.9%)。購股權可於二零一三年十二月三十一日之前之任何時間內行使。

下表披露僱員(包括董事)所持本公司購股權之詳情：

截至二零零七年十二月三十一日止年度，本公司股份於緊接購股權行使日期之前及行使之日之平均收市價為11.55港元。

36. Retirement benefits schemes

All the staff in Hong Kong of the Group are required to join the Mandatory Provident Fund Scheme. The Group is required to contribute 5%, while the employees are required to contribute 5% of their salaries to the scheme to the extent of HK\$1,000 for each employee.

According to the relevant laws and regulations in the PRC, the PRC subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

37. Government grants

At the balance sheet date and included in trade and other payable, the Group has an unconditional government grants of HK\$12,453,000 (2007: HK\$9,353,000) towards the scientific research development. The amount has been treated as deferred income and included in other income and transferred to income over the useful lives of the relevant property, plant & equipment and relevant expenditure incurred. This policy has resulted in a credit to income in the current year of HK\$1,421,000 (2007: HK\$5,456,000).

38. Related party transactions

The remuneration of directors and other members of key management during the year were as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Short-term benefits	短期福利	18,259	18,921
Post-employment benefits	離職後福利	132	120
		18,391	19,041

The remuneration of directors and key executives are determined by the remuneration committee having regard to the performance of individuals and market trends.

36. 退休福利計劃

本集團之全體香港僱員均須參加強制性公積金計劃。本集團須作出5%供款，而僱員亦須向該計劃作出其薪酬5%之供款，每名僱員之供款最多為1,000港元。

根據中國有關法律及規例，中國附屬公司須向國家管理的退休福利計劃作出相當於其僱員薪酬若干百分比之供款。本集團就退休福利計劃所負之責任僅為向該計劃作出所須供款。

37. 政府補助

於結算日並列入貿易及其他應付款項，本集團獲得用作科研發展之無條件政府補助12,453,000港元(二零零七年：9,353,000港元)。該數額已被視為遞延收入並於其他收入列賬，且於相關物業、廠房及設備以及所產生之相關費用之使用期內轉為收益。此政策導致本年度收入之進賬額為1,421,000港元(二零零七年：5,456,000港元)。

38. 關連人士交易

本年度董事及其他主要管理層成員之薪酬如下：

董事及主要行政人員之薪酬乃由薪酬委員會參考個人之表現及市場趨勢後釐定。

Notes to the Consolidated Financial Statements (continued)

綜合財務報表附註(續)

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

39. Particulars of principal subsidiaries of the Company

39. 本公司主要附屬公司資料

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立或登記/營業地點	Nominal value of issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股股本面值/註冊資本	Proportion ownership interest held by the Company 本公司持有之所有權權益比例		Principal activities 主要業務
			2008 二零零八年	2007 二零零七年	
Truly Electronics Manufacturing Limited 信利電子有限公司	Hong Kong 香港	HK\$1,000,010 1,000,010港元	100%	100%	Trading of electronic calculators 電子計算機貿易
Truly Electrical Products Company Limited 信利電器有限公司	Hong Kong 香港	HK\$200 200港元	100%	100%	Trading of motor 摩打貿易
Truly Industrial Limited 信利工業有限公司	Hong Kong 香港	HK\$872,894 872,894港元	100%	100%	Trading of electronic components 電子元件貿易
Truly Instrument Limited 信利儀器有限公司	Hong Kong 香港	HK\$100 100港元	100%	100%	Trading of electric tooth brush 電動牙刷貿易
Truly Semiconductors (Korea) Ltd (formerly known as Truly Instrument Korea Company Limited) Truly Semiconductors (Korea) Ltd (前稱Truly Instrument Korea Company Limited)	South Korea 南韓	Korean won 250,000,000 250,000,000韓圓	94%	— (note) — (附註)	Trading of electronic consumer products 電子消費產品貿易
Truly Semiconductors Limited 信利半導體有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100%	100%	Trading of LCD products 液晶顯示器產品貿易
Truly (USA) Inc.	United States of America 美國	US\$20,000 20,000美元	100%	100%	Marketing of electronic calculators 電子計算機銷售
信利電子有限公司*	PRC 中國	US\$38,964,115 38,964,115美元	100%	100%	Manufacture of electronic calculators 製造電子計算機
信利半導體有限公司*	PRC 中國	US\$498,300,000 498,300,000美元	100%	100%	Manufacture of LCD products 製造液晶顯示器產品
信利儀器(汕尾)有限公司*	PRC 中國	US\$1,000,000 1,000,000美元	100%	100%	Manufacture of electric toothbrush 製造電動牙刷
信利光電(汕尾)有限公司*	PRC 中國	US\$1,168,137 1,168,137美元	100%	100%	Inactive 無
信利工業(汕尾)有限公司*	PRC 中國	HK\$2,000,000 2,000,000港元	100%	100%	Inactive 無
信利顯示(汕尾)有限公司*	PRC 中國	US\$35,750,000 35,750,000美元	100%	100%	Inactive 無

* wholly foreign owned enterprise

* 外商獨資企業

Note: During the year, the Group acquired additional equity interest of 44% of Truly Semiconductors (Korea) Ltd. Accordingly, the associate became the subsidiary of the Group.

附註：年內，本集團收購 Truly Semiconductors (Korea) Ltd. 44% 之額外股本權益。因此，該聯營公司成為本集團之附屬公司。

39. Particulars of principal subsidiaries of the Company (continued)

Except for Truly Electronics Manufacturing Limited and Truly (USA) Inc., all subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Group which, in the opinion of directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at 31 December 2008 or at any time during the year.

39. 本公司主要附屬公司資料 (續)

除信利電子有限公司及Truly (USA) Inc.外，所有附屬公司均由本公司間接持有。

以上之表單列出董事認為對本集團業績或資產構成主要影響之附屬公司。倘提供其他附屬公司之詳情，董事認為篇幅會過於冗長。

於二零零八年十二月三十一日或年內任何時間，各附屬公司均無任何未償還之債務證券。

► Financial Summary

財務資料概要

Results

業績

		Year ended 31 December 截至十二月三十一日止年度					2008
		2004	2005	2006	2007	2008	
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
Revenue	收入	3,406,992	4,574,079	4,523,826	6,493,394	5,669,274	
Cost of sales	銷售成本	(2,615,969)	(3,487,719)	(3,623,940)	(5,387,613)	(4,973,300)	
Gross profit	毛利	791,023	1,086,360	899,886	1,105,781	695,974	
Other income	其他收入	16,061	27,438	79,125	85,669	89,397	
Administrative expenses	行政費用	(130,229)	(164,459)	(178,062)	(168,753)	(238,876)	
Distribution and selling expenses	分銷及銷售費用	(54,839)	(73,592)	(113,666)	(139,108)	(140,422)	
Impairment losses	減值虧損	—	(14,177)	—	—	—	
Share of results of an associate	應佔一家聯營公司業績	113	(382)	(334)	(445)	—	
Finance costs	財務費用	(14,201)	(19,683)	(35,766)	(57,821)	(67,015)	
Profit before tax	除稅前溢利	607,928	841,505	651,183	825,323	339,058	
Income tax expense	所得稅支出	(81,427)	(139,457)	(119,137)	(123,294)	(77,923)	
Profit for the year	本年度溢利	526,501	702,048	532,046	702,029	261,135	
Attributable to:	以下人士應佔：						
Equity holders of the Company	本公司股東	526,501	702,048	532,046	702,029	261,121	
Minority interest	少數股東權益	—	—	—	—	14	
		526,501	702,048	532,046	702,029	261,135	

Assets and liabilities

資產及負債

		At 31 December 於十二月三十一日					2008
		2004	2005	2006	2007	2008	
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
Total assets	資產總額	2,408,947	3,428,180	4,094,541	5,902,044	6,560,209	
Total liabilities	負債總額	(1,001,008)	(1,490,135)	(1,728,539)	(2,869,713)	(3,314,104)	
Equity attributable to equity holders of the Company	本公司股東應佔股權	1,407,939	1,938,045	2,366,002	3,032,331	3,246,105	
Minority interest	少數股東權益	—	—	—	—	(62)	
		1,407,939	1,938,045	2,366,002	3,032,331	3,246,043	

TRULY

2/F Chung Shun Knitting Centre, I-3 Wing Yip Street,
Kwai Chung, N.T., Hong Kong

香港新界葵涌永業街1至3號忠信針織中心 2樓