

HI-TECH STORE 高新店



**CGD**

中國金展控股有限公司  
China Golden Development Holdings Limited  
Stock Code 股份代號 : 0162

**2008 ANNUAL REPORT**

**二〇〇八年報**

BELL TOWER STORE 鐘樓店



Corporate Information	公司資料	2-3
Chairman's Statement	主席報告	4-7
Management Discussion and Analysis	管理層討論及分析	8-13
Biographies of Directors and Senior Management	董事及高級管理層履歷	14-19
Directors' Report	董事會報告	20-35
Corporate Governance Report	企業管治報告	36-43
Independent Auditor's Report	獨立核數師報告	44-47
Consolidated Income Statement	綜合收益賬	48-49
Consolidated Balance Sheet	綜合資產負債表	50-51
Balance Sheet	資產負債表	52-53
Consolidated Statement of Changes in Equity	綜合權益變動表	54-55
Consolidated Cash Flow Statement	綜合現金流量表	56-59
Notes to the Financial Statements	財務報表附註	60-211
Summary Financial Information	財務資料摘要	212

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors:

Mr. Wu Yijian (*Chairman*)  
– resigned on 28 May 2008  
Mr. Hu Yangxiong  
(*Vice Chairman and Chief Executive Officer*)  
Mr. Qu Jiaqi  
Mr. Li Haogang  
Mr. Sha Yingjie  
Ms. Lu Xiaoling

### Independent Non-executive Directors:

Mr. Chan Wai Kwong, Peter  
Mr. Fu Wing Kwok, Ewing  
Mr. Tsang Kwok Wai

### COMPANY SECRETARY & QUALIFIED ACCOUNTANT

Mr. Un Kwok Kee, John

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units C & D, 7/F China Overseas Building  
139 Hennessy Road  
Wanchai  
Hong Kong

### PRINCIPAL BANKERS IN THE PRC

Agricultural Bank of China (Xinjiang Corps Branch)  
Industrial and Commercial Bank of China  
(Xian Hi-tech Industrial Zone Branch)

### PRINCIPAL BANKERS IN HONG KONG

Wing Lung Bank  
Bank of China (HK)

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### COMPANY WEB SITE

<http://cgd.etnet.com.hk>

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### LEGAL ADVISER

*As to Bermuda Law:*  
Conyers Dill & Pearman

### AUDITORS

Baker Tilly Hong Kong Limited  
*Certified Public Accountants*  
12/F China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

### AUDIT COMMITTEE MEMBERS

Mr. Fu Wing Kwok, Ewing (*Chairman*)  
Mr. Chan Wai Kwong, Peter  
Mr. Tsang Kwok Wai  
Mr. Sha Yingjie  
Ms. Lu Xiaoling

### REMUNERATION COMMITTEE MEMBERS

Mr. Chan Wai Kwong, Peter (*Chairman*)  
Mr. Fu Wing Kwok, Ewing  
Mr. Tsang Kwok Wai  
Mr. Hu Yangxiong

### BERMUDA PRINCIPAL SHARE REGISTRAR

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road, Pembroke HM 08  
Bermuda

### STOCK CODE

162

## 董事會

### 執行董事：

吳一堅先生 (主席)  
— 於二零零八年五月二十八日辭任  
胡養雄先生 (副主席兼行政總裁)  
曲家琪先生  
李郝港先生  
沙英傑先生  
魯曉玲女士

### 獨立非執行董事：

陳為光先生  
傅榮國先生  
曾國偉先生

## 公司秘書及合資格會計師

袁國基先生

## 總辦事處兼主要營業地點

香港灣仔軒尼詩道139號中國海外大廈7樓C及D室

## 中國主要往來銀行

中國農業銀行 (新疆兵團分行)  
中國工商銀行 (西安高新技術開發區支行)

## 香港主要往來銀行

永隆銀行  
中國銀行 (香港)

## 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## 公司網址

<http://cgd.etnet.com.hk>

## 香港股份過戶登記分處

卓佳雅柏勤有限公司  
香港皇后大道東28號金鐘匯中心26樓

## 法律顧問

百慕達法律：  
Conyers Dill & Pearman

## 核數師

香港天華會計師事務所有限公司  
執業會計師  
香港干諾道中168-200號  
信德中心招商局大廈12樓

## 審核委員會成員

傅榮國先生 (主席)  
陳為光先生  
曾國偉先生  
沙英傑先生  
魯曉玲女士

## 薪酬委員會成員

陳為光先生 (主席)  
傅榮國先生  
曾國偉先生  
胡養雄先生

## 百慕達主要股份過戶登記處

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road, Pembroke HM 08  
Bermuda

## 股份代號

162

# Chairman's Statement

On behalf of the board of directors (the "Board") of China Golden Development Holdings Limited (the "Company"), I am pleased to present the audited results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008 ("the year").

## FINANCIAL RESULTS

For the year ended 31 December 2008, the Group's revenue increased by 160% to approximately HK\$301 million. The Group made a net loss of approximately HK\$539.8 million mainly due to the impairment loss recognized in respect of goodwill of the acquisition of Bell Tower department store. The loss per share was 53.62 Hong Kong cents. The Board does not recommend the payment of any dividends for the year.

## BUSINESS REVIEW

In 2008, we have been implementing our new strategy as a middle and high-end department store operator in the PRC and the acquisition of Bell Tower department store was completed on 31 August 2008.

Having considered the rapid growth in the people's general consumption power in the PRC, the Group decided to step into the business of operating department stores, starting with acquiring one "Century Ginwa" branded department store in Urumqi from the Group of Ginwa Investment Company Limited (together with its subsidiaries, associated and affiliated companies, the "Ginwa Group") early in the year 2006. Also, we managed to start our own operations of department store by acquiring certain selected assets from Shaanxi Century Ginwa Hi-Tech Shopping Centre Company Limited ("Xian Hi-Tech"). The acquisition was completed in May 2007. In September 2007, the Group entered into agreements to acquire the Bell Tower department store business from Ginwa Investment Company Limited. These agreements were approved by the shareholders at the Special General Meeting held on 17 January 2008. This means that after the completion of this acquisition, we will have three strong footholds situated in North-western China which has double-digit growth rates in GDP and retail sales in the last five years. The strategic foundation has been paved and we are now ready to consolidate our base and expand outside Xian.

本人謹代表中國金展控股有限公司（「本公司」）董事會（「董事會」），欣然呈報本公司及其附屬公司（「本集團」）截至二零零八年十二月三十一日止十二個月（「本年度」）之經審核業績。

## 財務業績

於截至二零零八年十二月三十一日止十二個月，本集團之收入增加160%至約301,000,000港元。本集團錄得虧損約539,800,000港元，主要歸因收購鐘樓百貨店的商譽確認減值虧損所致。每股虧損為53.62港仙。董事會不建議就本期間派付任何股息。

## 業務回顧

於二零零八年，本集團一直貫徹執行公司業務發展的新策略，致力成為中國中高檔百貨商店經營者，並於二零零八年八月三十一日完成了對鐘樓百貨商店的收購。

鑑於中國人民整體消費力迅速增長，本集團遂決定開拓經營百貨商店的業務，並率先於二零零六年初向金花投資有限公司（連同其附屬公司、聯營公司及聯號公司，統稱「金花集團」）收購位於烏魯木齊的「世紀金花」品牌百貨商店。此外，本集團亦透過向陝西世紀金花高新購物中心有限公司（「西安高新」）收購若干指定資產，從而開展自家的百貨商店業務。上述收購項目於二零零七年五月順利完成。於二零零七年九月，本集團與金花投資有限公司簽定收購鐘樓百貨商店業務的協議。上述協議均於二零零八年一月十七日舉行的股東特別大會上獲股東批准。這項收購完成後，意味著本集團將在中國西北部，這個過去五年其國內生產總值及零售銷售均有雙位數字的地區，奠下三大穩固的基石。這個策略性業務根基已奠定，本集團現正準備就緒鞏固本身業務，並將其擴展至西安以外的地方。

# Chairman's Statement

## **FUTURE PLAN AND PROSPECT**

We have made steady progress in 2008 in implementing our department store focused business strategy, we are finally engaged in one of the most attractive industries in the PRC – operation of department stores. The continuous improvements of the standard of living in the PRC will keep on stimulating consumer's spending that supports our business. We will continue exploring opportunities by acquiring existing Century Ginwa department stores and expanding Century Ginwa geographically in the PRC and to strengthen the corporate governance of the Group, especially on the newly acquired department stores to further enhance the Group's market status and maximise shareholder value. We are confident that the Group is well-positioned to continue with the implementation of its business strategy. The Board and I believe that 2009 will be an extremely challenging year for the Company and it will see a doubling of effort by the Group to ensure sustainable growth.

## **APPRECIATION**

I would like to express my deep thanks to my fellow directors for their valuable contribution and my heartfelt gratitude to all our employees for their dedicated efforts and hard work. I and on behalf of the Board would also like to extend my sincere thanks to our shareholders, customers, suppliers, bankers and business associates for their continued strong support.

### **Hu Yangxiong**

*Vice Chairman and Chief Executive Officer*

Hong Kong, 24 April 2009

## 未來計劃及展望

於二零零八年，本集團在實行以百貨商店業務為重點的業務策略上，取得穩定進展，順利進軍中國其中一個最具吸引力的行業－經營百貨商店。國內生活水平不斷提升將繼續刺激消費開支，從而惠及本集團之業務。本集團將透過收購現有之世紀金花百貨商店及擴大世紀金花在中國的業務範圍，繼續發掘百貨商店業務之商機。同時加強本集團的企業管治，尤其是新近收購之百貨商店，以進一步提升本集團之市場地位及盡量增加股東價值。董事會深信本集團正處於有利位置，故新的業務策略將得以貫徹執行。董事會及本人相信二零零九年對本公司而言將是極富挑戰性一年，本集團將加倍努力，確保業務持續增長。

## 致謝

本人謹此就董事會同寅作出之寶貴貢獻深表謝意；並藉此機會向全體員工之努力及勤奮工作衷心致謝。此外，本人謹此代表董事會向各股東、客戶、供應商、往來銀行及業務夥伴致以摯誠謝意，感激彼等一直以來的鼎力支持。

## 胡養雄

副主席兼行政總裁

香港，二零零九年四月二十四日



# Management Discussion and Analysis

## FINANCIAL RESULTS

This year the Group has one more department store in Xian since September 2008, hence:

- i) The turnover of the Group for the twelve months ended 31 December 2008 increased to approximately HK\$301.0 million compared to approximately HK\$115.6 million for the last period, an increase of approximately 160.3%.
- ii) The gross profit of the Group increased to approximately HK\$204.7 million compared to approximately HK\$82 million of the last period. The gross profit margin of the Group for the twelve months ended 31 December 2008 dropped slightly to approximately 67.9% from 70.9% of the last period due to higher product costs.
- iii) The operating, general and administrative expenses increased to approximately HK\$202.8 million compared to approximately HK\$81 million of the last period.

The finance costs increased by approximately 1,845% to approximately HK\$44.5 million compared to approximately HK\$2.3 million for the last period, as a result of less borrowing activities during the year.

Even though the Group generated a higher turnover for 2008, the overall loss for the year from continuing operations amounted to approximately HK\$539,831,000 (2007: profit approximately HK\$5,330,000), primarily as the result of the impairment of goodwill in respect of the acquisitions of Century Ginwa Joint Stock Company Limited amounting to HK\$605 million. The business value of this subsidiary was based on the valuation reports issued by RHL Appraisal Limited ("RHL"), an independent professional valuer. The decision to impair the carrying amounts of the goodwill was made by the Board after taking into consideration RHL's reports, and the severity of the global financial and economic crisis.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2008, net current liabilities and total assets less current liabilities of the Group amounted to approximately HK\$1,037 million (31 December 2007: net current assets of HK\$251.3 million) and approximately HK\$695.6 million (31 December 2007: HK\$357.8 million) respectively. As at 31 December 2008, the Group had cash and cash equivalents amounted to approximately HK\$90.3 million (31 December 2007: HK\$238.4 million). The current ratio of the Group as at 31 December 2008 was 0.16 (31 December 2007: 3.41). The gearing ratio, being the bank loan divided by the shareholders' equity, as at 31 December 2008, was nil (31 December 2007: nil). The capital raising activities during the year are listed in the note 31 to the Financial Statements.

## BUSINESS REVIEW

### Change in Business Strategy

It was mentioned in the 2006 and 2007 Annual Reports that the Group would continue to explore other business opportunities so as to diversify its business interests. With the huge population of the People's Republic of China ("PRC"), PRC has a large consumer base which provides tremendous opportunities for distributors of consumer goods. Having considered the rapid growth in the PRC consumption power, the Group decided to diversify its business into the operation of department stores, starting with acquiring one "Century Ginwa" branded department store in Urumqi from Ginwa Group in May 2006.

## 財務業績

於本年度，本集團自二零零八年九月起在西安經營多一間百貨商店，因此：

- i) 本集團截至二零零八年十二月三十一日止十二個月之營業額增加至約301,052,000港元，而去年同期約為115,656,000港元，增加約160.3%。
- ii) 本集團之毛利增加至約204,569,000港元，去年同期約為82,054,000港元。本集團截至二零零八年十二月三十一日止十二個月之毛利率由約70.9%輕微減少至67.9%，乃貨品成本增加所致。
- iii) 經營、一般及行政管理費用增加約至202,828,000港元，去年同期約為80,978,000港元。

財務費用由去年同期約2,300,000港元減至約44,524,000港元，增加約1,845%。財務費用增加主要由於期內之借貸活動增加。

儘管本集團於二零零八年之持續經營業務創出較高的營業額，年度整體虧損為約540,000,000港元（二零零七年：盈利約5,330,000港元），主要原因為收購世紀金花股份有限公司引致之商譽減值共604,653,000港元。該附屬公司的業務價值公允值之計算，乃根據獨立專業評估機構永利行評估顧問有限公司（「永利行」）所發表之估值報告而作出。董事會參考永利行之評估報告，加上考慮環球金融及經濟危機之嚴峻情況，遂決定為商譽作出減值。

## 流動資金及財政資源

於二零零八年十二月三十一日，本集團之流動負債淨值及資產總額減流動負債分別約為1,037,000,000港元（二零零七年十二月三十一日：流動資產淨額約為251,300,000港元）及約695,612,000港元（二零零七年十二月三十一日：357,800,000港元）。於二零零八年十二月三十一日，本集團之現金及現金等值物約為90,371,000港元（二零零七年十二月三十一日：238,400,000港元）。於二零零八年十二月三十一日，本集團之流動比率為0.16（二零零七年十二月三十一日：3.41）。於二零零八年十二月三十一日之資本負債比率（即銀行貸款除以股東權益）為零（二零零七年十二月三十一日：零）。有關本年度增加股本之活動在財務報表附註31股本中列明。

## 業務回顧

### 業務策略變改

誠如二零零六年度及二零零七年度年報所述，本集團將繼續物色其他商機，以使業務更多元化。中國人口龐大，為消費品分銷提供廣闊客源基礎及無限商機。鑑於中國人民整體消費力迅速增長，本集團遂決定拓展多元化業務，經營百貨商店，並率先於二零零六年五月向金花集團收購位於烏魯木齊的「世紀金花」品牌百貨商店。

# Management Discussion and Analysis

## Merger & Acquisition

### ***Acquisition of 76.43% shareholding of Century Ginwa***

As mentioned in our 2007 Annual Report, on 25 September 2007, China Rich International Management Limited ("China Rich", a wholly-owned subsidiary of the Company) entered into an Acquisition Agreement with Ginwa Investment Company Limited ("Ginwa"), pursuant to which China Rich has agreed to acquire and Ginwa has agreed to dispose of 76.43% equity interest in Century Ginwa Joint Stock Company Limited ("Century Ginwa") owned by Ginwa at the Consideration of RMB180,000,000 (equivalent to approximately HK\$185,400,000). Ginwa is beneficially owned as to 60% by Mr. Wu and is therefore a connected person of the Company under the Listing Rules.

On the same day, the Company also entered into a BM Agreement (as supplemented by a supplemental agreement dated 28 December 2007) with Best Mineral Resources Limited ("Best Mineral") and Mr. Wu, pursuant to which Best Mineral agreed to, inter alia, provide the Profit Guarantee and the Repayment Guarantee, and the Company agreed to issue a Consideration Convertible Bond ("Consideration CB") of HK\$1,231,612,200 to Best Mineral upon completion of the Acquisition. Application will be made to the Stock Exchange for the listing of, and the permission to deal in, the new Shares upon conversion of the Consideration CB.

All these agreements and transactions constitute connected transactions according to the Listing Rules. A Special General Meeting was required and held on 17 January 2008 at which these agreements and transactions were approved by Independent Shareholders. Approval was granted by the government authorities. The registration procedures and transfer of assets were also completed in August 2008. This shop has started its contributions to the Group.

In the following years, it is our Group's policy to consolidate and strengthen our base at Xian and explore more business opportunities in North-western China by setting up more stores and deepening our quality image in the market.

## **BANKING FACILITIES**

As at 31 December 2008, the Group had no outstanding banking facilities (2007: nil).

## **FOREIGN EXCHANGE EXPOSURE**

During the year, the Group's operation of department stores earned revenue and incurred costs in Renminbi. Renminbi was relatively stable although there was an appreciation pressure during the year. The Directors considered that the Group's exposure to fluctuations in foreign exchange rate was minimal, and accordingly, the Group did not employ any financial instruments for hedging purpose.

## 併購行動

### 收購世紀金花76.43%之股權

誠如二零零七年度年報所述，於二零零七年九月二十五日，裕華國際管理有限公司（「裕華」，本公司全資附屬公司）與金花投資有限公司（「金花」）簽定一份收購協議。依據協議內容，裕華同意收購金花出售其持有的世紀金花股份有限公司（「世紀金花」）的76.43%股本權益，代價為180,000,000元人民幣（約等值185,400,000港元）金花由吳先生實益持有60%。根據上市規則定義，吳先生為本公司關連人士。

同日，本公司亦與Best Mineral Resources Limited（「Best Mineral」）及吳先生簽定一份BM協議（以一份於二零零七年十二月二十八日簽定的補充協議作增補）。根據協議，Best Mineral同意的事項中包括給予盈利保證及償還款項保證；而本公司則同意於收購完成後向Best Mineral發行一份1,231,612,200港元的代價可換股債券。當代價可換股債券轉換後，將向聯交所申請把新股上市及交易。

所有協議交易及關連交易均根據上市規則之規定。而必須召開的股東特別大會亦於二零零八年一月十七日舉行，所有協議及交易已於會上獲獨立股東批准。而上述收購亦獲政府當局批准。有關註冊登記手續及資產轉讓事宜亦於二零零八年八月完成。這百貨商店已開始對本集團業務有所貢獻。

在未來幾年，本集團的政策是鞏固及強化西安業務的基石，並透過增設更多店鋪及深化在市場的優良形象，於中國西北部發掘更多商機。

## 銀行融資

於二零零八年十二月三十一日，本集團並無尚未償還之銀行融資（二零零七年：無）。

## 匯兌風險

於年度內，本集團經營的百貨商店業務，其所賺取之收入及產生之費用均以人民幣計算。儘管人民幣於期內有升值壓力，惟其仍屬相對穩定。董事認為本集團面對之匯率波動風險甚微，故無採用任何金融工具作對沖。

# Management Discussion and Analysis

## **SEASONAL OR CYCLICAL FACTORS**

During the year, the Group's business operations were not significantly affected by any seasonal and cyclical factors.

## **CONTINGENT LIABILITIES**

As at 31 December 2008, except as disclosed in note 35 to the financial statements, the Group and the Company have no other material contingent liabilities (31 December 2007: Nil).

## **HUMAN RESOURCES**

As at 31 December 2008, the Group employed 1,196 (2007: 656) full time employees including management and administrative staff. Most of the employees are employed in Mainland China. The headcount of the Group increases significantly as the Group has acquired operations of department stores in the PRC. The employees' remuneration, promotion and salary increments are assessed based on both individual's and Company's performance, professional and working experience and by reference to prevailing market practice and standards. Apart from the general remuneration package, the Group also granted share options and discretionary bonus to the eligible staff based on their performance and contribution to the Group. The Group regards quality staff as one of the key factors to corporate success.

## 季節性或週期因素

於年度內，本集團之業務運作並不受任何重大季節性或週期因素之影響。

## 或有負債

於二零零八年十二月三十一日，除附註35所披露外，本集團及本公司並無任何重大或有負債（二零零七年十二月三十一日：無）。

## 人力資源

於二零零八年十二月三十一日，本集團僱用了1,196名（二零零七年：656名）全職僱員，其中包括管理及行政人員。大部份僱員均受僱於中國內地。由於本集團成功收購中國百貨商店業務，故僱員人數顯著上升。僱員之薪酬、晉升及加薪幅度乃根據個人及本公司的表現、僱員的專業及工作經驗、並參考當時市場慣例及標準來評估釐定。除了一般薪酬福利外，本集團亦據合資格僱員之表現及其對本集團之貢獻，向他們授出購股權及酌情花紅。本集團認為優秀僱員是企業能成功發展之關鍵因素。

# Biographies of Directors and Senior Management

## EXECUTIVE DIRECTORS

### Hu Yangxiong

Mr. Hu Yangxiong (“Mr. Hu”), aged 48, joined the Board as an Independent Non-Executive Director in November 2001 and was re-designated as an Executive Director on 28 March 2006. Mr. Hu was appointed as the Vice-Chairman and Chief Executive Officer with effect from 17 May 2006.

Mr. Hu graduated from Zhengzhou Airline Industry Management Institute, Beijing Airline, Spaceflight University and Graduate School of the Chinese Academy of Social Sciences with major in Financial Management, Engineering Management and Economic Laws respectively. He is also qualified as CPA of China and Advanced Accountant. Mr. Hu is currently a Director of New Taohuayuen Culture Tourism Co., Ltd. the shares of which are listed on the OTC Bulletin Board in the United States.

### Qu Jiaqi

Mr. Qu Jiaqi (“Mr. Qu”), aged 50, was appointed Executive Director of the Company on 11 August 2007. He is currently Vice President and Director of Ginwa Enterprise (Group) Inc. (“Ginwa Enterprise”) and General Manager of Century Ginwa Joint Stock Limited Company (“Century Ginwa”), both companies are connected persons of the Company as defined under the Listing Rules. Mr. Qu joined Ginwa Enterprise and Century Ginwa Group in 1999. Before that, Mr. Qu worked with several other large department stores and shopping malls in Xian, China.

Mr. Qu has nearly 30 years of working experience in department store business. Mr. Qu received Management education and training in Mainland China. He also received training in High Level Business Administration from the Open University of Hong Kong. He was awarded the “Shaanxi Province Outstanding Young Entrepreneur” in October 2000 and “China Professional Operational Management Master”(中國商業經營大師) in 2005. Mr. Qu is also a Representative of the 13th and 14th Xian City People’s Assembly.

## 執行董事

### 胡養雄

胡養雄先生（「胡先生」），48歲，於二零零一年十一月加入董事會出任獨立非執行董事，並於二零零六年三月二十八日獲委任為執行董事。他於二零零六年五月十七日，獲委任為副主席及行政總裁。

胡先生畢業於鄭州航空工業管理學院、北京航空航天大學及中國社會科學院研究生學院，分別主修財務管理、工程管理及經濟法律。胡先生亦取得中國註冊會計師及高級會計師資格。胡先生現任新桃花源文化旅遊股份有限公司之董事，該公司股份於美國場外交易議價板上市。

### 曲家琪

曲家琪先生（「曲先生」），50歲，於二零零七年八月十一日獲委任為本公司執行董事。他現時為金花企業（集團）（「金花企業」）副總裁兼董事、及世紀金花股份有限公司（「世紀金花」）總經理。根據上市規則定義，這兩家公司均為本公司關連人士。曲先生於一九九九年加入金花企業及世紀金花集團。在加入前，曲先生於中國西安多家大型百貨商店及購物中心擔任要職。

曲先生在經營百貨商店業務方面擁有近三十年豐富經驗。他在中國學習管理及接受有關培訓，他亦於香港公開大學進修工商管理高等程度課程。他於二零零零年十月獲頒「陝西省傑出青年企業家獎」，更於二零零五年被喻為「中國商業經營大師」。曲先生亦是第十三及十四屆西安市人民代表大會代表。



# Biographies of Directors and Senior Management

## Li Haogang

Mr. Li ("Mr. Li"), aged 44, was appointed Executive Director of the Company on 11 August 2007. He is currently Assistant to President of Ginwa Enterprise (Group) Inc. ("Ginwa Enterprise") and General Affairs Assistant General Manager of Century Ginwa Joint Stock Limited Company ("Century Ginwa"), both companies are connected persons of the Company as defined under the Listing Rules. Mr. Li joined Ginwa Enterprise in 1988. Before that, Mr. Li worked with Shaanxi Jin Run Property Development Company.

Mr. Li has rich experience in corporate operations, management and business development. He was awarded the "Xian City Outstanding Young Entrepreneur" in 1996 and "The Seventh Year Shaanxi Province Excellent (Outstanding) Young Entrepreneur".

## Sha Yingjie

Mr. Sha ("Mr. Sha"), aged 51, was appointed Executive Director of the Company on 1 July 2007. He is currently the Financial Controller of Century Ginwa Joint Stock Company Limited ("Century Ginwa"), a connected person of the Company as defined under the Listing Rules. Mr. Sha joined Century Ginwa in 1997 and was appointed Financial Controller and Assistant General Manager in 2004 and 2009 respectively. Before Mr. Sha joined Century Ginwa, he once worked as Financial Controller of the Supply Station of XiBei Electrical Engineering Company Limited, and the Financial Controller of Xian Taiwan Hotel.

Mr. Sha has more than 20 years of working experience in commerce and finance. Mr. Sha received Management education and training in Mainland China. He also received training in High Level Business Administration from the Open University of Hong Kong. He was awarded China Career Manager in June 2003 and was appointed Taxation Practice Review Inspector by Xian Tax Bureau in the PRC in 2006.

## Lu Xiaoling

Ms. Lu ("Ms. Lu"), aged 52, was appointed Executive Director of the Company on 1 February 2009. She is currently Chief Representative of the Xian Representative Office of China King Management Limited (a wholly subsidiary of the Company), and Director of Ginwa Enterprise (Group) Inc. Ms. Lu once worked as Chairman and General Manager of Guo Da Financial Management Consultancy Company Ltd., and Chief Accountant of Xian Xiang Yu Aero Technology Development (Group) Company Ltd.

Ms. Lu has more than thirty years of commerce, financial and various management experiences. Ms. Lu received both domestic and overseas financial management education and training. She is an associate member of China Association of Chief Financial Officers. She has obtained professional qualifications including China Senior Accountant, International Finance Manager of Cambridge, England, China Certified Project Data Analyst, International Finance Manager, China Certified Tax Planner, Senior Executive Independent Director of Shenzhen Stock Exchange, and China Senior Career Manager.

### 李郝港

李郝港先生（「李先生」），44歲，於二零零七年八月十一日獲委任為本公司執行董事。他現任金花企業（集團）（「金花企業」）總裁助理、及世紀金花股份有限公司（「世紀金花」）常務副總經理。根據上市規則定義，這兩家公司均為本公司關連人士。李先生於一九八八年加入金花企業之前曾於陝西金潤物業發展公司任職。

李先生在企業營運、管理及業務拓展方面經驗豐富。他於一九九六年獲評為西安市優秀青年企業家、及陝西省第七屆優秀（傑出）青年企業家。

### 沙英傑

沙英傑先生（「沙先生」），51歲，於二零零七年七月一日獲委任為本公司執行董事。沙先生現時為世紀金花股份有限公司（「世紀金花」）財務總監。根據上市規則定義，沙先生為本公司關連人士。沙先生於一九九七年加入世紀金花，並於二零零四年及二零零九年分別獲委任為財務總監及副總經理。在加入世紀金花前，沙先生曾出任西北機電公司西安供應站財務總監、及西安臺灣酒店財務總監。

沙先生有二十餘年商業及財務工作經驗。他曾於中國內地接受管理教育及培訓，並於香港公開大學進修高等工商管理課程。沙先生於二零零三年六月取得中國職業經理人資格，並於二零零六年獲中國西安市國家稅務局聘為稅務執法糾風監督員。

### 魯曉玲

魯曉玲女士，52歲，現為中國管理有限公司（為本公司之全資附屬公司）西安代表處之首席代表及金花企業（集團）股份有限公司（根據上市規則定義，為本公司關連人士）之董事。魯女士之前曾任國大財務管理諮詢有限公司董事長兼總經理及西安翔宇航空科技發展（集團）公司總會計師。

魯女士有30餘年商業、財務及多方面管理工作經驗。彼曾接受國內外財務管理學教育及訓練。魯女士為中國總會計師協會會員。彼已取得中國高級會計師、英國劍橋國際高級財務管理師、中國註冊項目數據分析師、國際財務管理師、中國註冊納稅籌劃師、中國深圳證券交易所高管獨立董事、及中國高級職業經理人等專業資格。

# Biographies of Directors and Senior Management

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### **Chan Wai Kwong, Peter**

Mr. Chan Wai Kwong, Peter (“Mr. Chan”), aged 55, was appointed as an Independent Non-Executive Director of the Company on 24 September 2004. Mr. Chan graduated with a bachelor degree in Social Science (Economics) from the University of Western Ontario, Canada in 1978. Mr. Chan has over 24 years’ experience in marketing and business development. Mr. Chan is also an Executive Director of China Solar Energy Holdings Limited and Mobile Telecom Network (Holdings) Limited, both of which are listed companies in Hong Kong.

### **Fu Wing Kwok, Ewing**

Mr. Fu Wing Kwok, Ewing (“Mr. Fu”), aged 39, is the Chief Financial Officer and the Company Secretary of Sino Union Petroleum & Chemical International Limited, which is listed on the Main Board of the Stock Exchange of Hong Kong Limited. Mr. Fu is also responsible for the planning and supervising the implementation of the management information system of Sino Union. He holds a bachelor degree in science with major in accounting of Bemidji State University, USA and is a member of both American Institute of Certified Public Accountants and Hong Kong Institute of Certified Public Accountants. He has over 12 years of experience in auditing and accounting field.

### **Tsang Kwok Wai**

Mr. Tsang (“Mr. Tsang”), aged 39, was appointed as an Independent Non-Executive Director of the Company on 25 September 2008. Mr. Tsang is a fellow member of The Hong Kong Institute of Certified Public Accountants; The Association of Chartered Certified Accountants; and The Taxation Institute of Hong Kong. Mr. Tsang has over fifteen years of experience in accounting and finance. At present, Mr. Tsang runs his own firm and practices public accounting.

Mr Tsang is an independent non-executive director of K.P.I. Company Limited (a company listed on The Stock Exchange of Hong Kong Limited) which is engaged in retail business in PRC and ABC Communications (Holdings) Limited (a company listed on The Stock Exchange of Hong Kong Limited) which is engaged in the business of financial information services.

### 獨立非執行董事

#### 陳為光

陳為光先生（「陳先生」），55歲，於二零零四年九月二十四日獲委任為本公司獨立非執行董事。陳先生於一九七八年畢業於加拿大西安大略大學，獲頒社會科學（經濟）學士學位。他在市場推廣及業務發展方面積逾二十四年經驗。陳先生亦是華基光電能源控股有限公司及流動電訊網絡（控股）有限公司的執行董事。這兩家公司均為香港上市公司。

#### 傅榮國

傅榮國先生（「傅先生」），39歲，於香港聯合交易所主板上市的中聯石油化工國際有限公司擔任財務總監及公司秘書。傅先生亦負責策劃及監管推行中聯石油化工國際有限公司的管理資訊系統。他持有美國伯米吉州立大學理學學士學位，主修會計；並為美國會計師公會及香港會計師公會會員。傅先生在審計及會計方面積累逾十二年經驗。

#### 曾國偉

曾國偉先生（「曾先生」），39歲，為香港會計師公會之資深會員、英國特許公認會計師公會資深會員，以及香港稅務學會資深會員。曾先生在會計及財務界擁有逾十五年經驗。曾先生現時經營其本身之公司並從事會計工作。

曾先生是從事中國零售業之港佳控股有限公司（一間於香港聯合交易所有限公司上市之公司）及從事財務資訊服務業之佳訊（控股）有限公司（一間於香港聯合交易所有限公司上市之公司）之獨立非執行董事。

# Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements for year 31 December 2008 (the "year").

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the subsidiaries are set out in note 15 to the financial statements.

## RESULTS AND DIVIDENDS

The profit and cash flows of the Group for the year and the state of affairs of the Company and of the Group as at 31 December 2008 are set out in the financial statements on pages 60 to 211.

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

## FINANCIAL SUMMARY

The summary of the consolidated results of the Group for the two years ended 30 June 2005, the period ended 31 December 2006 and for the two years ended 31 December 2008 and the assets and liabilities of the Group as at 30 June 2004, 2005 and 31 December 2006, 2007 and 2008 are set out on page 212.

## SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 31 to the financial statements.

## SHARE OPTION SCHEME

In accordance with the terms of the share option scheme adopted by the Company pursuant to an ordinary resolution of the Company passed on 6 November 2001 (the "Share Option Scheme"), the Company may grant options to the eligible person of the Company to subscribe for shares in the Company, subject to a maximum of 30% of the issued share capital of the Company from time to time excluding for this purpose shares issued in the exercise of options for the purpose of providing incentives or rewards to selected eligible person for their contribution to the Group. The Share Option Scheme became effective on 6 November 2001, unless otherwise cancelled or amended according to the Share Option Scheme, will remain in force for 10 years from that date. Eligible person of the Share Option Scheme includes the followings:-

- (i) any director, employee or consultant of the Company, a subsidiary or an affiliate; or
- (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Company, a subsidiary or an affiliate; or
- (iii) a company beneficially owned by any director, employee or consultant of the Company, a subsidiary or an affiliate; or
- (iv) any person or entity whose service to the Group or business with the Group contributes or is expected to contribute to the business or operation of the Group as may be determined by the directors from time to time.

董事會欣然提呈二零零八年十二月三十一日止（「本年度」）之報告，連同經審核財務報表。

## 主要業務

本公司之主要業務為投資控股。各附屬公司之主要業務載於財務報表附註15。

## 業績及股息

本集團於本年度之溢利及現金流量，及本公司與本集團於二零零八年十二月三十一日之財政狀況載於第60至211頁之財務報表內。

董事不建議就本年度派付股息。

## 財務概要

本集團於截至二零零五年六月三十日止之兩個年度、及截至二零零六年十二月三十一日止之期間及截至二零零八年十二月三十一日止之兩個年度的綜合業績；以及本集團於截至二零零五年六月三十日止之兩個年度、截至二零零六年、二零零七年十二月三十一日止之及二零零八年的資產與負債概要載於212頁。

## 股本

本公司股本於本年度內之變動詳情載於財務報表附註31。

## 購股權計劃

按照本公司根據二零零一年十一月六日通過之普通決議案所採納的購股權計劃條款（「購股權計劃」），本公司可向本公司之合資格人士授出購股權，以認購本公司股份，惟數額以本公司不時已發行股本的30%為限。就此而言，此計劃不包括那些因行使用作獎勵或獎賞對本集團有所貢獻的指定合資格人士而授出的購股權，所發行之股份。購股權計劃自二零零一年十一月六日起生效。除非根據購股權計劃之規定撤銷或作修訂外，購股權計劃將於該日起計十年內有效。購股權計劃之合資格人士包括下列各方：—

- (i) 本公司、附屬公司或聯號公司之任何董事、僱員或顧問；或
- (ii) 任何全權信託之全權託管對象包括本公司、附屬公司或聯號公司之任何董事、僱員或顧問；或
- (ii) 本公司、附屬公司或聯號公司之任何董事、僱員或顧問實益持有之公司；或
- (iv) 董事會不時酌情認定之任何人士或實體，其為本集團提供之服務或其與本集團進行之交易，曾經或將會對本集團之業務或營運有所貢獻。

# Directors' Report

## **SHARE OPTION SCHEME** *(Continued)*

The exercise price of the share options shall be the higher of (i) the nominal value of the shares; (ii) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; and (iii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant (subject to Scheme adjustments).

Details of movements in share options of the Company are set out in note 32 to the financial statements.

## **RESERVES**

Details of movements in reserves of the Group and the Company during the year are set out in note 29 to the financial statements.

As at 31 December 2008, no reserves (2007: HK\$Nil) were available for distribution to the Company's shareholders. In addition, the share premium of the Company in the amount of approximately HK\$386,673,000 (2007: HK\$307,872,000), may be distributed in form of fully paid bonus shares.

## **CONVERTIBLE BOND**

Details of movements in convertible bond of the Group and the Company during the year are set out in note 29 to the financial statements.

## **RETIREMENT BENEFITS**

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"). The MPF Scheme is a defined contribution scheme managed by an independent trustee. Under the MPF scheme, each of the Group and its employees make monthly contribution to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the employer's and the employee's contribution are subject to a cap of monthly earnings of HK\$20,000 and thereafter contributions are voluntary. As stipulated by the rules and regulations in PRC, the Group contributes to a state-sponsored retirement plans for its employees in PRC. The Group contributes to retirement plans at specified percentages of the basic salaries of its employees, and has no further obligations for the actual payment of pensions or post-retirement benefits. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

## **FIXED ASSETS**

Details of movements in fixed assets of the Group and the Company during the year are set out in note 13 to the financial statements.

## **BANK LOANS AND OTHER BORROWINGS**

Details of bank loans and other borrowings of the Group during the year are set out in note 25 to the financial statements.

## **DIRECTORS' INTERESTS IN CONTRACTS**

Save as disclosed in note 36 to the financial statements, 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 subsisted at the end of the year or at any time during the year.

## 購股權計劃 (續)

購股權之行使價須為下列各項之較高者：(i)股份面值；(ii)按聯交所發出之日報表所示，股份於授出日期之收市價；及(iii)按聯交所發出之日報表所示，股份於緊接授出日期前五個營業日之平均收市價（可按該計劃作出調整）。

本公司之購股權變動詳情載於財務報表附註32。

## 儲備

本集團及本公司之儲備於本年度內之變動詳情載於財務報表附註29。

於二零零八年十二月三十一日，本公司無儲備可供分派予其股東（二零零七年：無）（惟須符合百慕達一九八一年公司法（經修訂）條文之規定）。此外，本公司之股份溢價約為386,673,000港元（二零零七年：307,872,000港元），可以繳足紅股形式分派。

## 可換股債券

年內，本集團及本公司之可換股債券變動詳情載於財務報表附註29。

## 退休福利

本集團安排其香港僱員加入強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立受託人管理之定額供款計劃。根據強積金計劃，本集團及其僱員各自須每月按僱員薪金（定義見強制性公積金法例）的5%作為供款。僱主及僱員之供款以每月薪金20,000港元為上限。另可作自願性額外供款。根據中國法律及法規之規定，本集團為其中國僱員於國家資助退休計劃作出供款。本集團按其僱員基本薪金之特定百分比向該退休計劃作出供款；除此以外，概無進一步實際繳付退休金或退休後福利之責任。國家資助退休計劃將全權負上向退休僱員支付退休金之責任。

## 固定資產

本集團及本公司之固定資產於本年度內之變動詳情載於財務報表附註13。

## 銀行貸款及其他借貸

本集團之銀行貸款及其他借貸於本年度內之詳情載於財務報表附註25。

## 董事之合約權益

除財務報表附註36所披露的外，於本年度結算日或本年度內任何時間，本公司各董事概無在本公司或其任何附屬公司所訂立的任何重要合約中擁有重大權益。



# Directors' Report

## DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company who held office during the year and up to the date of this report were:–

### Executive Directors

Mr. Wu Yijian ( <i>Chairman</i> )	(resigned on 28 May 2008)
Mr. Hu Yangxiong ( <i>Vice Chairman and Chief Executive Officer</i> )	
Mr. Sha Yingjie	
Mr. Qu Jiaqi	
Mr. Li Haogang	
Ms. Lu Xiaoling	(appointed on 1 February 2009)
Mr. Leung Siu Kuen	(resigned on 11 December 2008)
Mr. Lai Chik Fan	(resigned on 9 October 2008)

### Independent Non-Executive Directors

Mr. Chan Wai Kwong, Peter	
Mr. Fu Wing Kwok, Ewing	
Mr. Tsang Kwok Wai	(appointed on 25 September 2008)
Mr. Xiao Ming	(resigned on 26 September 2008)

In accordance with the Bye-law 86(2) of the Company, the newly appointed Executive Director, Ms. Lu Xiaoling and Independent Non-Executive Director, Mr. Tsang Kwok Wai are subject to re-election at the forthcoming annual general meeting.

In accordance with the Bye-law 87(1) of the Company, Mr. Hu Yangxiong and Mr. Chan Wai Kwong, Peter will retire from the office of directorship by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from the Independent Non-Executive Directors, Mr. Chan Wai Kwong, Peter, Mr. Fu Wing Kwok, Ewing and Mr. Tsang Kwok Wai, and considers them to be independent for this year. The Company considers that each of such Independent Non-Executive Directors to be independent from the Group based on the Guidelines set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules").

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 14 to 19 of the annual report.

None of the directors had entered into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the directors and top five highest paid individuals of the Group are set out in note 8 to the financial statements.

## 董事及董事之服務合約

於本年度內及截至本報告日期止，本公司之在任董事如下：—

### 執行董事

吳一堅先生 (主席) (於二零零八年五月二十八日辭任)  
胡養雄先生 (副主席兼行政總裁)  
沙英傑先生  
曲家琪先生  
李郝港先生  
魯曉玲女士 (於二零零九年二月一日獲委任)  
梁兆權先生 (於二零零八年十二月十一日辭任)  
賴焯藩先生 (於二零零八年十月九日辭任)

### 獨立非執行董事

陳為光先生  
傅榮國先生  
曾國偉先生 (於二零零八年九月二十五日獲委任)  
肖鳴先生 (於二零零八年九月二十六日辭任)

根據本公司之公司細則第86(2)條，新近獲委任的執行董事魯曉玲女士及獨立非執行董事曾國偉先生將於應屆股東週年大會上膺選連任。

根據本公司之公司細則第87(1)條，胡養雄先生及陳為光先生將輪值退任董事職務，惟他們願意並符合資格於應屆股東週年大會上膺選連任。

本公司已接獲各獨立非執行董事包括陳為光先生、傅榮國先生及曾國偉先生，就其獨立身份發出之年度確認書，認為他們於本年度均屬獨立人士。根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）第3.13條所載指引，本公司認為上述各獨立非執行董事均為本集團的獨立人士。

本公司董事及本集團高級管理層之履歷資料載於年報第14至第19頁。

各董事概無與本集團任何成員公司訂立本集團不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

## 董事酬金及五名最高薪人士

本集團董事及五名最高薪人士之酬金詳情載於財務報表附註8。

# Directors' Report

## CONNECTED TRANSACTIONS

The details of connected transactions of the Group which were discloseable under Chapter 14A of the Listing Rules are disclosed in note 36 to the financial statements.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2008, the interests and short positions of the directors and chief executives of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were required to be entered into the register required to be kept under section 352 of the SFO or otherwise were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) and/or the Model Code for Securities Transactions by Directors of Listed issuers in the Listing Rules (the "Model Code"), were as follows:

### (a) Long positions in the shares of HK\$0.10 each

Name of director	Nature of interests	Number of issued ordinary shares held	Approximate percentage of the issued share capital of the Company
Mr. Hu Yangxiong	Personal interests	6,960,000	0.60%
Mr. Qu Jiaqi	Personal interests	2,000,000	0.17%
Mr. Li Haogang	Personal interests	2,000,000	0.17%
Mr. Sha Yingjie	Personal interests	2,000,000	0.17%

Save as disclosed above, as at 31 December 2008, none of the directors or chief executives of the Company had, under Divisions 7 and 8 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares of HK\$0.10 each of the Company, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the SFO.

## 關連交易

本集團須根據上市規則第14A章之規定予以披露的關連交易詳情載於財務報表附註36。

## 董事及主要行政人員與本公司股份、相關股份及債券之權益及短倉

於二零零八年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有須載入根據證券及期貨條例第352條之規定所存置之登記冊之權益及短倉，或根據證券及期貨條例第XV部第7及第8分部而須知會本公司及聯交所之權益及短倉（包括根據證券及期貨條例相關規定被視作或當作擁有之權益及短倉）及／或根據上市規則當中上市發行人董事進行證券交易的標準守則（「標準守則」）而須知會本公司及聯交所之權益及短倉載列如下：

### (a) 本公司每股面值0.10港元之股份（「股份」）及相關股份中之長倉總數：

董事姓名	權益性質	所持股份數目	佔本公司已發行股本概約百分比
胡養雄先生	個人權益	6,960,000	0.60%
曲家琪先生	個人權益	2,000,000	0.17%
李郝港先生	個人權益	2,000,000	0.17%
沙英傑先生	個人權益	2,000,000	0.17%

除上文披露者外，於二零零八年十二月三十一日，本公司董事或主要行政人員概無根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第7及第8分部擁有或根據證券及期貨條例相關規定而被視作或當作擁有本公司每股面值0.10港元之股份、本公司或任何相聯法團（定義見證券及期貨條例第XV部）相關股份或債券的任何權益或短倉，或根據上市規則當中上市發行人董事進行證券交易之標準守則而須知會本公司及聯交所之任何權益，或須載入本公司根據證券及期貨條例第352條之規定所存置之登記冊之任何權益。

# Directors' Report

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY *(Continued)*

### (b) Long positions in underlying shares

Name of grantee	Date of grant	Exercise price	Vesting and exercise period	Number of share options			
				Outstanding as at 1 January 2008	Granted during the period	Exercised during the period	Outstanding as at 31 December 2008
Mr Hu Yangxiong	15 Jan 2008	HK\$0.74	16 Jan 2008 to 15 Jan 2010	–	3,154,000	–	3,154,000
Mr. Sha Yingjie	25 May 2006	HK\$0.45	25 May 2006 to 25 May 2008	2,000,000	–	(2,000,000)	–
	15 Jan 2008	HK\$0.74	16 Jan 2008 to 15 Jan 2010	–	2,000,000	–	2,000,000
Mr. Qu Jiaqi	25 May 2006	HK\$0.45	25 May 2006 to 25 May 2008	3,900,000	–	(3,900,000)	–
	15 Jan 2008	HK\$0.74	16 Jan 2008 to 15 Jan 2010	–	2,000,000	–	2,000,000
Mr. Li Haogang	25 May 2006	HK\$0.45	25 May 2006 to 25 May 2008	3,022,250	–	(3,022,250)	–
	15 Jan 2008	HK\$0.74	16 Jan 2008 to 15 Jan 2010	–	2,000,000	–	2,000,000
Mr. Leung Siu Kuen <i>(Note)</i>	15 Jan 2008	HK\$0.74	16 Jan 2008 to 15 Jan 2010	–	1,500,000	–	1,500,000
				<u>8,922,250</u>	<u>10,654,000</u>	<u>(8,922,250)</u>	<u>10,654,000</u>

*Note:*–

Mr. Leung Siu Kuen resigned on 11 December 2008.

All the interests stated above represents long positions. No short positions were recorded in the register maintained by the Company under Section 352 of the SFO as at 31 December 2008.

Save as disclosed above, as at 31 December 2008, none of the directors or chief executives of the Company had, under Divisions 7 and 8 of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be notified to the Company and the Stock Exchange or any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or are required pursuant to the Model Code.

董事及主要行政人員與本公司股份、相關股份及債券之權益及短倉 (續)

(b) 相關股份之長倉

承授人姓名	授出日期	行使價	行使期	購股權數目			
				於二零零八年 一月一日 尚未行使	年內授出	年內行使	於二零零八年 十二月三十一日 尚未行使
胡養雄先生	二零零八年 一月十五日	0.74港元	二零零八年一月十六日至 二零一零年一月十五日	-	3,154,000	-	3,154,000
沙英傑先生	二零零六年 五月二十五日	0.45港元	二零零六年五月二十五日至 二零零八年五月二十五日	2,000,000	-	(2,000,000)	-
	二零零八年 一月十五日	0.74港元	二零零八年一月十六日至 二零一零年一月十五日	-	2,000,000	-	2,000,000
曲家琪先生	二零零六年 五月二十五日	0.45港元	二零零六年五月二十五日至 二零零八年五月二十五日	3,900,000	-	(3,900,000)	-
	二零零八年 一月十五日	0.74港元	二零零八年一月十六日至 二零一零年一月十五日	-	2,000,000	-	2,000,000
李郝港先生	二零零六年 五月二十五日	0.45港元	二零零六年五月二十五日至 二零零八年五月二十五日	3,022,250	-	(3,022,250)	-
	二零零八年 一月十五日	0.74港元	二零零八年一月十六日至 二零一零年一月十五日	-	2,000,000	-	2,000,000
梁兆權先生 (附註)	二零零八年 一月十五日	0.74港元	二零零八年一月十六日至 二零一零年一月十五日	-	1,500,000	-	1,500,000
				<u>8,922,250</u>	<u>10,654,000</u>	<u>(8,922,250)</u>	<u>10,654,000</u>

附註：—

梁兆權先生於二零零八年十二月十一日辭任執行董事。

上述所示所有權益均為長倉。於二零零八年十二月三十一日，本公司根據證券及期貨條例第352條之規定存置之登記冊並無任何短倉記錄。

除上文所披露外，於二零零八年十二月三十一日，本公司董事或主要行政人員概無擁有下述權益，即根據證券及期貨條例第7及第8分部、或根據證券及期貨條例相關規定而視作或當作擁有本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券的任何權益及短倉；或須知會本公司及聯交所之任何權益；或須根據證券及期貨條例第352條規定所存置之登記冊內任何權益；或根據標準守則而須知會本公司及聯交所之任何權益。

# Directors' Report

## SUBSTANTIAL SHAREHOLDERS

### Interests of shareholders discloseable pursuant to the SFO

The register of substantial shareholders required to be kept under section 336 of the SFO shows that as at 31 December 2008, the Company had been notified of the following substantial shareholders' interests and short positions, being interests of 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors of the Company.

Name of shareholder	Long positions/ short positions	Nature of interests	Number of Issued ordinary shares held	Approximate percentage of the issued share capital of the Company
BMRL	Long positions	Personal interests	317,464,072 (Note 1)	27.41%
Mr. Chen Jian	Long positions	Corporate interests	317,464,072 (Note 1)	27.41%
Mr. Li Peng	Long positions	Personal interests	89,698,156 (Note 2)	7.74%

Notes:—

- (1) BMRL held 317,464,072 shares under its own name as at 31 December 2008. Mr. Chen Jian held 100% of the issued share capital of BMRL. As such, Mr. Chen Jian was deemed to be interested in 317,464,072 shares by virtue of his shareholding in BMRL.
- (2) Mr. Li Peng is entitled to subscribe for new ordinary shares at subscription price of HK\$0.49 up to the amount of HK\$48,118,000, as a result of the issue of warrants according to the Warrant Subscription Agreement dated 29 June 2007.

Save as disclosed above, the directors and chief executives of the Company are not aware that there is any person who, as at 31 December 2008, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

主要股東

根據證券及期貨條例須予披露之股東權益

於二零零八年十二月三十一日，根據證券及期貨條例第336條存置之主要股東登記冊規定，本公司獲知會下列主要股東於本公司已發行股本中擁有5%或以上權益及淡倉。該等權益為上述所披露本公司董事擁有之權益以外之權益。

股東名稱	長倉／短倉	權益性質	所持已發行 普通股數目	佔本公司 已發行股本之 概約百分比
BMRL	長倉	個人權益	317,464,072 (附註1)	27.41%
陳健先生	長倉	公司權益	317,464,072 (附註1)	27.41%
李鵬先生	長倉	個人權益	89,698,156 (附註2)	7.74%

附註：—

- (1) 於二零零八年十二月三十一日，BMRL以公司名義持有317,464,072股股份。陳健先生持有BMRL 100%已發行股本。因此，陳健先生基於其在BMRL之股權而視作於317,464,072股股份中擁有權益。
- (2) 根據二零零七年六月二十九日簽訂的認股權證認購協議所發行的認股權證，李鵬先生有權按每股0.49港元的認購價認購新普通股，上限金額為48,118,000港元。

除上文披露者外，於二零零八年十二月三十一日，據本公司董事及主要行政人員所知，概無任何人士於任何股份或相關股份中擁有任何權益須根據證券及期貨條例第XV部第2及第3分部之規定而向本公司披露，或直接或間接持有附帶權利可在任何情形下於本集團任何其他成員公司之股東大會投票之任何類別股本面值擁有5%或以上權益。



# Directors' Report

## **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

None of the directors of the Company is interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## **MAJOR CUSTOMERS AND SUPPLIERS**

For the year, the five largest customers of the Group accounted for approximately 2.24% of the Group's total turnover and the five largest suppliers of the Group accounted for approximately 43.24% of the Group's total purchases. The largest customer to the Group accounted for approximately 0.7% of the Group's total turnover while the largest supplier to the Group accounted for approximately 13.67% of the Group's total purchases.

None of the directors, their associates, or any shareholders (which, to the best knowledge of the directors, owned more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest major customers and suppliers during the year.

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

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

## **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Company's Bye-laws and the laws in Bermuda.

## **SEGMENT INFORMATION**

Analysis by principal activities and geographical markets of the Group's turnover and results for the year is provided in note 12 to the financial statements.

## **MANAGEMENT CONTRACTS**

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

## **MATERIAL LITIGATION**

Except as disclosed in note 35 to the financial statements, neither the Company nor any of its subsidiaries is engaged in any other litigation or arbitration of material importance and there is no litigation or claim of material importance known to the directors to be pending or threatened by or against the Company or any of its subsidiaries.

## 董事於競爭業務之權益

除本集團業務外，本公司董事概無擁有任何直接或間接對本集團業務構成競爭或可能構成競爭之業務權益。

## 主要客戶及供應商

於本年度，本集團五大客戶佔本集團總營業額約2.24%，本集團五大供應商則佔本集團總採購額約43.24%。本集團最大客戶佔本集團總營業額約0.7%，而本集團最大供應商則佔本集團總採購額約13.67%。

於本年度內，概無任何董事、其聯繫人士或任何股東（以董事所知擁有本公司5%以上已發行股本）於本集團五大主要客戶及供應商中擁有任何實質權益。

## 購買、出售或贖回本公司之上市證券

於本年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

## 優先購買權

本公司之公司細則及百慕達法例均無關於優先購買權之條文。

## 分部資料

本集團按主要業務及地區市場劃分之本年度營業額及業績分析載於財務報表附註12。

## 管理合約

本集團於本年度並無訂立或訂有任何關於本集團全部業務或其中任何重大部份之管理及行政合約。

## 重大訴訟

除附註35所披露外，本公司或其任何附屬公司概無涉及任何重大訴訟或仲裁。而就董事所知，本公司或其任何附屬公司亦無任何尚未了結的重大訴訟或索償或面臨重大訴訟或索償之威脅。

# Directors' Report

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, there is sufficient public float of more than 25% of the Company's shares in the market as required under the Listing Rules.

## **POST BALANCE SHEET EVENTS**

Details of post balance sheet events of the Group are set out in note 37 to the financial statements.

## **AUDITORS**

Chu and Chu acted as auditors of the Company up to and including the year ended 30 June 2005. Chu and Chu resigned and Messrs. PKF was appointed as auditors of the Company on 28 February 2006. Messrs. PKF audited the Company's financial statements for the eighteen months ended 31 December 2006 and for the year ended 31 December 2007. Baker Tilly Hong Kong Limited were appointed as auditors of the Company in 2008 upon the resignation of Messrs. PKF.

Baker Tilly Hong Kong Limited retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Baker Tilly Hong Kong Limited as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

### **Hu Yangxiong**

*Vice Chairman and Chief Executive Officer*

Hong Kong, 24 April 2009

## 足夠公眾持股量

按本公司取得之公開資料及據董事所知，於本年報日期，本公司股份在市場上具有高於上市規則所規定25%之足夠公眾持股量。

## 結算日後事項

本集團之結算日後事項之詳情載於財務報表附註37。

## 核數師

截至二零零五年六月三十日止，本公司核數師為永正會計師事務所。大信梁學濂（香港）會計師事務所自二零零六年二月二十八日起獲委任為本公司核數師，以填補因永正會計師事務所辭任後產生之臨時空缺。截至二零零六年十二月三十一日止十八個月及截至二零零七年十二月止年度之財務報表已由大信梁學濂（香港）會計師事務所審核。

香港天華會計師事務所於二零零八年獲委任為本公司之核數師以填補大信梁學濂（香港）會計師事務所辭任後的空缺。香港天華會計師事務所任滿告退，惟其符合資格並願意於應屆股東週年大會上膺聘連任。

代表董事會

**胡養雄**

副主席兼行政總裁

香港，二零零九年四月二十四日

# Corporate Governance Report

The Board is committed to upholding a high standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining and promoting investors' confidence and maximizing shareholders' returns.

The Board reviews its corporate governance practices and internal control policy and procedures from time to time in order to meet the rising expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

The Board considers that the Company has complied throughout the year ended 31 December 2008 with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules, except for certain deviations. The corporate governance of the Company for the year is stated as follows:

## **BOARD OF DIRECTORS**

The Board is charged with providing effective and responsible leadership for the Company. The directors, individually and collectively, must act in good faith in the best interests of the Company and its shareholders. The composition of the directors during the period is set out in the Directors' Report.

Reasonable notices were given to all directors an opportunity to attend board meetings, although not all notices were issued for at least 14 days in accordance with CG Code Provision A.1.3. The board reviewed the situation and resolved to give at least 14 days notice to all directors for regular board meetings in future.

None of the existing Independent Non-Executive Directors is appointed for a specific term. However, all the Directors (Executive and Independent Non-Executive) are subject to retirement at least once every three years under Bye-Law 87(1) of the Bye-Laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code Provision A.4.1.

As the resigned Chairman of the Board was principally engaged in business in Mainland China and outside Hong Kong, he thus could not attend the annual general meeting of the Company for the years 2007 and 2008, which deviated from the requirements set out in CG Code Provision E.1.2. In future, the dates of general meetings will be more carefully selected and arranged to reduce the chance that it may happen again.

The Company has received from each of the Independent Non-Executive Directors a written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company thus considers all the Independent Non-Executive Directors are independent for the year.

董事會恪守維持高水平企業管治及商業道德標準的承諾。並堅信此對保持及提高投資者信心、及增加股東回報攸關重要。

為了達成公司相關利益者就企業管治水平及內部監控政策與程序不斷提升的期望、及符合日趨嚴謹之法規要求，與及實踐董事會堅守優越企業管治之承諾，董事會不斷檢討本集團的企業管治守則。

董事會認為本公司於截至二零零八年十二月三十一日止年度一直遵守上市規則附錄14所載《企業管治常規守則》（「企業管治守則」）之規定，惟若干偏離情況除外。本公司於期內之企業管治詳情載列如下：

## 董事會

董事會以效率及責任感來領導本公司。各董事（不論個別或集體）均須真誠，並以本公司及股東之最佳利益為依歸。期內董事會成員組合載於董事會報告內。

本公司給予全體董事合理通知，讓彼等可出席董事會會議。惟未必所有通知均符合企業管治守則條文第A.1.3條之規定，於最少14日前發出。董事會已檢討有關情況，並議決日後將就定期舉行之董事會會議給予全體董事最少14日通知。

現任的獨立非執行董事均非按指定任期獲委任。然而，全體董事（執行董事及非執行董事）均須遵照本公司之公司細則第87(1)條之規定，最少每三年輪值告退一次。故此，本公司認為已採取足夠措施，以確保本公司之企業管治準則不比企業管治守則條文第A.4.1條之規定寬鬆。

已辭任之董事會主席因公務離開香港，未能出席本公司二零零七年及二零零八年度股東週年大會，此舉偏離企業管治守則條文第E.1.2條所載規定。於未來，股東大會之舉行日期將更細心挑選及安排，以盡量避免同類事情再次發生。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就彼等之獨立身份而發出之確認書。本公司認為全體獨立非執行董事於本年度均屬獨立人士。

# Corporate Governance Report

## OPERATIONS OF THE BOARD

The Board determines the corporate mission and broad strategies, monitors and controls operating and financial performance and sets appropriate policies to manage risks in pursuit of the Group's strategies objectives. According to CG Code Provision A.1.1, the Board should meet regularly and Board meetings should be held at least four times a year at approximately intervals. During the year, the Board met regularly and frequently for the review and approval on the business of department stores. Details of Directors' attendance of the Board, Shareholders, audit and remuneration committee meetings held for the year 31 December 2008 are set out as follows:-

	<b>Board Meeting</b>	<b>AGM &amp; SGM</b>	<b>Audit Committee</b>	<b>Remuneration Committee</b>
<i>Executive Directors</i>				
<i>Note 1</i>	Wu Yijian	10/21	0/2	–
	Hu Yangxiong	21/21	2/2	4/4
	Sha Yingjie	21/21	0/2	–
	Qu Jiaqi	21/21	0/2	–
	Li Haogang	21/21	0/2	–
<i>Note 2</i>	Lu Xiaoling	0/21	0/2	–
<i>Note 3</i>	Leung Siu Kuen	18/21	2/2	–
<i>Note 4</i>	Lai Chik Fan	17/21	2/2	–
<i>Independent Non-Executive Directors</i>				
	Chan Wai Kwong, Peter	19/21	2/2	4/4
	Fu Wing Kwok, Ewing	19/21	0/2	4/4
<i>Note 5</i>	Tsang Kwok, Wai	2/21	0/2	–
<i>Note 6</i>	Xiao Ming	17/21	0/2	4/4

Notes:-

- 1) resigned on 28 May 2008
- 2) appointed on 1 February 2009
- 3) resigned on 11 December 2008
- 4) resigned on 9 October 2008
- 5) appointed on 25 September 2008
- 6) resigned on 26 September 2008

## MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2008.

## 董事會之運作

董事會負責釐定企業願景及主要策略、監察及監控營運及財務表現，以及制定合適的風險管理政策，以達成本集團的策略目標。

根據企業管治守則條文第A.1.1條之規定，董事會應定期舉行會議。董事會會議應每年舉行最少四次，約每季一次。期內，除了一般職務外，董事會定期及經常舉行會議，以檢討及審批有關從經營郵輪業務轉變至經營百貨商店之業務重組事宜。關於截至二零零八年十二月三十一日止年度舉行之股東大會、董事會會議、審核委員會會議及薪酬委員會會議，董事之出席紀錄載列如下：—

	董事會會議	股東週年大會及 股東特別大會	審核委員會	薪酬委員會
<b>執行董事</b>				
附註1 吳一堅	10/21	0/2	—	—
胡養雄	21/21	2/2	2/2	4/4
沙英傑	21/21	0/2	—	—
曲家琪	21/21	0/2	—	—
李郝港	21/21	0/2	—	—
附註2 魯曉玲	0/21	0/2	—	—
附註3 梁兆權	18/21	2/2	—	—
附註4 賴焯藩	17/21	2/2	—	—
<b>獨立非執行董事</b>				
陳為光	19/21	2/2	2/2	4/4
傅榮國	19/21	0/2	2/2	4/4
附註5 曾國偉	2/21	0/2	—	—
附註6 肖鳴	17/21	0/2	2/2	4/4

### 附註

- 1) 自二零零八年五月二十八日起辭任主席及執行董事職務。
- 2) 於二零零九年二月一日獲委任為執行董事。
- 3) 自二零零八年十二月十一日起辭任執行董事職務。
- 4) 自二零零八年十月九日起辭任執行董事職務。
- 5) 於二零零八年九月二十五日獲委任為獨立非執行董事。
- 6) 自二零零八年九月二十六日起辭任獨立非執行董事職務。

## 董事進行證券交易之標準守則

本公司採納了上市規則附錄10所載上市發行人的董事進行證券交易的標準守則。經向所有董事作出特定查詢，全部董事確實彼等於截至二零零八年十二月三十一日止年度內，一直遵守標準守則所載之規定準則。



# Corporate Governance Report

## **DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

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

## **NOMINATION COMMITTEE**

The Board has not set up a nomination committee. The Executive Directors would consult Independent Non-Executive Directors on any nominations to the Board and the Board would review regularly the need to appoint additional Director with appropriate professional knowledge and industry experience.

## **REMUNERATION COMMITTEE**

The remuneration committee is responsible for forming the remuneration's structure and policy of the Group, reviewing the remuneration packages of Executive Director and Senior Management, including bonuses and options granted under the Share Option Scheme, to ensure that such remuneration is reasonable and not excessive. Generally, their remunerations are determined based on their experience and qualifications, the Group's performance as well as market conditions.

The committee shall consist of not less than 2 members. Currently, the remuneration committee consists of three Independent Non-Executive Directors: Mr. Chan Wai Kwong, Peter, Mr. Tsang Kwok Wai and Mr. Fu Wing Kwok, Ewing and one Executive Director, Mr. Hu Yangxiong.

## **AUDIT COMMITTEE**

The primary objective of the audit committee is to review the financial reporting process of the Group and its internal control system, oversee the audit process and perform other duties assigned by the Board and make recommendations for the Company to improve the quality of financial information to be disclosed. It also reviews the annual and interim reports of the Company prior to their approval by the Board. The audit committee shall consist of not less than 3 members. Currently, the audit committee consists of three Independent Non-Executive Directors: Mr. Chan Wai Kwong, Peter, Mr. Fu Wing Kwok, Ewing and Mr. Tsang Kwok Wai and two Executive Directors, Mr. Sha Yingjie and Ms. Lu Xiaoling.

The audit committee has reviewed with management and Baker Tilly the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the audited results for the year ended 31 December 2008, and the unaudited interim results for the six months ended 30 June 2008 (by PKF) prior to their approval by the Board.

## 董事就財務報表所承擔之責任

董事須負責監督每個財政年度會計賬目之編製，以確保該等賬目能夠真實與公平地反映本集團於該年度之財政狀況、業績與現金流量。本公司會計賬目之編製均符合全部有關法規適用之會計準則。董事有責任確保選用合適會計政策並能貫徹應用，同時作出審慎及合理的判斷及估量。

## 提名委員會

董事會並無設立提名委員會。執行董事會就提名人士加入董事會事宜諮詢獨立非執行董事的意見。董事會亦會定期檢討是否有需要增加委任具備相關專業知識及業內經驗的董事。

## 薪酬委員會

薪酬委員會負責制定本集團之薪酬架構及政策，審核執行董事及高級管理層之薪酬待遇，包括花紅及根據購股權計劃授出之購股權，確保彼等之薪酬屬合理並不致過多。一般而言，彼等之薪酬乃根據彼等之經驗及資歷、本集團之表現及市場情況釐定。

薪酬委員會由最少2名成員組成。薪酬委員會現行成員包括三名獨立非執行董事：陳為光先生、傅榮國先生及曾國偉先生，以及一名執行董事－胡養雄先生。

## 審核委員會

審核委員會之主要目標是檢討本集團之財務申報程序及內部監控系統，監督審核過程及履行董事會指派之其他職務，以及向本公司提供建議，以改善將予披露財務資料之質素。此外，審核委員會亦會在董事會作出批准前，預先審閱年度及中期報告。審核委員會由最少3名成員組成，其現行成員包括三名獨立非執行董事：陳為光先生、傅榮國先生及曾國偉先生，以及兩名執行董事：沙英傑先生及魯曉玲女士。

審核委員會已與管理層及執業會計師香港天華會計師事務所審閱本集團所採納之會計原則及慣例，並討論審核、內部監控及財務申報事宜，包括在董事會作出批准前，審閱截至二零零八年十二月三十一日十二個月之經審核業績、及由大信梁學濂（香港）會計師事務所審閱的截至二零零八年六月三十日止六個月之未經審核中期業績。

# Corporate Governance Report

## AUDITORS' REMUNERATION

During the year ended 31 December 2008, Baker Tilly, as the external auditors of the Company, have provided audit services to the Group in respect of 2008 financial statements of the Group at the fee of HK\$1,050,000 (2007: HK\$560,000 by PKF) and HK\$90,000 by PKF for the review of interim report for the six month ended 30 June 2008 (2007: HK\$55,000).

## INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective system of internal controls in order to facilitate the effectiveness and efficiency of operations, safeguard assets against unauthorized use and dispositions of the Group's resources, ensure continuous maintenance of proper accounting records and the truth and fairness of the financial statements, as well as ensure compliance with relevant legislation and regulations. The system of internal controls is designed and implemented to provide reasonable, but not absolute, assurance against material misstatement or loss and manage rather than eliminate risks associated with its business activities.

The Board regularly reviews, on a quarterly basis, the effectiveness of the internal control system of the Group. In addition to the maintenance of an adequate system of internal controls for the existing business units of the Group, the Board is also committed to the continuous enhancement of the internal control system of the newly acquired business units in PRC.

During the year ended 31 December 2008, the Board appointed an international management consultancy firm, Baker Tilly Hong Kong Business Services Limited, to conduct a review of the internal controls system of the Group with particular focus on corporate governance, inventory management cycle, fixed assets management cycle, and financial reporting cycle. The results of the internal control review were submitted to the Audit Committee for consideration. The Audit Committee has reviewed the results of the internal control review and is satisfied with the Group's internal controls.

## 核數師酬金

於截至二零零八年十二月三十一日止年度內，本公司之外聘核數師香港天華會計師事務所就本集團二零零八年度財政報表提供審核服務，並收取費用1,050,000港元（二零零七年：大信梁學濂（香港）會計師事務所560,000港元）；另大信梁學濂（香港）會計師事務所就審閱截至二零零八年六月三十日止六個月之中期報告收取90,000港元（二零零七年：55,000港元）。

## 內部監控

董事會負責維持健全及有效的內部監控系統，以推動業務運作之成效及效率，保管資產以防未經授權之使用或處理，確保保存恰當的會計紀錄及真實公平的財務報表，並確保符合相關法例與規則。上述監控系統旨在合理地，但並非絕對地，保證並無重大失實陳述或損失，並管理、但並非完全消除、本集團業務之相關風險。

董事會已經常地檢討本集團內部監控系統之成效。除了維持集團現時業務之內部監控，董事會亦致力於持續改善新近收購國內業務之現有內部監控系統。

截至二零零八年十二月三十一日止十二個月，董事會聘請一國際專業管理顧問公司，香港天華商業諮詢服務有限公司，檢討集團內部監控系統，尤其着眼於企業管治、存貨管理循環、固定資產管理循環、和財務報告循環。內部監控檢討結果已交予審核委員會參閱。審核委員會已審閱該內部監控檢討結果及滿意集團內部監控措施。

# Independent Auditor's Report



**BAKER TILLY**

**HONG KONG LIMITED**

CERTIFIED PUBLIC ACCOUNTANTS

香港天華會計師事務所有限公司

12/E, China Merchants Tower, Shun Tak Centre,

168-200 Connaught Road Central, Hong Kong

香港干諾道中168-200號

信德中心招商局大廈12樓

## **Independent auditor's report to the shareholders of China Golden Development Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of China Golden Development Holdings Limited (the "Company") and its subsidiaries (together referred to as the "Group") set out on pages 60 to 211, which comprise the consolidated and Company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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



**BAKER TILLY**  
**HONG KONG LIMITED**  
CERTIFIED PUBLIC ACCOUNTANTS

香港天華會計師事務所有限公司

12/F, China Merchants Tower, Shun Tak Centre,  
168-200 Connaught Road Central, Hong Kong  
香港干諾道中168-200號  
信德中心招商局大廈12樓

## 獨立核數師報告

致中國金展控股有限公司各股東

(於百慕達註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核刊於第60頁至第211頁有關中國金展控股有限公司(「本公司」)及各附屬公司(以下統稱「本集團」)之綜合財務報表。此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及本公司的資產負債表;及該年度止之綜合收益賬、綜合權益變動表及綜合現金流量表;以及主要會計政策概要及其他附註解釋。

## 董事就財務報表須承擔之責任

本公司董事須負責根據香港會計師公會頒佈之香港財務申報準則及香港《公司條例》之披露規定編製財務報表,並須真實而公允地列報。其責任包括設計、執行與及堅守有關編製及真實公允列報財務報表的內部監控,以去除財務報表因欺詐或錯誤而出現重大誤述;並選擇與應用適當的會計政策;以及因應情況作出合理的會計估計。

## 核數師之責任

我們的責任是根據我們審核工作的結果,對財務報表提出意見。這份報告書是根據一九八一年百慕達公司法第90條之規定,僅為整體股東而編寫,除此以外,我們的報告書不可用作其他用途。我們概不會就本報告書的內容,對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範、規劃及執行審核工作,以對此財務報表是否不存有任何重大錯誤陳述作出合理確定。

# Independent Auditor's Report

## **AUDITOR'S RESPONSIBILITY** *(Continued)*

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

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

## **OPINION**

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and the Group's loss 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.

## **EMPHASIS OF MATTER**

Without qualifying our opinion, we draw attention to note 2(b) to the financial statements which indicates that the Group incurred a consolidated net loss from operations attributable to the equity holders of the Company of approximately HK\$545,172,000 for the year ended 31 December 2008, had consolidated net current liabilities of approximately HK\$1,036,800,000 and a full impairment of issued capital of HK\$11,301,000 as at 31 December 2008. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the continuing financial support from the substantial shareholder in order to finance the Group's future working capital and financial requirements and the Group's ability to obtain new working capital from prospective investors and to generate adequate cash flows from its continuing operations in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to obtain such financial support and working capital. We consider that adequate disclosures have been made.

### **Baker Tilly Hong Kong Limited**

*Certified Public Accountants*

Hong Kong, 24 April 2009

**Andrew David Ross**

Practising certificate number P01183

## 核數師之責任 (續)

審核工作涉及執行獲取有關財務報表所載金額及披露資料審核憑證之程序。而程序之選定則取決於核數師之判斷，包括評估因欺詐或錯誤而導致財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師會考慮與該公司有關編製及真實公允列報財務報表之內部監控，以便設計適當的審核程序，而並非為對公司內部監控的效能發表意見。審核亦包括評價董事所採用之會計政策是否合適及其會計估計是否合理、以及評價財務報表之整體列報方式。

我們相信，我們獲得充足及適當的審核憑證，作為下列審核意見的基礎。

## 意見

我們認為，上述綜合財務報表已根據香港財務申報準則真實公允反映本公司及本集團於二零零八年十二月三十一日的財政狀況、及本集團於該年度止之虧損及現金流量，並已按照香港《公司條例》之披露規定妥善編製。

## 強調事項

在不作保留意見情況下，我們謹促閣下注意財務報表附註2(b)顯示本集團於二零零八年十二月三十一日止由本公司權益股東應佔營運產生的綜合淨虧損約為545,172,000港元。而於二零零八年十二月三十一日的綜合淨流動負債約為1,036,800,000港元及已發行股本減值11,301,000港元。這等情況顯示本集團持續經營之能力存在重大不明朗因素。本集團的綜合財務報表是按持續經營基準編製，其合理性依賴於主要股東的持續財政支援，以支持本集團之未來營運資金及財政需要；以及依賴於本集團從未來投資者獲得新營運資金與在可預見未來從持續經營產生足夠現金流的能力。本綜合財務報表並無包括對未能獲得財政支援及營運資金所需之調整。我們認為已作出足夠披露。

香港天華會計師事務所有限公司

執業會計師

香港，二零零九年四月二十四日

羅安狄

執業證書編號P01183



# Consolidated Income Statement

For the year ended 31 December 2008 (Expressed in Hong Kong dollars)

	Note	2008 HK\$'000	2007 HK\$'000 (Restated)
<b>Turnover</b>	4	<b>301,052</b>	115,656
Cost of sales		<u>(96,483)</u>	<u>(33,602)</u>
<b>Gross profit</b>		<b>204,569</b>	82,054
Other revenue and income	5	<b>118,100</b>	11,969
Selling and distribution expenses		<b>(27,596)</b>	(19,274)
General and administrative expenses		<b>(175,232)</b>	(61,704)
Provision for impairment of goodwill	16	<u><b>(604,653)</b></u>	<u>–</u>
<b>Operating (loss)/profit</b>		<b>(484,812)</b>	13,045
Finance costs	6(a)	<u><b>(44,524)</b></u>	<u>(2,289)</u>
<b>(Loss)/profit before taxation</b>	6	<b>(529,336)</b>	10,756
Income tax	7	<u><b>(10,495)</b></u>	<u>(5,426)</u>
<b>(Loss)/profit for the year</b>		<u><b>(539,831)</b></u>	<u>5,330</u>
Attributable to:			
– Shareholders of the Company	9	<b>(545,172)</b>	5,330
– Minority interests		<u><b>5,341</b></u>	<u>–</u>
		<u><b>(539,831)</b></u>	<u>5,330</u>
<b>(Loss)/earnings per share (HK cents)</b>	11		
– basic		<u><b>(53.62)</b></u>	<u>0.94</u>
– diluted		<u><b>N/A</b></u>	<u>0.89</u>

The notes on pages 60 to 211 form part of these financial statements.

# 綜合收益賬

截至二零零八年十二月三十一日止年度 (以港幣計算)

	附註	二零零八年 千港幣	二零零七年 千港幣 (重列)
營業額	4	301,052	115,656
銷售成本		<u>(96,483)</u>	<u>(33,602)</u>
毛利		204,569	82,054
其它收益	5	118,100	11,969
銷售及分銷開支		<u>(27,596)</u>	<u>(19,274)</u>
一般及行政管理費用		<u>(175,232)</u>	<u>(61,704)</u>
商譽減值準備	16	<u>(604,653)</u>	<u>—</u>
經營(虧損)/溢利		(484,812)	13,045
財務費用	6(a)	<u>(44,524)</u>	<u>(2,289)</u>
除所得稅前(虧損)/溢利	6	(529,336)	10,756
所得稅支出	7	<u>(10,495)</u>	<u>(5,426)</u>
本年度內(虧損)/溢利		<u>(539,831)</u>	<u>5,330</u>
應佔：			
— 本公司股東	9	(545,172)	5,330
— 少數股東權益		<u>5,341</u>	<u>—</u>
		<u>(539,831)</u>	<u>5,330</u>
每股攤薄(虧損)/溢利(港仙)	11		
— 基本		<u>(53.62)</u>	<u>0.94</u>
— 攤薄		<u>不適用</u>	<u>0.89</u>

第60至211頁之附註乃本財務報表之部份。

# Consolidated Balance Sheet

As at 31 December 2008 (Expressed in Hong Kong dollars)

	Note	2008 HK\$'000	2007 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Fixed assets	13(a)	158,534	63,836
Intangible assets	14	–	15,578
Goodwill	16	226,579	–
Loan receivables	17	1,343,644	10,000
Deposits for acquisition of subsidiaries		–	17,160
Deferred tax assets	28(b)	3,655	–
		<b>1,732,412</b>	106,574
<b>CURRENT ASSETS</b>			
Inventories	18	32,372	7,606
Trade and other receivables	19	60,216	22,858
Loan receivables	17	20,979	26,153
Amounts due from related companies	20	–	60,006
Amount due from a director	21	78	–
Time deposits	22	5,685	100,000
Cash and cash equivalents	22	84,686	138,363
		<b>204,016</b>	354,986
<b>CURRENT LIABILITIES</b>			
Trade and other payables	23	853,555	96,335
Amount due to a related company	24	2,502	–
Bank loans, secured	25	358,575	1,059
Obligations under finance leases	26	154	–
Promissory notes	27	–	2,480
Current taxation	28(a)	26,030	3,845
		<b>1,240,816</b>	103,719
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(1,036,800)</b>	251,267
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>695,612</b>	357,841
<b>NON-CURRENT LIABILITIES</b>			
Convertible bonds	29	706,913	–
<b>NET (LIABILITIES)/ASSETS</b>		<b>(11,301)</b>	357,841
<b>CAPITAL AND RESERVES</b>			
Share capital	31(a)	115,824	94,842
Reserves		(198,133)	262,999
Total (deficit)/equity attributable to equity shareholders of the Company		<b>(82,309)</b>	357,841
<b>MINORITY INTERESTS</b>		<b>71,008</b>	–
<b>TOTAL (DEFICIT)/EQUITY</b>		<b>(11,301)</b>	357,841

Approved and authorised for issue by the board of directors on 24 April 2009.

**Hu Yangxiong**  
Director

**Sha Yingjie**  
Director

The notes on pages 60 to 211 form part of these financial statements.

# 綜合資產負債表

於二零零八年十二月三十一日 (以港幣計算)

	附註	二零零八年 千港幣	二零零七年 千港幣
<b>非流動資產</b>			
固定資產	13(a)	158,534	63,836
無形資產	14	–	15,578
商譽	16	226,579	–
應收貸款	17	1,343,644	10,000
收購附屬公司已付按金		–	17,160
遞延稅項	28(b)	3,655	–
		<b>1,732,412</b>	106,574
<b>流動資產</b>			
存貨	18	32,372	7,606
預付款及其它應收款項	19	60,216	22,858
應收貸款	17	20,979	26,153
應收關聯公司款項	20	–	60,006
應收董事款項	21	78	–
定期存款	22	5,685	100,000
現金及銀行結餘	22	84,686	138,363
		<b>204,016</b>	354,986
<b>流動負債</b>			
貿易及其它應付款項	23	853,555	96,335
應付關聯公司款項	24	2,502	–
有抵押之銀行貸款	25	358,575	1,059
融資租賃之債務	26	154	–
承兌票據	27	–	2,480
應付稅項	28(a)	26,030	3,845
		<b>1,240,816</b>	103,719
<b>流動(負債)/資產淨額</b>		<b>(1,036,800)</b>	251,267
<b>總資產減流動負債</b>		<b>695,612</b>	357,841
<b>非流動負債</b>			
可換股債券	29	706,913	–
<b>(負債)/資產淨額</b>		<b>(11,301)</b>	357,841
<b>股本及儲備</b>	31(a)		
股本		115,824	94,842
(虧絀)/儲備		(198,133)	262,999
<b>(虧絀)/權益總額—本公司股東</b>		<b>(82,309)</b>	357,841
<b>少數股東權益</b>		<b>71,008</b>	–
<b>總(虧絀)/權益</b>		<b>(11,301)</b>	357,841

於二零零九年四月二十四日獲董事會批准及授權刊發。

胡養雄  
董事

沙英傑  
董事

第60至211頁之附註乃本財務報表之部份。

# Balance Sheet

As at 31 December 2008 (Expressed in Hong Kong dollars)

	Note	2008 HK\$'000	2007 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Fixed assets	13(b)	–	–
Investments in subsidiaries	15	1	1
Deposits for acquisition of subsidiaries		–	17,160
		<b>1</b>	<b>17,161</b>
<b>CURRENT ASSETS</b>			
Deposits and prepayments	19	543	5,404
Amounts due from subsidiaries	15	736,693	218,554
Time deposits	22	–	100,000
Cash and cash equivalents	22	8	8,410
		<b>737,244</b>	<b>332,368</b>
<b>CURRENT LIABILITIES</b>			
Accrued expenses and other payables	23	1,905	4,142
Amounts due to subsidiaries	15	7,656	329
Promissory notes	27	–	2,480
		<b>9,561</b>	<b>6,951</b>
<b>NET CURRENT ASSETS</b>		<b>727,683</b>	<b>325,417</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>727,684</b>	<b>342,578</b>
<b>NON-CURRENT LIABILITIES</b>			
Convertible bonds	29	(706,913)	–
<b>NET ASSETS</b>		<b>20,771</b>	<b>342,578</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	31(b)	115,824	94,842
Reserves		(95,053)	247,736
<b>TOTAL EQUITY</b>		<b>20,771</b>	<b>342,578</b>

Approved and authorised for issue by the board of directors on 24 April 2009.

**Hu Yangxiong**  
Director

**Sha Yingjie**  
Director

The notes on pages 60 to 211 form part of these financial statements.

# 資產負債表

於二零零八年十二月三十一日 (以港幣計算)

	附註	二零零八年 千港元	二零零七年 千港元
<b>非流動資產</b>			
固定資產	13(b)	-	-
於附屬公司之權益	15	1	1
收購附屬公司已付按金		-	17,160
		<b>1</b>	<b>17,161</b>
<b>流動資產</b>			
其它應收款項	19	543	5,404
應收附屬公司款項	15	736,693	218,554
定期存款	22	-	100,000
現金及銀行結餘	22	8	8,410
		<b>737,244</b>	<b>332,368</b>
<b>流動負債</b>			
預提費用及其它應付款	23	1,905	4,142
應付附屬公司款項	15	7,656	329
承兌票據	27	-	2,480
		<b>9,561</b>	<b>6,951</b>
<b>流動資產淨額</b>		<b>727,683</b>	<b>325,417</b>
<b>總資產減流動負債</b>		<b>727,684</b>	<b>342,578</b>
<b>非流動負債</b>			
可換股債券	29	(706,913)	-
<b>資產淨額</b>		<b>20,771</b>	<b>342,578</b>
<b>股本及儲備</b>	31(b)		
股本		115,824	94,842
(虧絀)/儲備		(95,053)	247,736
<b>權益總額</b>		<b>20,771</b>	<b>342,578</b>

於二零零九年四月二十四日獲董事會批准及授權刊發。

胡養雄  
董事

沙英傑  
董事

第60至211頁之附註乃本財務報表之部份。

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2008 (Expressed in Hong Kong dollars)

	<i>Note</i>	<b>2008</b> <b>HK\$'000</b>	2007 HK\$'000
<b>TOTAL EQUITY AT 1 JANUARY</b>		<b>357,841</b>	64,913
<b>NET (LOSS)/INCOME RECOGNISED DIRECTLY IN EQUITY</b>			
Exchange differences on translation of financial statements of overseas subsidiaries		<b>4,711</b>	6,464
Net (loss)/profit for the year			
– attributable to equity shareholders of the Company		<b>(545,172)</b>	5,330
– minority interests		<b>5,341</b>	–
		<b>(539,831)</b>	5,330
		<b>(535,120)</b>	11,794
<b>MOVEMENTS IN EQUITY ARISING FROM CAPITAL TRANSACTIONS</b>			
Acquisition of subsidiaries	<i>30(a)</i>	<b>65,667</b>	–
Issue of warrants		–	2,455
Equity settled share-based transactions		<b>2,447</b>	–
Shares issued for conversion of convertible bonds	<i>31(a)</i>	<b>86,803</b>	8,450
Shares issued for exercise of warrants	<i>31(a)</i>	<b>920</b>	5,983
Shares issued for exercise of share options	<i>31(a)</i>	<b>10,303</b>	7,200
Share issued for placement of new shares		–	267,610
Expenses paid for placement of shares	<i>31</i>	<b>(162)</b>	(10,564)
		<b>165,978</b>	281,134
<b>TOTAL (DEFICIT)/EQUITY AT 31 DECEMBER</b>		<b>(11,301)</b>	357,841

The notes on pages 60 to 211 form part of these financial statements.

# 綜合權益變動表

截至二零零八年十二月三十一日止年度 (以港元計算)

	附註	二零零八年 千港元	二零零七年 千港元
於一月一日之權益總額		<b>357,841</b>	64,913
已直接確認之權益淨(虧損)/收入			
換算海外附屬公司財務報表產生之匯兌差額		<b>4,711</b>	6,464
本年(虧損)/溢利淨額			
— 本公司股本持有人應佔		<b>(545,172)</b>	5,330
— 少數股東權益		<b>5,341</b>	—
		<b>(539,831)</b>	5,330
		<b>(535,120)</b>	11,794
資本交易引起之權益變動			
收購附屬公司	30(a)	<b>65,667</b>	—
發行認股權證		—	2,455
以股份支付之股本交易		<b>2,447</b>	—
可換股債券轉換所發行之股份	31(a)	<b>86,803</b>	8,450
行使認股權證發行之股份	31(a)	<b>920</b>	5,983
行使購股權發行之股份	31(a)	<b>10,303</b>	7,200
新股份配售		—	267,610
配售股份之支出	31	<b>(162)</b>	(10,564)
		<b>165,978</b>	281,134
於十二月三十一日之(虧絀)/權益總額		<b>(11,301)</b>	357,841

第60至211頁之附註乃本財務報表之部份。



# Consolidated Cash Flow Statement

For the year ended 31 December 2008 (Expressed in Hong Kong dollars)

	Note	2008 HK\$'000	2007 HK\$'000
<b>OPERATING ACTIVITIES</b>			
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		<b>(529,336)</b>	10,756
Adjustments for:			
– Depreciation	6(c)	9,459	3,788
– Amortisation of intangible assets	6(c)	1,497	2,055
– Fair value gain on the derivative component of convertible bonds		<b>(73,108)</b>	–
– Loss on disposal of fixed assets	6(c)	583	669
– Finance costs	6(a)	37,563	124
– Interest income	5	<b>(22,086)</b>	(1,065)
– Guarantee profit	5	–	(4,327)
– Provision for impairment of goodwill	6(c)	<b>604,653</b>	–
– Provision for impairment of other receivables	6(c)	17	32
– Equity settled share-based payments		<b>2,447</b>	–
– Waiver of interest on convertible bonds	5	–	(66)
– Waiver of interest on promissory notes	5	<b>(299)</b>	–
– Write-back of trade payables	5	<b>(4,936)</b>	–
<b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>		<b>26,454</b>	11,966
Increase in inventories		<b>(6,082)</b>	(1,798)
Increase in trade and other receivables		<b>(7,777)</b>	(15,848)
Decrease in amount due from a shareholder		–	5,000
Decrease in amounts due from related companies		<b>60,006</b>	–
Decrease in amount due from a director		29	–
Increase in trade and other payables		<b>11,504</b>	28,114
Decrease in amounts due to related companies		<b>(68,806)</b>	–
<b>NET CASH GENERATED FROM OPERATIONS</b>		<b>15,328</b>	27,434
Income tax paid		<b>(11,112)</b>	(2,932)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>4,216</b>	24,502
<b>INVESTING ACTIVITIES</b>			
Proceeds from disposal of fixed assets		620	–
Payment for purchase of fixed assets	13	<b>(17,169)</b>	(14,085)
New loans made		<b>(31,517)</b>	–
Loan repayment received		<b>40,538</b>	–
Deposit refunded/(paid) for acquisition of subsidiaries		<b>13,200</b>	(14,505)
Net cash outflow on acquisition of subsidiaries	30(a)	<b>(123,248)</b>	–
Net cash outflow on acquisition of business	30(b)	–	(136)
Interest received		<b>2,817</b>	698
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(114,759)</b>	(28,028)

# 綜合現金流量表

截至二零零八年十二月三十一日止年度 (以港元計算)

	附註	二零零八年 千港元	二零零七年 千港元
<b>經營活動</b>			
除稅前(虧損)/溢利		<b>(529,336)</b>	10,756
調整:			
– 折舊	6(c)	<b>9,459</b>	3,788
– 無形資產攤銷	6(c)	<b>1,497</b>	2,055
– 可換股債券衍生部份公允值之變動		<b>(73,108)</b>	–
– 出售固定資產之虧損	6(c)	<b>583</b>	669
– 財務費用	6(a)	<b>37,563</b>	124
– 利息收入	5	<b>(22,086)</b>	(1,065)
– 保證溢利	5	<b>–</b>	(4,327)
– 商譽減值之撥備	6(c)	<b>604,653</b>	–
– 其他應收款項減值撥備	6(c)	<b>17</b>	32
– 以股本支付之款項		<b>2,447</b>	–
– 可換股債券利息之豁免	5	<b>–</b>	(66)
– 承兌票據利息之豁免	5	<b>(299)</b>	–
– 應付賬項撥回	5	<b>(4,936)</b>	–
<b>營運資金變動前經營業務之溢利</b>		<b>26,454</b>	11,966
存貨之增加		<b>(6,082)</b>	(1,798)
應收賬款及其他應收款項之增加		<b>(7,777)</b>	(15,848)
應收股東款項之減少		<b>–</b>	5,000
應收關連公司款項之減少		<b>60,006</b>	–
應收董事款項之減少		<b>29</b>	–
應付賬款及其他應付款項之增加		<b>11,504</b>	28,114
應付關連公司款項之減少		<b>(68,806)</b>	–
<b>經營業務產生之淨現金</b>		<b>15,328</b>	27,434
已繳所得稅		<b>(11,112)</b>	(2,932)
<b>經營活動產生之淨現金</b>		<b>4,216</b>	24,502
<b>投資活動</b>			
出售固定資產所得款項		<b>620</b>	–
購買固定資產款項	13	<b>(17,169)</b>	(14,085)
新貸款款項		<b>(31,517)</b>	–
收回貸款款項		<b>40,538</b>	–
收購附屬公司之退還按金/(付款)		<b>13,200</b>	(14,505)
收購附屬公司之現金流出淨額	30(a)	<b>(123,248)</b>	–
收購業務之現金流出淨額	30(b)	<b>–</b>	(136)
已收利息		<b>2,817</b>	698
<b>投資活動使用之淨現金</b>		<b>(114,759)</b>	(28,028)

# Consolidated Cash Flow Statement

For the year ended 31 December 2008 (Expressed in Hong Kong dollars)

	Note	2008 HK\$'000	2007 HK\$'000
<b>FINANCING ACTIVITIES</b>			
Proceeds from new bank loan		–	1,059
Repayment of bank loans		<b>(43,648)</b>	–
Proceeds upon placement of new shares		–	267,611
Proceeds upon exercise of share options		<b>10,303</b>	7,200
Proceeds upon issuing of warrants		–	2,455
Proceeds upon exercise of warrants		<b>920</b>	5,983
Expenses paid for conversion of convertible bonds		<b>(2)</b>	–
Expenses paid for placement of shares in 2007		<b>(162)</b>	(10,564)
Repayment of promissory notes		<b>(2,480)</b>	(6,000)
Advances to related companies		–	(46,642)
Loan interest paid		<b>(29,263)</b>	(124)
Capital element of finance lease rentals paid		<b>(84)</b>	–
Interest element of finance lease rentals paid		<b>(13)</b>	–
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>		<b>(64,429)</b>	220,977
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(174,972)</b>	217,451
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>		<b>238,363</b>	17,696
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>26,980</b>	3,216
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	22	<b>90,371</b>	238,363

The notes on pages 60 to 211 form part of these financial statements.

# 綜合現金流量表

截至二零零八年十二月三十一日止年度 (以港元計算)

	附註	二零零八年 千港元	二零零七年 千港元
<b>融資活動</b>			
新銀行借款所得款項		-	1,059
償還銀行借款款項		<b>(43,648)</b>	-
配售新股份所得款項		-	267,610
行使購股權所得款項		<b>10,303</b>	7,200
發行認股權證所得款項		-	2,455
行使認股權證所得款項		<b>920</b>	5,983
可換股債券轉換之支出		<b>(2)</b>	-
二零零七年配售股份之支出		<b>(162)</b>	(10,564)
償還承兌票據		<b>(2,480)</b>	(6,000)
預付關聯公司款項		-	(46,642)
償還借款利息		<b>(29,263)</b>	(124)
償還融資租賃款項本金部份		<b>(84)</b>	-
償還融資租賃款項利息部份		<b>(13)</b>	-
		<hr/>	<hr/>
<b>融資活動(使用)／產生之淨現金</b>		<b>(64,429)</b>	220,977
<b>現金及現金等值項目之淨(減少)／增加</b>		<b>(174,972)</b>	217,451
於一月一日之現金及現金等值項目結餘		<b>238,363</b>	17,696
外幣兌換率變動之影響		<b>26,980</b>	3,216
		<hr/>	<hr/>
於十二月三十一日之現金及現金等值項目結餘	22	<b>90,371</b>	238,363

第60至211頁之附註乃本財務報表之部份。

# Notes to the Financial Statements

*(Expressed in Hong Kong dollars)*

## 1 COMPANY INFORMATION

China Golden Development Holdings Limited (the "Company") was incorporated in Bermuda on 8 August 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. Its shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 23 October 2000. The address of its registered office is Units C & D, 7th Floor, China Overseas Building, No. 139 Hennessy Road, Wanchai, Hong Kong.

The Company has its primary listing on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 15 to the financial statements.

These financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000) unless otherwise stated. These financial statements have been approved for issue by the board of directors on 24 April 2009.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on the changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

## 1 公司資料

中國金展控股有限公司(「本公司」)於二零零零年八月八日根據百慕達一九八一年公司法於百慕達註冊成立為獲豁免有限公司，其股份自二零零零年十月二十三日起在香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處位於香港灣仔軒尼詩道139號中國海外大廈7樓C及D室。

本公司於香港聯交所主板上市，主要業務乃投資控股，其附屬公司之主要業務載於財務報表附註15。

除另有所指，本財務報表以千港元單位編製，並於二零零九年四月二十四日獲得董事會通過並授權發佈。

## 2 主要會計政策

### (a) 遵例聲明

本財務報表是按照所有適用之《香港財務報告準則》而編製。《香港財務報告準則》一詞包括香港會計師公會頒布之所有適用之個別《香港財務報告準則》、《香港會計準則》及詮釋，香港公認會計原則及香港《公司條例》之披露規定及香港聯交所證券上市規則(「上市規則」)之適用披露規定。本公司採納之主要會計政策概述如下。

香港會計師公會已頒布若干新訂及經修訂之《香港財務報告準則》，並於本公司之本期會計期間首次生效或可供提早採納。首次應用此等適用於本公司之新訂及經修訂的準則所引致於當期及以往會計期間之任何會計政策變動已於本財務報表內反映，有關資料載於附註3。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as the "Group").

The measurement basis used in the preparation of the financial statements is the historical cost basis except where stated otherwise in the accounting policies set out below.

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 38.

In preparing the financial statements, the directors have considered the future liquidity of the Group in view of its net current liabilities position as at 31 December 2008. The Group incurred a consolidated net loss from operations attributable to equity holders of the Company of approximately HK\$545,172,000 for the year ended 31 December 2008, and had consolidated net current liabilities of approximately HK\$1,036,800,000 and a full impairment of issued capital of HK\$11,301,000 as at 31 December 2008. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given that:

- (i) the Group has been actively discussing with prospective investors to obtain new working capital;
- (ii) the Company's substantial shareholder has agreed to provide financial support as is necessary to enable for the Group to meet its liabilities as they fall due; and
- (iii) based on a cash flow forecast prepared by the Group's management for the twelve months ending 31 December 2009, the Group will be able to generate adequate cash flows from its continuing operations.

## 2 主要會計政策 (續)

### (b) 財務報表編製基準

二零零八年十二月三十一日止年度之綜合財務報表包括了本公司及其附屬公司(統稱「本集團」)。

除下文會計政策內另有說明者外，本財務報表編製時是以歷史成本作為計量基準。

管理層需在編製符合《香港財務報告準則》之財務報表時作出會影響會計政策應用，以及資產、負債、收入及支出之報告金額之判斷、估計及假設。此等估計及相關假設是根據以往經驗和管理層因應當時情況認為合理之多項其他因素作出，其結果構成當管理層在無法依循其他途徑實時得知資產與負債之賬面值時所作出判斷之基礎。實際結果可能有別於估計數額。

管理層會不斷審閱各項估計和相關假設。倘若會計估計之修訂隻影響某一期間，其影響便會在該期間內確認，或如果修訂對當期和未來期間均有影響，則在作出修訂之期間和未來期間確認。

有關管理層在應用《香港財務報告準則》時所作出對財務報表有重大影響之判斷，以及作出可能在下一年度構成重大調整風險之估計之討論內容，載於附註38。

在編製財務報表，董事已就本集團二零零八年十二月三十一日的流動負債情況考慮其未來的資本流動性。本集團於二零零八年十二月三十一日止年度的本公司股東應佔經營業務產生約545,172,000港元綜合淨虧損。而二零零八年十二月三十一日的綜合淨流動負債為1,036,800,000港元。這等情況顯本集團持續經營之能力存在重大不明朗因素，故有可能無法在正常營運下變賣資產及清償負債。儘管如此，董事意見認為本集團將有能力融資予日後經營資本及財務需要，因為：

- (i) 本集團已積極與新投資者商討獲取新經營資本；
- (ii) 本公司的主要大股東已同意如有需要會提供財務支援確保本集團能付還到期的負債；及
- (iii) 基於本集團管理層對二零零九年十二月三十一日止十二個月的現金流預測，本集團將能從持續經營產生足夠現金流。



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (b) Basis of preparation of the financial statements (Continued)

Accordingly, the directors are of the opinion that it is appropriate to prepare the financial statements for the year ended 31 December 2008 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the financial statements.

### (c) Subsidiaries and minority interests

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

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair values of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (*note 16*). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised immediately in the profit or loss.

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

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

## 2 主要會計政策 (續)

### (b) 財務報表編製基準 (續)

據此，董事的意見認為基於可持續經營來編製二零零八年十二月三十一日止年度財務報表是恰當的。若本集團未能持續經營，便會調整可收回款項撇減資產值、可能產生新負債撥備、及分別將非流動資產重新分類為流動資產、非流動負債重新分類為流動負債。財務報表並無反映這等調整之影響。

### (c) 附屬公司及少數股東

附屬公司為本公司所控制之實體。當本公司有權釐定該實體之財政及經營政策從而自其活動獲取利益，則本公司已持有該實體之控制權。於評估控制時，現時可行使之潛在投票權已計算在內。

於附屬公司的投資於綜合財務報表內從控制開始日至控制完結日綜合處理。

會計的購買方法在本集團收購附屬公司時採用。收購成本計算為資產的公允值、股本工具發行及交易日引致或承擔的負債、及收購直接產生的成本。

在業務結合而收購的可識別資產及承擔的負債及或然負債最先以其在收購日之公允值計算，不計算任何少數股東權益。收購成本超過於本集團收購可識別淨資產股份之公允值入賬為商譽(附註16)。若收購成本低於收購附屬公司淨資產之公允值，其差額即時於損益賬確認。

集團內結餘及交易及集團內交易產生的未變現溢利於編製綜合財務報全數剔除。集團內交易導致的未變現虧損以相同方法剔除為未變現收入，但只限於無減值情況。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (c) Subsidiaries and minority interests (Continued)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(j)(ii)).

### (d) Goodwill

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

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2(j)(ii)).

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in profit or loss.

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

### (e) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is charged immediately to profit or loss.

### (f) Fixed assets

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 2(j)(ii)).

Depreciation is calculated to write off the cost of fixed assets, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

Leasehold improvements	4 to 50 years
Furniture, fixtures and equipment	2 to 19 years
Motor vehicles	5 to 13 years
Machinery	20 years

## 2 主要會計政策 (續)

### (c) 附屬公司及少數股東 (續)

少數股東權益指本集團並無持有的附屬公司淨資產部份應佔股本權益，不論是透過附屬公司直接或間接持有，同時本集團並無與權益持有人達成令本集團整體上要為該等符合為財務責任的權益履行合約責任的任何附加條款。少數股東權益於綜合資產負債表股本內列出，與本公司股東應佔股本分開處理。本集團業績之少數股東權益於綜合損益表列示為本公司少數股東權益及股本股東之間本年總損益之分配。

若少數股東的虧損超過其在附屬公司股本權益，超額及少數股東的任何額外虧損將從本集團權益中扣取，除非少數股東有約束責任或有能力提供額外投資以彌補虧損。若附屬公司其後申報溢利，本集團之權益將獲分配全數溢利直至本集團吸納少數股東之前的股本虧損已補償。

### (d) 商譽

商譽指業務結合成本超過本集團於被收購者之可識辨資產、負債及或然負債淨公允值之權益。

商譽是以成本減累計減值虧損。商譽會分配至現金產生單位及每年作減值測試 (見附註2(j)(ii))。

任何本集團於被收購者之可識辨資產、負債及或然負債淨公允值之權益超過業務結合成本會即時於損益賬中確認。

年內出售現金產生單位及任何購買商譽之應佔款額於出售損益賬中計算。

### (e) 衍生金融工具

衍生金融工具先以其公允值確認。於每結算日再計算公允值。重新計算的公允值之獲利或虧損即時於損益賬支銷。

### (f) 固定資產

固定資產乃按成本減累計折舊及任何減值列賬 (見附註2(j)(ii))。

折舊乃按固定資產之成本減其估計剩餘價值 (如有)，在其估計可使用年期採用直線法以下列方式撇銷：

租賃物業裝修	4至50年
傢俬、裝修及設備	2至19年
運輸工具	5至13年
機器	20年

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (f) Fixed assets (Continued)

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified in the appropriate category of fixed assets when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Gains or losses arising from the retirement or disposal of an item of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

### (g) Intangible assets (other than goodwill)

Licence is stated in the balance sheet at cost less accumulated amortisation and impairment losses (see note 2(j)(ii)).

Amortisation of licence is charged to profit or loss on a straight-line basis over its estimated useful life of 10 years.

Both the period and method of amortisation are reviewed annually.

### (h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

#### (i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

## 2 主要會計政策 (續)

### (f) 固定資產 (續)

資產之可使用年期及其剩餘價值 (如有) 均會每年進行檢討。

在建工程包括建設中以供生產或供其本身使用之物業、廠房及設備。在建工程乃按成本減任何已確認減值列賬。在建工程於落成及備妥作擬定用途時，分類為固定資產之適當類別。該等資產按與其他物業資產相同之基準於固定資產可作擬定用途時開始折舊。

報廢或出售固定資產所產生之盈虧為出售該項目所得款項淨額與該項目賬面值之差額，並於報廢或出售日在損益賬內確認。

### (g) 無形資產 (除商譽以外)

特許權在資產負債表中以成本減累計攤銷及減值 (見附註2(j)(ii))。

特許權攤銷以直線法估計特許權可使用十年期計算於損益賬支銷。

攤銷年期及方法均每年檢討。

### (h) 租賃資產

倘本集團釐定一項安排具有在協議期限內通過支付一筆或一系列款項，從而獲得使用某一特定資產或多項特定資產之權利，則該安排 (由一宗交易或一系列交易組成) 為租賃或包括租賃。該釐定乃根據安排之實質內容評估而作出，而不論安排是否具備租賃之法律形式。

#### (i) 本集團承租之資產之分類

本集團根據租賃持有資產，而有關租賃將擁有該資產之絕大部份風險及報酬轉予本公司，有關資產歸類為根據融資租賃持有之資產。而並未將擁有資產之絕大部份風險及報酬轉予本公司之租賃，則歸類為經營租賃。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (h) Leased assets (Continued)

#### (ii) *Assets acquired under finance leases*

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(j)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

#### (iii) *Operating lease charges*

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

### (i) 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 are carried at amortised cost using the effective interest rate method, less any identified impairment losses.

## 2 主要會計政策 (續)

### (h) 租賃資產 (續)

#### (ii) 以融資租賃購入之資產

倘若本集團乃以融資租賃使用資產，便會將相當於租賃資產公允值或該等資產之最低租賃付款現值（如為較低之數額）列為固定資產，而相應負債（不計財務費用）則入賬列為融資租賃之債務。折舊乃於相關租賃期或資產之可用年限（如本公司有可能取得資產之擁有權）內，按比率撇銷資產之成本值，如註2(f)般處理。減值虧損會根據附註2(j)(ii)所載之會計政策入賬。租賃付款內含之財務費用會計入租賃期內之損益，以使每個會計期間債務余額之定期定額扣減比率大致上相同。或有租金在其產生的會計期間內在損益賬中扣除。

#### (iii) 經營租賃費用

倘若本集團乃以經營租賃使用資產，則根據租賃支付之款項於租賃期所涵蓋之會計期間內，以等額在損益內扣除。如有其它基準能更清晰地反映其租賃資產所產生的收益賬模式則除外。租賃所涉及的鼓勵措施之收入均在損益賬中確認為租賃淨付款總額的組成部分。或有租金在其產生的會計期間內在損益賬中扣除。

### (i) 貸款及應收款項

貸款及應收款項為非衍生財務資產，而其固定或可決定的付款並不於活躍市場報述。在最初確認其後的每結算日，貸款及應收款項以實際利率方法減任可已確認減值虧損攤銷成本入賬。



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (j) Impairment of assets

#### (i) *Impairment of investments in debt and equity securities and trade and other receivables*

Investments in debt and equity securities (other than investments in subsidiaries and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities) are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For trade and other receivables, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

## 2 主要會計政策 (續)

### (j) 資產減值

#### (i) 投資債權、股本證券、應收賬款及其它應收款之減值

本公司於各結算日檢討按成本值或攤銷成本列賬之投資債權及股本證券(附屬公司及其它即期及長期應收款按成本減累計攤銷列賬或歸類為可供銷售之證券除外)，以確定是否出現減值的客觀證據。減值的客觀證據包括本公司注意到以下一項或多項虧損事項的顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠利息或本金之償還；
- 債務人可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境下有重大改變以致對債務人造成不利影響。

倘有任何該等證據存在，則任何減值虧損按下列方式釐定及確認：

- 就應收賬款及其它應收款而言，倘貼現估計之影響屬重大，減值虧損則按資產之賬面值與使用資產之原訂實際利率(即首次確認資產時計算之實際利率)按貼現估計未來現金流量之現值之間的差額計量。如按攤銷成本列賬之金融資產具備類似之風險特徵，例如類似之逾期情況及並未個別被評估為應減值，則有關之評估會共同進行。金融資產之未來現金流量會根據與該等資產具有類似信貸風險特徵資產之過往虧損情況共同評估相關減值。

倘減值虧損之金額於往後期間減少，而有關減少可客觀地與確認減值虧損後發生之事件有聯繫，則減值虧損於損益賬中撥回。撥回減值虧損不應引致該資產之賬面值高於假若以往年度並無確認減值虧損時原應釐定之數額。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (j) Impairment of assets (Continued)

#### (i) **Impairment of investments in debt and equity securities and trade and other receivables** (Continued)

- For available-for-sale securities, the cumulative loss that has been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the company is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

#### (ii) **Impairment of other assets**

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- fixed assets;
- intangible assets;
- investments in subsidiaries; and
- goodwill.

## 2 主要會計政策 (續)

### (j) 資產減值 (續)

#### (i) 投資債權、股本證券、應收賬款及其它應收款之減值 (續)

- 就按可供銷售之證券而言其累計損失應從股東權益中移除並在損益賬中確認。累計損失按購置成本 (扣除其本金償還及攤銷) 與現時的公允值差額, 再扣除前期已在損益賬中確認的該資產的減值損失。

在損益表中確認的可供銷售之股本證券的減值損失不通過損益賬轉回。倘公允值於隨後的期間增加, 其增加會直接於權益內確認。

倘公允值於往後期間增加, 而有關增加可客觀地與確認減值虧損後發生之事件有聯繫, 則會將減值虧損撥回。所撥回之減值虧損在當時情況下應計入損益賬中。

減值虧損直接與相應資產撇銷, 惟就列於應收賬款及其他應收款所確認的減值虧損, 其收回機會屬存疑而不渺茫者, 則作別論。在此情況下, 呆壞賬之減值虧損透過撥備賬記錄。當本公司信納收回機會渺茫, 被視為無法收回的金額會直接在應收賬款及其他應收款中撇銷, 而任何列入撥備賬與此債項有關的金額會被撥回。其後若收回之前已在撥備賬中扣除的金額, 則會在撥備賬中撥回。撥備賬內之其他變動及其後收回之前已直接撇銷的金額於損益賬內確認。

#### (ii) 其他資產之減值

本集團於每個結算日檢討內部及外間數據, 以確定下列資產有否出現減值跡象, 或過往已確認之減值虧損不再存在或已減少:

- 固定資產;
- 無形資產;
- 於附屬公司之投資; 及
- 商譽

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (j) Impairment of assets (Continued)

#### (ii) Impairment of other assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– *Recognition of impairment losses*

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– *Reversals of impairment losses*

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

## 2 主要會計政策 (續)

### (j) 資產減值 (續)

#### (ii) 其他資產之減值 (續)

倘有任何減值跡象，則會估計該項資產之可收回金額。此外，商譽之收回金額是根據有否減值跡象每年評估。

##### — 計算可收回金額

資產之可收回金額為其售價淨額及使用價值兩者中之較高者。於評估使用價值時，會使用除稅前貼現率將估計未來現金流量貼現至現值。該貼現率反映市場當時所評估之貨幣時間價值和該資產之獨有風險。倘個別資產所產生之現金流入基本上不能獨立於其他資產所產生之現金流入，則就獨立產生現金流入之最小資產組合（即現金產生單位）來釐定可收回金額。

##### — 確認減值虧損

資產或其所屬之現金產生單位之賬面值高於其可收回金額時，則會於損益賬確認減值虧損。就現金產生單位確認之減值虧損乃予以分配，以按比例削減現金產生單位（或一組單位）內資產之賬面值，惟資產賬面值不可下調至低於其獨立之公允價值減銷售成本或使用價值（如能釐定）。

##### — 減值虧損撥回

倘用以釐定可收回金額之估計發生有利之變化，則會將減值虧損撥回。而商譽之減值虧損則不撥回。

所撥回之減值虧損僅限於倘若並無於過往年度確認減值虧損而可釐定之資產賬面值。所撥回之減值虧損在確認撥回之年度內計入損益賬中。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (k) Inventories

Inventories, which represent merchandise held for resale, are carried at the lower of cost and net realisable value.

Cost of merchandise is calculated using the first-in, first-out method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### (l) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for doubtful debts (*see note 2(j)(i)*), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for doubtful debts (*see note 2(j)(i)*).

### (m) Convertible bonds

#### (i) *Convertible bonds that contain an equity component*

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible bonds is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

## 2 主要會計政策 (續)

### (k) 存貨

存貨指持有作轉售的商品，以成本及可變現淨值較低者入賬。

商品成本以先進先出法計算。

可變現淨值指於日常業務中的估計售價減估計完成成本和估計銷貨成本。

出售存貨時，其賬面值於有關收入確認期內確認為費用。任何存貨金額撇減至可變現淨值及存貨之所有虧損均於減值或虧損之發生期內確認為費用。倘存貨之減值出現任何撥回，則於撥回出現期內將相關費用作減少確認。

### (l) 應收賬款及其它應收款

應收賬款及其它應收款之初值按公允值確認，其後則按攤銷成本減去呆壞賬減值撥備後所得數額入賬 (見附註2(j)(i))，惟倘若應收款為借予關連人士且無任何固定償還年期之免息貸款，或貼現影響輕微者則除外。在該等情況下，應收款會按成本減去呆壞賬減值撥備後所得數額入賬 (見附註2(j)(i))。

### (m) 可換股債券

#### (i) 有股本項目之可換股債券

持有人可有權轉換可換股債券為股本，而當時可轉換的發行股票數量及將收取之代價值不變，並視為包含負債及衍生部份之複合金融工具。

首次確認可換股債券負債部份為未來利息及本金現值、以首次確認時市場上不可轉換相同負債的利息比率折現。任何超過首次確認為負債項目額的款額確認為衍生部份。與發行複合金融工具的交易成本按收入比例分配至負債及衍生部份。



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (m) Convertible bonds (Continued)

#### (i) **Convertible bonds that contain an equity component** (Continued)

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the bond is converted or redeemed.

If the bond is converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, the capital reserve is released directly to retained profits.

#### (ii) **Other convertible bonds**

Convertible bonds which do not contain an equity component are accounted for as follows:

At initial recognition the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments (see note 2(e)). Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of the convertible bond are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured in accordance with note 2(e). The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method.

If the bond is converted, the carrying amounts of the derivative and liability components are transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

### (n) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

## 2 主要會計政策 (續)

### (m) 可換股債券 (續)

#### (i) 有衍生部份之可換股債券 (續)

負債部份其後攤銷成本。利息支出以實際利息方法計算於損益賬負債部份確認。衍生部份於資本儲備列賬直至債券被轉換或贖回。

倘若債券被轉換，資本儲備及負債部份之賬面額在轉換時會轉移至股本及股票溢價作為發行股票之代價。倘若債券被贖回，資本儲備會直接撥回至保留溢利。

#### (ii) 其他可換股債券

不含有股本部份的可換股債券的處理如下：

於首次確認可換股債券衍生部份時計算其公允值及列賬為衍生金融工具部份 (見附註2(e))。任何超過首次確認為衍生部份款額的收入以負債部份記賬。與發行可換股債券的交易成本按其收入比例分配至負債及衍生部份。負債部份的交易成本首次確認為負債部份。而衍生部份的交易成本則即時於損益賬確認。

衍生部份其後根據附註2(e)再計算。負債部份其後攤銷成本。而利息支出按實際利息方法計算並入賬損益賬負債部份。

若債券被轉換，衍生及負債部份的賬面淨額會轉移至股份資本及股份溢價，並作為發行股份的代價。若債券被贖回，支付有關負債部份款額及負債部份的賬面淨額差異將於損益賬確認。

### (n) 應付賬款及其它應付款

應付賬款及其它應付款之初值按公允值確認，其後按攤銷成本入賬，但如貼現影響輕微者，則按成本入賬。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (o) Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

### (p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

### (q) Employee benefits

#### (i) *Short term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

#### (ii) *Share-based payments*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

## 2 主要會計政策 (續)

### (o) 附息借貸

附息借貸之初值按公允值扣除交易成本後確認。於隨後，該等借貸將按攤銷成本法確認，而最初確認金額與贖回值之間之任何差額則以實際利率法於借貸期內連同任何應付利息及費用於損益賬內確認及分配。

### (p) 現金及現金等值項目

現金及現金等值項目包括銀行結存及庫存現金、存於銀行及其他財務機構之通知存款及短期而高流動性之投資，此等投資可隨時毋須通知而兌換為已知金額之現金，且所須承受之價值波動風險不大，而兌換期乃購入日起計三個月內。就編製綜合現金流量表而言，現金及現金等值項目亦包括須於接獲通知時償還，並構成本公司現金管理一個組成部分之銀行透支。

### (q) 僱員福利

#### (i) 以短期僱員福利及供款來定義供款退休計劃

以年內由僱員提供相關服務所產生的薪金、年終花紅、有薪年假、供款來定義供款退休計劃及非金錢福利成本。倘若付款遞延並有實際影響，這等金額以現值列賬。

#### (ii) 以股本支付

已向僱員授出的購股權公允值確認為僱員成本，並於資本儲備股本內相應增加。公允值於授出日就授出股權的條款以Black-Scholes期權定價模式計算。倘若僱員於無條件享有股權前須履行行使期，會以預計股權被使用來將股權估計總公允值分佈行使期內。

於行使期內，會對預期被行使的購股權數量檢討。除非原先僱員支出能被確認為資產，並對資本儲備作相應調整，任何檢討後而對前年確認的累計公允值之調整於年度損益賬扣減／入賬。於行使日，確認金額為行使購股權實際數量調整之支出（資本儲備亦相應調整）。除非因本公司股票的市場價格導致行使條件不能達成而要沒收。股本金額於資本儲備確認直至購股權被行使（當其轉移至股本溢價賬）或購股權逾期（當其直接撥回至保留溢利）。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (q) Employee benefits (Continued)

#### (iii) Termination benefits

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

### (r) Income tax

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

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

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

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

### (s) Financial guarantees issued, provisions and contingent liabilities

#### (i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

## 2 主要會計政策 (續)

### (q) 僱員福利 (續)

#### (iii) 終止僱用福利

終止僱用福利僅在本集團可明確承諾終止僱用或備有詳細正式但實際上不可撤銷之自願離職計劃提供福利，方獲確認。

### (r) 所得稅

年內所得稅包括本年稅項及遞延稅項資產和負債之變動。本年稅項及遞延稅項資產及負債之變動均在損益賬內確認，但與直接確認為權益項目相關者，則確認為權益。

本年稅項是按年內應課稅收入以結算日已生效或實際上已生效之稅率計算之預期應付稅項，加以往年度應付稅項之任何調整。

遞延稅項資產及負債分別由可抵扣及應稅暫時差異產生。暫時差異是指資產及負債按財務申報目的與稅務基礎計算之賬面金額之間之差異。遞延稅項資產亦由未使用之稅務虧損及稅款抵減產生。除了某些有限之例外情況外，所有遞延稅項負債及遞延稅項資產（只限於有可能用來撇銷日後應課稅溢利之資產）均予確認。

已確認之遞延稅項金額是按照資產及負債賬面金額之預期實現或清償方式，以結算日已生效或實際上已生效之稅率計量。遞延稅項資產及負債均不貼現計算。

### (s) 財務擔保、撥備及或然負債

#### (i) 財務擔保

財務擔保乃指於擔保持有人因指定債務人未能根據債務工具的原有或經修訂條款支付到期款項而蒙受損失時，可要求發行人向擔保收益人償付指定款項的合約。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (s) Financial guarantees issued, provisions and contingent liabilities (Continued)

#### (i) **Financial guarantees issued** (Continued)

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(s)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

#### (ii) **Provisions and contingent liabilities**

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

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

## 2 主要會計政策 (續)

### (s) 財務擔保、撥備及或然負債 (續)

#### (i) 財務擔保 (續)

當集團司提供財務擔保時，其初值按公允價值（即交易價格，惟公允價值能可靠地估計除外）計入應付賬款及其他應付款內的遞延收益。當本公司提供財務擔保時，所收取或應收之代價，根據本公司適用於該類資產的政策確認。倘本集團沒有收取或應收之代價，該直接開支於最初確認為遞延收益時計入損益賬內。

最初確認為遞延收益的擔保數額會於擔保期內在損益賬攤銷，作為提供財務擔保的收入。此外，如發生下列兩項情形時，會按附註2(s)(ii)計提撥備：(i)合約持有人很可能將會要求本集團履行擔保合約；及(ii)向本集團司索償的款項預期超過相關擔保在應付賬款及其它應付款的現有賬面價值（即最初確認的金額減累計攤銷）。

#### (ii) 撥備及或然負債

倘若本集團須就已發生之事件承擔法律或推定責任，履行該責任時預期會導致含有經濟效益之資源外流，並可作出可靠之估計，便會就該時間或金額不定之負債計提撥備。如果貨幣時間價值重大時，則按預計履行責任所需資源之現值計提撥備。

倘若含有經濟效益之資源外流之可能性較低，或是無法對有關金額作出可靠之估計，便會將該責任披露為或然負債，但假如這類資源外流之可能性渺茫則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，亦會披露為或然負債，但假如這類資源外流之可能性渺茫則除外。



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (t) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

Revenue from sales of goods is recognised when the significant risks and rewards of ownership of goods have been transferred to the buyer.

Commission from concessionaire sales is recognised upon the sale of goods by the relevant stores.

Rental income is recognised on a straight-line basis over the period of the respective leases.

Catering income is recognised at the time when the services are rendered.

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

Sponsor and service fee income is recognised when the event has occurred and the services are rendered.

### (u) Translation of foreign currencies

#### (a) Functional and presentation currency

Items included in the accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated accounts are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

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

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

## 2 主要會計政策 (續)

### (t) 收入確認

收入只會於有關經濟利益有可能流入本集團並能可靠地計量該收入及成本(如適用)之情況下,方會按下列基準於損益賬內確認:

銷售貨品收入是以貨品所附帶之主要風險及回報經已轉讓給買家時確認入賬。

特許專櫃銷售的佣金乃於有關特許專營商銷售貨品時確認入賬。

租金收入是於各租約期內按直線法確認入賬。

餐飲收入是在提供服務時確認入賬。

利息收入是採用實際利息法,按時間攤分基準確認入賬。

贊助及服務費收入是在事項發生後及服務提供後確認入賬。

### (u) 外幣換算

#### (a) 功能及列賬貨幣

本集團每個實體之財務報表所列項目,均按該實體營運的主要經濟環境之貨幣計量(「功能貨幣」)。綜合財務報表以港幣亦即本公司之功能及列

#### (b) 交易及結餘

外幣交易採用交易日之匯率換算為功能貨幣。除了符合在權益中遞延入賬之現金流量對沖及投資淨額對沖外,結算此等交易產生之匯兌盈虧,以及將外幣計值之貨幣資產及負債以年終匯率換算所產生之匯兌盈虧,均在收益賬確認。

分類為可銷售以外幣計值的金錢證券公允值變動是透過分析證券攤銷成本變動及其賬面淨額變動引致的匯兌差額。攤銷成本變動的匯兌差額於損益賬確認。而其他賬面淨額變動則於股本確認。

非貨幣項目(如按公允值持有透過損益列賬之權益工具)之匯兌差額呈報為公允值盈虧的一部份。非貨幣項目(如分類為可供出售財務資產之權益)之匯兌差額計入於權益的公允值儲備內。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (u) Translation of foreign currencies (Continued)

#### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each consolidated income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

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

### (v) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred.

### (w) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

## 2 主要會計政策 (續)

### (u) 外幣換算 (續)

#### (c) 集團公司

所有集團實體之功能貨幣有別於列賬貨幣(當中沒有嚴重通脹經濟體系貨幣),其業績及財務狀況按下列方法換算為列賬貨幣:

- (i) 每份呈報之資產負債表內的資產及負債,按該資產負債表日期之收市匯率換算;
- (ii) 每份收益賬內之收入及開支按平均匯率換算,除非此匯率並不代表交易日期匯率累計影響的合理約數。在此情況下,收支項目按交易日期之匯率換算;及
- (iii) 所有由此產生之匯兌差額確認為權益之獨立組成項目。

在綜合賬目時,換算海外實體之投資淨額,以及換算借貸及其他指定作為該等投資對沖之貨幣工具所產生之匯兌差額列入股東權益。當售出一項海外業務時,該等匯兌差額在收益賬確認為出售盈虧之一部份。

收購海外實體產生之商譽及公允值調整,則視為該海外實體的資產及負債,並按收市匯率換算。

#### (v) 借貸成本

借貸成本在產生之期間在損益賬中列作支出。

#### (w) 關連人士

就本財務報表而言,以下人士被認為是本集團之關連人士:

- (i) 該人士有能力直接或間接透過一個或多個中介人控制本集團或可對本集團之財政及經營決策作出重大影響,或共同控制本集團;
- (ii) 本集團與該人士均受共同控制;
- (iii) 該人士屬本集團之附屬公司,聯營公司或本集團為其中一個合營者之合營企業;

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (w) Related parties (Continued)

- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

### (x) Segment reporting

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

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and fixed assets. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

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

Unallocated items mainly comprise financial and corporate assets, interest bearing loans, borrowings, tax balances, corporate and financing expenses.

### (y) Derecognition of financial liabilities

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 or payable is recognised in profit or loss.

## 2 主要會計政策 (續)

### (w) 關連人士 (續)

- (iv) 該人士屬本公司或本集團控股公司之主要管理人員成員之一，或該個別人士之近親家庭成員，或受該個別人士控制或重大影響之公司；
- (v) 該人士屬上文(i)項所指之近親家庭成員或受該個別人士控制或重大影響之公司；或
- (vi) 該人士屬提供予本集團或與本集團有關連人士之任何集團之僱員離職後福利計劃。

個別人士之近親家庭成員乃指該親屬成員在與公司交易時可能影響或被影響之親屬成員。

### (x) 分部報告

分部指可加以區分之本集團單位，並提供產品或服務（業務分部），或在特定之經濟環境提供產品或服務（地區分部），而且承受著有別於其他分部之風險及回報。

根據本集團之內部財務申報制度，在編製財務報表時本集團選用業務分部資料作為基本申報形式及地區分部資料作為僅次申報形式。

分部收入、開支、業績、資產及負債包括，直接歸屬於該分部之項目及可按合理基準分配至該分部之項目。如分部資產可包括存貨、應收賬款及固定資產。分部收入、開支、資產及負債均於綜合賬目過程中，在對銷分部之間的結餘及交易前釐定。若分部之間的結餘及交易為本集團實體的同一分部則除外。跨分部價格基於的條件與給予外部當事方相同。

分部之資本開支是期內收購預期使用超過一段期間之分部資產（包括有形及無形資產）所產生之總成本。

未分配項目主要為財務及企業資產、付息貸款、借款、稅項結餘、企業及財務支出。

### (y) 終止確認金融負債

金融負債於有限合約所指定責任遭免除，註銷或屆滿時剔除確認，剔除確認之金融負債賬面值與已付或應付代價間之差額於損益確認。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. The adoption of these new and revised HKFRSs has no material impact on the Group's financial statements for the current year presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 40). Consequently, there have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments.

## 4 TURNOVER

The Group is principally engaged in the operation of shopping malls in the PRC.

Turnover represents the amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes, commission from concessionaire sales and rental income for the year, and is analysed as follows:

	<b>2008</b> <b>HK\$'000</b>	2007 HK\$'000 (Restated)
Sales of goods – direct sales	<b>117,695</b>	40,544
Commission from concessionaire sales ( <i>note</i> )	<b>171,743</b>	67,717
Rental income	<b>11,614</b>	7,395
	<b>301,052</b>	115,656

*Note:* The commission from concessionaire sales is analysed as follows:

	<b>2008</b> <b>HK\$'000</b>	2007 HK\$'000
Gross proceeds from concessionaire sales	<b>959,446</b>	379,711
Commission from concessionaire sales	<b>171,743</b>	67,717

### 3 會計政策變動

香港會計師公會已頒布若干全新及經修訂之《香港財務報告準則》及詮釋，並於本集團之本期會計期間首次生效或可供提早採納。採納此等全新及經修訂之《香港財務報告準則》及詮釋，並無對本公司之本年財務報告造成重大影響。

本公司並無採納任何在當前會計期間尚未生效之新準則或詮釋（見附註40）。所以，在呈示年度之財務報表中採納之會計政策並未因該等新訂及經修訂準則及詮釋而出現任何重大變動。

### 4 營業額

本公司之主要業務為於中國經營百貨購物中心。

營業額代表本公司本年度就向外界客戶售出商品之已收及應收款項減折扣及銷售相關稅項、特許專櫃銷售佣金及租金收入，茲分析如下：

	二零零八年 千港元	二零零七年 千港元 (重列)
商品銷售—直接銷售	117,695	40,544
特許專櫃銷售佣金(附註)	171,743	67,717
租金收入	11,614	7,395
	<b>301,052</b>	115,656

附註：特許專櫃銷售佣金列示如下：

	二零零八年 千港元	二零零七年 千港元
特許專櫃銷售總所得款	959,446	379,711
特許專櫃銷售佣金	171,743	67,717



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 5 OTHER REVENUE AND INCOME

	2008 HK\$'000	2007 HK\$'000
Catering income	5,554	2,307
Fair value gain on the derivative component of convertible bonds (note 29(b))	73,108	–
Guarantee profit (note 36(c))	–	4,327
Interest income on bank deposits	1,994	698
Interest income on loan receivables	20,092	367
Reimbursement of administrative expenses	4,098	1,210
Sponsor and service fee income	1,151	305
Sundry income	6,868	2,689
Waiver of interest on convertible bonds (Note 27(b))	–	66
Waiver of interest on promissory notes (Note)	299	–
Write-back of trade payables	4,936	–
	<b>118,100</b>	<b>11,969</b>

Note: Based on legal advice in the PRC, the Group's trade creditors in the amount of RMB4,340,000 lost their right to recourse on the debts that they have not requested payment for over three years, recognising a write-back of trade payables of HK\$4,936,000 in the consolidated income statement.

## 6 (LOSS)/PROFIT BEFORE TAXATION

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

	2008 HK\$'000	2007 HK\$'000 (Restated)
(a) Finance costs		
Bank charges	142	98
Credit card expenses	6,819	2,067
	<b>6,961</b>	<b>2,165</b>
Finance charges on obligations under finance leases	13	–
Interest on bank loans wholly repayable within five years	8,994	24
Interest on convertible bonds (note 29(b))	28,556	–
Interest on promissory notes	–	100
	<b>37,563</b>	<b>124</b>
	<b>44,524</b>	<b>2,289</b>
(b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	50,990	22,788
Pension scheme contributions	3,215	1,209
Share-based payment expenses	1,294	–
	<b>55,499</b>	<b>23,997</b>

# 財務報表附註

(以港元計算)

## 5 其它收入

	二零零八年 千港元	二零零七年 千港元
餐飲收入	5,554	2,307
可換股債券衍生部分公允值之變動(附註29(b))	73,108	—
保證溢利(附註36(c))	—	4,327
銀行存款利息收入	1,994	698
應收貸款利息收入	20,092	367
行政費用發還款項	4,098	1,210
贊助及服務費用收入	1,151	305
其他收入	6,868	2,689
可換股債券利息之豁免	—	66
承兌票據利息之豁免(附註27(b))	299	—
應付賬款之撥回(附註)	4,936	—
	<b>118,100</b>	<b>11,969</b>

附註：根據國內法律意見，本集團的應付賬款人民幣4,340,000已失去追討權利，並且超過三年沒有提出還款要求。因此確認應付賬款撥回人民幣4,936,000於綜合損益表。

## 6 除稅前(虧損)/溢利

除稅前(虧損)/溢利已扣除/入賬：

	二零零八年 千港元	二零零七年 千港元 (重列)
(a) 財務費用		
銀行費用	142	98
信用卡費用	6,819	2,067
	<b>6,961</b>	<b>2,165</b>
融資租賃債務之財務費用	13	—
於五年內償還的銀行借款之利息	8,994	24
可換股債券之利息(附註29(b))	28,556	—
承兌票據之利息	—	100
	<b>37,563</b>	<b>124</b>
	<b>44,524</b>	<b>2,289</b>
(b) 員工成本(包括董事的酬金)		
薪酬、工資及其他福利	50,990	22,788
公積金供款	3,215	1,209
以股份支付之支出	1,294	—
	<b>55,499</b>	<b>23,997</b>

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 6 (LOSS)/PROFIT BEFORE TAXATION (Continued)

	2008 HK\$'000	2007 HK\$'000
(c) Other items		
Auditor's remuneration	1,140	612
Amortisation of intangible assets	1,497	2,055
Cost of inventories sold	96,483	33,602
Depreciation	9,459	3,788
Exchange losses	1,121	260
Fair value gain on the derivative component of convertible bonds	(73,108)	–
Loss on disposal of fixed assets	583	669
Operating lease charges: minimum lease payments		
– in respect of rented properties	55,360	14,166
– in respect of motor vehicles	1,839	–
Provision for impairment of goodwill	604,653	–
Provision for impairment of other receivables	17	32
	<b>_____</b>	<b>_____</b>

## 7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2008 HK\$'000	2007 HK\$'000
<b>Current tax – Hong Kong Profits Tax</b>	–	–
<b>Current tax – PRC Enterprise Income Tax</b>		
Provision for the year (note 28(a))	10,231	4,939
Under-provision in respect of prior years	–	487
	<b>_____</b>	<b>_____</b>
	<b>10,231</b>	<b>5,426</b>
<b>Deferred tax (note 28(b))</b>		
Origination of temporary differences	264	–
	<b>_____</b>	<b>_____</b>
	<b>10,495</b>	<b>5,426</b>
	<b>_____</b>	<b>_____</b>

## 6 除稅前(虧損)/溢利

	二零零八年 千港元	二零零七年 千港元
(c) 其他項目		
核數師酬金	1,140	612
無形資產攤銷	1,497	2,055
存貨銷售成本	96,483	33,602
折舊	9,459	3,788
匯兌虧損	1,121	260
可換股債券衍生部分公允值之變動	(73,108)	–
出售固定資產之虧損	582	669
經營租賃費用：最低租賃付款		
– 租用物業	55,360	14,166
– 租用運輸工具	1,839	–
商譽減值撥備	604,653	–
其他應收款項減值虧損撥備	17	32

## 7 綜合損益表之所得稅

(a) 綜合損益表內之所得稅為：

	二零零八年 千港元	二零零七年 千港元
本期稅項－香港利得稅	–	–
本期稅項－中國企業所得稅		
年內撥備(附註28(a))	10,231	4,939
以往年度之撥備不足	–	487
	10,231	5,426
遞延稅項(附註28(b))		
源自暫時差異	264	–
	10,495	5,426

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

(a) (Continued)

The Company and its subsidiaries are subject to income tax on an entity basis on income arising or derived from the tax jurisdiction in which they operate.

The Company is exempted from tax in Bermuda until March 2016.

No provision for Hong Kong profits tax has been made in the financial statements as the Group's income neither arises, nor is derived, from Hong Kong in both financial years.

The statutory PRC Enterprise Income Tax rate is 25%. The subsidiaries of the Group operated in the PRC are subject to PRC Enterprise Income Tax as follows:

- Xian Century Ginwa Property Investments Company Limited ("Xian Century Ginwa") enjoys a preferential tax treatment as being a foreign investment enterprise located in the western region of PRC, including a reduction in PRC Enterprise Income Tax to 15% until 2010.
- Century Ginwa Urumqi Shopping Mall Company Limited ("Century Ginwa Urumqi") and Century Ginwa Joint Stock Company Limited ("Century Ginwa") are subject to the standard PRC Enterprise Income Tax rate of 25%.

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. Under the New Law and Implementation Regulations, the Enterprise Income Tax rate for certain subsidiaries in the PRC was reduced from 30% to 25% from 1 January 2008 onwards.

(b) Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates:

	<b>2008</b> <b>HK\$'000</b>	2007 HK\$'000
(Loss)/profit before taxation	<b>(529,336)</b>	10,756
Notional tax on (loss)/profit before taxation	<b>(85,378)</b>	1,355
Tax effect of non-deductible expenses	<b>93,566</b>	2,895
Tax effect of temporary differences recognised	<b>264</b>	–
Tax effect of unrecognised temporary differences	<b>(87)</b>	42
Tax effect of unused tax losses not recognised	<b>2,151</b>	647
Under-provision in respect of prior years	<b>–</b>	487
Over-provision in respect of current year	<b>(21)</b>	–
Actual tax expense	<b>10,495</b>	5,426

## 7 綜合損益表之所得稅 (續)

### (a) (續)

本公司及其附屬公司須就其經營業務之稅務司法權區所產生或源自該等司法權區之收入按實體基準繳納所得稅。

本公司獲豁免繳納百慕達稅項，直至二零一六年三月為止。

因本集團並無在香港產生或衍生收入，故財務報表並無為香港利得稅撥備。

中國的法定企業所得稅率為25%。本集團於中國經營及須繳納中國企業所得稅之附屬公司如下：

- 中國世紀金花置業有限公司(「西安世紀金花」)可憑其位於中國西部的外商投資企業身份享有稅務優惠，包括中國企業所得稅率減至15%，並適用至二零一零年。
- 世紀金花烏魯木齊購物中心有限公司(「世紀金花烏魯木齊」)可憑其位於中國西部的外商投資企業身份享有稅務優惠，包括中國企業所得稅率減至25%。

於二零零七年三月十六日，全國人民代表大會批准中國企業所得稅法(「新企業所得稅法」)。於二零零七年十二月六日，中國國務院頒佈新稅法實施細則，由二零零八年一月一日起，適用於中國部份附屬公司的企業所得稅率將由33%減至25%。

### (b) 按稅項支出及會計(虧損)/溢利的適用率調節如下：

	二零零八年 千港元	二零零七年 千港元
除稅前(虧損)/溢利	<b>(529,336)</b>	10,756
除稅前(虧損)/溢利之名義稅項	<b>(85,378)</b>	1,355
不可扣減支出之稅務影響	<b>93,566</b>	2,895
遞延稅項之稅務影響	<b>264</b>	-
未確認遞延稅項之稅務影響	<b>(87)</b>	42
未確認未使用稅務虧損之稅務影響	<b>2,151</b>	647
以往年度之撥備不足	<b>-</b>	487
本年度之超額撥備	<b>(21)</b>	-
實際稅項支出	<b>10,495</b>	5,426

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 8 DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

### (a) Directors' remuneration

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

Name of director	2008						Total HK\$'000
	Fees HK\$'000	Salaries, wages and other benefits HK\$'000	Bonuses HK\$'000	Pension scheme contributions HK\$'000	Sub-total HK\$'000	Share-based payments HK\$'000 (note (i))	
<b>Chairman</b>							
Mr. Wu Yijian (note (ii))	-	244	-	-	244	-	244
<b>Vice-chairman</b>							
Mr. Hu Yangxiong	-	1,777	100	26	1,903	383	2,286
<b>Executive directors</b>							
Mr. Leung Siu Kuen (note (iii))	-	687	54	12	753	182	935
Mr. Sha Yingjie	-	142	515	5	662	243	905
Mr. Qu Jiaqi	-	171	718	5	894	243	1,137
Mr. Li Haogang	-	158	567	5	730	243	973
Mr. Lai Chik Fan (note (iv))	-	-	-	-	-	-	-
<b>Independent non-executive directors</b>							
Mr. Chan Wai Kwong, Peter	96	-	-	-	96	-	96
Mr. Xiao Ming (note (v))	72	-	-	-	72	-	72
Mr. Fu Wing Kwok, Ewing	96	-	-	-	96	-	96
Mr. Tsang Kwok Wai (note (vi))	24	-	-	-	24	-	24
	288	3,179	1,954	53	5,474	1,294	6,768
<b>2007</b>							
Name of director	Fees HK\$'000	Salaries, wages and other benefits HK\$'000	Bonuses HK\$'000	Pension scheme contributions HK\$'000	Sub-total HK\$'000	Share-based payments HK\$'000 (note (i))	Total HK\$'000
<b>Chairman</b>							
Mr. Wu Yijian	-	325	-	-	325	-	325
<b>Vice-chairman</b>							
Mr. Hu Yangxiong	-	1,237	-	12	1,249	-	1,249
<b>Executive directors</b>							
Mr. Leung Siu Kuen	-	540	-	8	548	-	548
Mr. Sha Yingjie	-	48	-	-	48	-	48
Mr. Qu Jiaqi	-	9	-	-	9	-	9
Mr. Li Haogang	-	-	-	-	-	-	-
Mr. Lai Chik Fan	-	-	-	-	-	-	-
Mr. Mo Keung	-	-	-	1	1	-	1
Mr. Lam Chung Fai	-	313	-	4	317	-	317
<b>Independent non-executive directors</b>							
Mr. Chan Wai Kwong, Peter	86	-	-	-	86	-	86
Mr. Kwok Wing Wah	2	-	-	-	2	-	2
Mr. Xiao Ming	86	-	-	-	86	-	86
Mr. Fu Wing Kwok, Ewing	84	-	-	-	84	-	84
	258	2,472	-	25	2,755	-	2,755

8 董事薪酬及僱員酬金

(a) 董事薪酬

根據香港公司條例第161條及上市規則披露的董事酬金如下：

二零零八年							
董事姓名	袍金 千港元	薪金、津貼 及其他 實物利益 千港元	花紅 千港元	退休金 計劃供款 千港元	小計 千港元	以股份付款 千港元 (附註(i))	總計 千港元
<b>主席</b>							
吳一堅先生(附註(ii))	-	244	-	-	244	-	244
<b>副主席</b>							
胡養雄先生	-	1,777	100	26	1,903	383	2,286
<b>執行董事</b>							
梁兆權先生(附註(iii))	-	687	54	12	753	182	935
沙英傑先生	-	142	515	5	662	243	905
曲家琪先生	-	171	718	5	894	243	1,137
李郝港先生	-	158	567	5	730	243	973
賴焯藩先生(附註(iv))	-	-	-	-	-	-	-
<b>獨立非執行董事</b>							
陳為光先生	96	-	-	-	96	-	96
肖鳴先生(附註(v))	72	-	-	-	72	-	72
傅榮國先生	96	-	-	-	96	-	96
曾國偉先生(附註(vi))	24	-	-	-	24	-	24
	<b>288</b>	<b>3,179</b>	<b>1,954</b>	<b>53</b>	<b>5,474</b>	<b>1,294</b>	<b>6,768</b>
二零零七年							
董事姓名	袍金 千港元	薪金、津貼 及其他 實物利益 千港元	花紅 千港元	退休金 計劃供款 千港元	小計 千港元	以股份付款 千港元 (附註(i))	總計 千港元
<b>主席</b>							
吳一堅先生	-	325	-	-	325	-	325
<b>副主席</b>							
胡養雄先生	-	1,237	-	12	1,249	-	1,249
<b>執行董事</b>							
梁兆權先生	-	540	-	8	548	-	548
沙英傑先生	-	48	-	-	48	-	48
曲家琪先生	-	9	-	-	9	-	9
李郝港先生	-	-	-	-	-	-	-
賴焯藩先生	-	-	-	-	-	-	-
武強先生	-	-	-	1	1	-	1
林宗輝先生	-	313	-	4	317	-	317
<b>獨立非執行董事</b>							
陳為光先生	86	-	-	-	86	-	86
郭永華先生	2	-	-	-	2	-	2
肖鳴先生	86	-	-	-	86	-	86
傅榮國先生	84	-	-	-	84	-	84
	<b>258</b>	<b>2,472</b>	<b>-</b>	<b>25</b>	<b>2,755</b>	<b>-</b>	<b>2,755</b>



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 8 DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS (Continued)

### (a) Directors' remuneration (Continued)

Notes:

- (i) Share-based payments represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(q).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the Directors' Report and note 32.

- (ii) Mr. Wu Yijian resigned on 28 May 2008.
- (iii) Mr. Leung Siu Kuen resigned on 11 December 2008.
- (iv) Mr. Lai Chik Fan resigned on 9 October 2008.
- (v) Mr. Xiao Ming resigned on 26 September 2008.
- (vi) Mr. Tsang Kwok Wai was appointed on 25 September 2008.

### (b) Five highest paid individuals

Of the five individuals with the highest emoluments, all (2007: four) are directors whose emoluments are disclosed in note 8(a). The aggregate of the emoluments in respect of the other one individual for 2007 are as follows:

	<b>2008</b> <b>HK\$'000</b>	2007 HK\$'000
Salaries, wages and other benefits	–	306
Pension scheme contributions	–	2
	<hr/>	<hr/>
	–	308
	<hr/>	<hr/>

The emoluments of nil (2007: one) individual with the highest emoluments are within the following bands:

	<b>2008</b> <b>Number of</b> <b>individuals</b>	2007 Number of individuals
Nil – HK\$1,000,000	–	1
	<hr/>	<hr/>

8 董事薪酬及僱員酬金 (續)

(a) 董事薪酬 (續)

附註：

(i) 以股份付款指根據本公司購股權計劃授予董事之購股權之預估價值。這等購股權之價值是根據本集團列於附註2(q)以股份付款之會計政策計算。

有關此等實物利益之詳情，包括原則上條件及授予之購股權數量，已於董事會報告之「購股權計劃」及附註32披露。

(ii) 吳一堅先生於二零零八年五月二十八日辭任。

(iii) 梁兆權先生於二零零八年十二月十一日辭任。

(iv) 賴焯藩先生於二零零八年十月九日辭任。

(v) 肖鳴先生於二零零八年九月二十六日辭任。

(vi) 曾國偉先生於二零零八年九月二十五日獲委任。

(b) 五名最高薪人士

在本集團五名最高薪人士中，全部(二零零七年：4名)為本公司董事，而其薪酬詳情已於附註8(a)披露。而二零零七年的一名最高薪非董事人士的總酬金如下：

	二零零八年 千港元	二零零七年 千港元
薪金、津貼及其他利益	-	306
退休金計劃供款	-	2
	<u>-</u>	<u>308</u>

本年無人(二零零七年：1名)為最高薪僱員之酬金及所屬指定薪酬範圍，詳情如下

	二零零八年 最高薪 僱員之人數	二零零七年 最高薪 僱員之人數
0-1,000,000港元	<u>-</u>	<u>1</u>

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 9 LOSS/PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss/profit attributable to equity shareholders of the Company includes a loss of HK\$422,118,000 (2007: a loss of HK\$2,319,000) which has been dealt with in the financial statements of the Company.

## 10 DIVIDENDS

The directors do not recommend the payment of dividends for the year ended 31 December 2008 (2007: Nil).

## 11 (LOSS)/EARNINGS PER SHARE

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

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to equity shareholders of the Company of HK\$545,172,000 (2007: profit of HK\$5,330,000) and the weighted average number of 1,016,735,000 ordinary shares (2007: 565,140,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	Number of shares	
	2008 '000	2007 '000
Issued ordinary shares at 1 January ( <i>note 31(c)</i> )	948,419	491,067
Effect of share options exercised	16,677	4,175
Effect of exercise of warrants	1,120	2,958
Effect of conversion of convertible bonds	50,519	4,936
Effect of placement of new shares	–	62,004
	<hr/>	<hr/>
Weighted average number of ordinary shares at 31 December	<b>1,016,735</b>	565,140
	<hr/>	<hr/>

## 9 本公司權益股東應佔之虧損／溢利

本公司權益股東應佔之綜合虧損／溢利包括422,118,000港元之虧損（二零零七年：虧損為\$2,319,000港元），已於本公司之財務內處理。

## 10 股息

董事並不建議派付截至二零零八年十二月三十一日止年度之股息（二零零七年：無）。

## 11 每股（虧損）／盈利

### (a) 每股基本（虧損）／盈利

每股基本（虧損）／盈利是依據本公司權益股東應佔（虧損）／盈利545,172,000港元計算（二零零七年：溢利5,330,000港元），而年內已發行1,016,735,000股普通股加權平均數（二零零七年：565,140,000股普通股）計算如下：

普通股加權平均數：

	股票數量	
	二零零八年 千股	二零零七年 千股
一月一日發行之普通股（附註31(c)）	948,419	491,067
行使購股權之影響	16,677	4,175
行使認股權證之影響	1,120	2,958
轉換可換股債券之影響	50,519	4,936
配售新股之影響	—	62,004
於十二月三十一日普通股加權平均數	<b>1,016,735</b>	<b>565,140</b>

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 11 (LOSS)/EARNINGS PER SHARE (Continued)

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

The calculation of diluted (loss)/earnings per share is based on the following data:

#### (i) (Loss)/profit attributable to ordinary equity shareholders of the Company (diluted)

	2008 HK\$'000	2007 HK\$'000
(Loss)/profit attributable to ordinary equity shareholders	(545,172)	5,330
After tax effect of effective interest on the liability component of convertible bonds	23,844	–
Effect of fair value gain recognised on the derivative component of convertible bonds	(73,108)	–
	<hr/>	<hr/>
(Loss)/profit attributable to ordinary equity shareholders (diluted)	<b>(594,436)</b>	5,330
	<hr/>	<hr/>

#### (ii) Weighted average number of ordinary shares (diluted)

	2008 '000	2007 '000
Weighted average number of ordinary shares at 31 December	1,016,735	565,140
Effect of conversion of convertible bonds (note 29)	–	11,593
Effect of deemed issue of shares under the Company's share option scheme for nil consideration (note 32)	–	6,144
Effect of warrants	–	18,010
	<hr/>	<hr/>
Weighted average number of ordinary shares at 31 December (diluted)	<b>1,016,735</b>	600,887
	<hr/>	<hr/>

The exercise of the outstanding share options and warrants has no dilutive effect for the year ended 31 December 2008 because the exercise price of the Company's share options and warrants were higher than the average market price of the shares during the year.

The convertible bonds have no dilutive effect for the year ended 31 December 2008.

## 11 每股(虧損)/盈利(續)

### (b) 每股攤薄(虧損)/盈利

每股攤薄(虧損)/盈利是按下列數據計算：

#### (i) 本公司普通股股東應佔(虧損)/溢利(攤薄)

	二零零八年 千港元	二零零七年 千港元
普通股股東應佔(虧損)/溢利	(545,172)	5,330
除稅後可換股債券負債部份利息之影響	23,844	-
可換股債券衍生部份公允值確認之影響	(73,108)	-
普通股股東應佔(虧損)/溢利(攤薄)	(594,436)	5,330

#### (ii) 普通股加權平均數(攤薄)

	股票數量	
	二零零八年 千股	二零零七年 千股
十二月三十一日普通股加權平均數	1,016,735	565,140
轉換可換股債券之影響(附註29)	-	11,593
按本公司購股權無代價發行股份之影響(附註32)	-	6,144
認股權之影響	-	18,010
十二月三十一日普通股加權平均數(攤薄)	1,016,735	600,887

由於期內本公司購股權行使價高於股份平均市價，故行使尚未行使之購股權對截至二零零八年十二月三十一日止期間並無構成攤薄影響。

可換股債券對截至二零零八年十二月三十一日止期間並無構成攤薄影響。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 12 SEGMENT REPORTING

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

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

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

### (a) Business segments

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments:

	Operation of shopping malls in PRC		Others		Consolidated	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
<b>Revenue</b>						
Revenue from external customers	301,052	115,656	-	-	301,052	115,656
Total revenue	<u>301,052</u>	<u>115,656</u>	<u>-</u>	<u>-</u>	<u>301,052</u>	<u>115,656</u>
<b>Result</b>						
Segment results	27,504	7,888	(630,416)	(6,812)	(602,912)	1,076
Other income					118,100	11,969
(Loss)/profit from operations					(484,812)	13,045
Finance costs					(44,524)	(2,289)
(Loss)/profit before tax					(529,336)	10,756
Income tax					(10,495)	(5,426)
(Loss)/profit for the year					<u>(539,831)</u>	<u>5,330</u>
Attributable to:						
- Shareholders of the Company					(545,172)	5,300
- Minority interests					5,341	-
					<u>(539,831)</u>	<u>5,300</u>

## 12 分部報告

分部資料乃透過兩個分類方式呈列：(i)按業務分類劃分之主類呈報基準；及(ii)按地區分類劃分之次類呈報基準。

本集團之經營業務乃根據其運作及所提供之產品及服務以獨立方式組成及管理。本集團每項業務分部代表一項策略性業務，其所提供之產品及服務所面對之風險及回報與其他業務分部不同。業務分部資料概述如下：

在釐定本集團地區分部資料時，收入按各客戶所在地分析；而資產則按資產所在地分析。

### (a) 業務分部

下表載列本集團業務分部之收入、虧損及若干資產、負債及開支資料：—

	於中國經營百貨商店		其他		綜合	
	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元
<b>收入</b>						
來自外界客戶收入	301,052	115,656	-	-	301,052	115,656
收入總額	<b>301,052</b>	<b>115,656</b>	<b>-</b>	<b>-</b>	<b>301,052</b>	<b>115,656</b>
<b>分部業績</b>						
其他收入	27,504	7,888	(630,416)	(6,812)	(602,912)	1,076
					<b>118,100</b>	<b>11,969</b>
經營(虧損)/溢利					(484,812)	13,045
財務費用					(44,524)	(2,289)
除所得稅前(虧損)/溢利					(529,336)	10,756
所得稅					(10,495)	(5,426)
年內(虧損)/溢利					<b>(539,831)</b>	<b>5,330</b>
應佔：						
—本公司股東					(545,172)	5,300
—少數股東權益					5,341	-
					<b>(539,831)</b>	<b>5,300</b>



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 12 SEGMENT REPORTING (Continued)

### (a) Business segments (Continued)

	Operation of shopping malls in PRC		Others		Consolidated	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
<b>Asset and Liability</b>						
Segment assets	1,687,811	299,792	248,617	161,768	1,936,428	461,560
Total assets	1,687,811	299,792	248,617	161,768	1,936,428	461,560
Segment liabilities	1,247,063	96,735	700,666	6,984	1,947,729	103,719
Total liabilities	1,247,063	96,735	700,666	6,984	1,947,729	103,719
<b>Expenses</b>						
Depreciation	9,437	3,741	22	47	9,459	3,788
Amortisation of intangible assets	1,497	2,055	–	–	1,497	2,055
Provision for impairment of goodwill	–	–	604,653	–	604,653	–
Provision for impairment of other receivables	17	32	–	–	17	32
Fair value (gain) on the derivative component of convertible bonds	–	–	(73,108)	–	(73,108)	–
<b>Capital expenditure</b>	17,169	14,073	–	12	17,169	14,085

### (b) Geographical segments

	PRC		Hong Kong		Consolidated	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Revenue from external customers	301,052	115,656	–	–	301,052	115,656
Other revenue	43,493	6,693	74,607	5,276	118,100	11,969
Total revenue	344,545	122,349	74,607	5,276	419,152	127,625
Segment assets	1,687,811	299,792	248,617	161,768	1,936,428	461,560
Capital expenditure	17,169	14,073	–	12	17,169	14,085

## 12 分部報告 (續)

### (a) 業務分部 (續)

	於中國經營百貨商店		其他		綜合	
	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元
<b>資產及負債</b>						
分部資產	<b>1,687,811</b>	299,792	<b>248,617</b>	161,768	<b>1,936,428</b>	461,560
資產總額	<b>1,687,811</b>	299,792	<b>248,617</b>	161,768	<b>1,936,428</b>	461,560
分部負債	<b>1,247,063</b>	96,735	<b>700,666</b>	6,984	<b>1,947,729</b>	103,719
負債總額	<b>1,247,063</b>	96,735	<b>700,666</b>	6,984	<b>1,947,729</b>	103,719
<b>支出</b>						
折舊	<b>9,437</b>	3,741	<b>22</b>	47	<b>9,459</b>	3,788
無形資產攤銷	<b>1,497</b>	2,055	-	-	<b>1,497</b>	2,055
商譽減值虧損撥備	-	-	<b>604,653</b>	-	<b>604,653</b>	-
其他應收款減值虧損撥備	<b>17</b>	32	-	-	<b>17</b>	32
於可換股債券衍生部份獲利之公允值	-	-	<b>(73,108)</b>	-	<b>(73,108)</b>	-
資本開支	<b>17,169</b>	14,073	-	12	<b>17,169</b>	14,085

### (b) 地區分部

	中國		香港		綜合	
	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元
來自外界客戶收入	<b>301,052</b>	115,656	-	-	<b>301,052</b>	115,656
其他收入	<b>43,493</b>	6,693	<b>74,607</b>	5,276	<b>118,100</b>	11,969
收入總額	<b>344,545</b>	122,349	<b>74,607</b>	5,276	<b>419,152</b>	127,625
分部資產	<b>1,687,811</b>	299,792	<b>248,617</b>	161,768	<b>1,936,428</b>	461,560
資本開支	<b>17,169</b>	14,073	-	12	<b>17,169</b>	14,085

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 13 FIXED ASSETS

### (a) The Group

	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Machinery HK\$'000	Construction in progress HK\$'000	Total HK\$'000
<b>Cost:</b>						
At 1 January 2007	36,290	3,653	–	–	–	39,943
Exchange differences	2,471	232	–	–	–	2,703
Acquisition of business	4,078	9,074	530	–	–	13,682
Additions	4,260	7,243	204	–	2,378	14,085
Disposals	(1,683)	(74)	–	–	–	(1,757)
At 31 December 2007	45,416	20,128	734	–	2,378	68,656
At 1 January 2008	45,416	20,128	734	–	2,378	68,656
Exchange differences	2,824	1,230	26	(174)	127	4,033
Revaluation	5,649	652	–	–	–	6,301
Acquisition of subsidiaries	59,949	9,082	3,416	8,955	3,522	84,924
Additions	13,916	1,768	519	–	966	17,169
Transfers	1,078	–	–	–	(1,078)	–
Disposals	(3,188)	(806)	(563)	–	–	(4,557)
<b>At 31 December 2008</b>	<b>125,644</b>	<b>32,054</b>	<b>4,132</b>	<b>8,781</b>	<b>5,915</b>	<b>176,526</b>
<b>Accumulated depreciation:</b>						
At 1 January 2007	1,190	701	–	–	–	1,891
Exchange differences	129	100	–	–	–	229
Charge for the year	2,124	1,637	27	–	–	3,788
Written back on disposals	(1,051)	(37)	–	–	–	(1,088)
At 31 December 2007	2,392	2,401	27	–	–	4,820
At 1 January 2008	2,392	2,401	27	–	–	4,820
Exchange differences	501	262	3	–	–	766
Revaluation	4,752	1,549	–	–	–	6,301
Charge for the year	5,750	3,020	252	437	–	9,459
Written back on disposals	(2,667)	(643)	(44)	–	–	(3,354)
<b>At 31 December 2008</b>	<b>10,728</b>	<b>6,589</b>	<b>238</b>	<b>437</b>	<b>–</b>	<b>17,992</b>
<b>Carrying value:</b>						
<b>At 31 December 2008</b>	<b>114,916</b>	<b>25,465</b>	<b>3,894</b>	<b>8,344</b>	<b>5,915</b>	<b>158,534</b>
At 31 December 2007	43,024	17,727	707	–	2,378	63,836

The Group has motor vehicles held under finance leases expiring for 3 years. At the end of the lease term the Group has an option to purchase the assets at a price deemed to be a bargain purchase option. None of the leases include contingent rentals. At the balance sheet date, the net book value of motor vehicles held under finance leases of the Group amounted to HK\$217,000 (2007: HK\$Nil).

## 13 固定資產

### (a) 本集團

	裝修 千港元	傢俬及設備 千港元	運輸工具 千港元	機器設備 千港元	在建工程 千港元	合計 千港元
<b>成本：</b>						
於二零零七年一月一日	36,290	3,653	-	-	-	39,943
匯兌差額	2,471	232	-	-	-	2,703
收購業務	4,078	9,074	530	-	-	13,682
添置	4,260	7,243	204	-	2,378	14,085
出售	(1,683)	(74)	-	-	-	(1,757)
於二零零七年十二月三十一日	<u>45,416</u>	<u>20,128</u>	<u>734</u>	<u>-</u>	<u>2,378</u>	<u>68,656</u>
於二零零八年一月一日	45,416	20,128	734	-	2,378	68,656
匯兌差額	2,824	1,230	26	(174)	127	4,033
重估	5,649	652	-	-	-	6,301
收購業務	59,949	9,082	3,416	8,955	3,522	84,924
添置	13,916	1,768	519	-	966	17,169
轉移	1,078	-	-	-	(1,078)	-
出售	(3,188)	(806)	(563)	-	-	(4,557)
於二零零八年十二月三十一日	<u>125,644</u>	<u>32,054</u>	<u>4,132</u>	<u>8,781</u>	<u>5,915</u>	<u>176,526</u>
<b>累計折舊：</b>						
於二零零七年一月一日	1,190	701	-	-	-	1,891
匯兌差額	129	100	-	-	-	229
本年折舊	2,124	1,637	27	-	-	3,788
出售時撥回	(1,051)	(37)	-	-	-	(1,088)
於二零零七年十二月三十一日	<u>2,392</u>	<u>2,401</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>4,820</u>
於二零零八年一月一日	2,392	2,401	27	-	-	4,820
匯兌差額	501	262	3	-	-	766
重估	4,752	1,549	-	-	-	6,301
本年折舊	5,750	3,020	252	437	-	9,459
出售時撥回	(2,667)	(643)	(44)	-	-	(3,354)
於二零零八年十二月三十一日	<u>10,728</u>	<u>6,589</u>	<u>238</u>	<u>437</u>	<u>-</u>	<u>17,992</u>
<b>賬面淨值：</b>						
於二零零八年十二月三十一日	<u>114,916</u>	<u>25,465</u>	<u>3,894</u>	<u>8,344</u>	<u>5,915</u>	<u>158,534</u>
於二零零七年十二月三十一日	<u>43,024</u>	<u>17,727</u>	<u>707</u>	<u>-</u>	<u>2,378</u>	<u>63,836</u>

本集團透過於三年內到期之融資租賃持有運輸工具。在租賃期屆滿，本集團可有議價權購買資產。融資租賃並無包含或有租金。在資產負債表結算日，本集團以融資租賃持有的運輸工具之淨賬面價值為\$217,000港元（二零零七年：無）。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 13 FIXED ASSETS (Continued)

### (b) The Company

	<b>Furniture, fixtures and equipment</b> HK\$'000
<b>Cost:</b>	
At 1 January 2007 and 31 December 2007	50
At 1 January 2008	50
Disposals	(50)
<b>At 31 December 2008</b>	<b>–</b>
<b>Accumulated depreciation:</b>	
At 1 January 2007 and 31 December 2007	50
At 1 January 2008	50
Written back on disposals	(50)
<b>At 31 December 2008</b>	<b>–</b>
<b>Carrying value:</b>	
<b>At 31 December 2008</b>	<b>–</b>
At 31 December 2007	–

## 13 固定資產 (續)

### (b) 本公司

	傢俬及設備 千港元
<b>成本值：</b>	
於二零零七年一月一日至二零零七年十二月三十一日	50
於二零零八年一月一日	50
出售	(50)
於二零零八年十二月三十一日	-
<b>累計折舊：</b>	
於二零零七年一月一日至二零零七年十二月三十一日	50
於二零零八年一月一日	50
出售時撥回	(50)
於二零零八年十二月三十一日	-
<b>賬面淨值：</b>	
於二零零八年十二月三十一日	-
於二零零七年十二月三十一日	-

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 14 INTANGIBLE ASSETS

### The Group

	<b>Licence</b> HK\$'000
<b>Cost:</b>	
At 1 January 2007	17,892
Exchange differences	1,253
	<hr/>
At 31 December 2007	19,145
At 1 January 2008	19,145
Exchange differences	3,593
Eliminated upon acquisition of subsidiaries	(22,738)
	<hr/>
<b>At 31 December 2008</b>	<b>–</b>
<b>Accumulated amortisation:</b>	
At 1 January 2007	1,333
Exchange differences	179
Charge for the year	2,055
	<hr/>
At 31 December 2007	3,567
At 1 January 2008	3,567
Exchange differences	2,648
Charge for the year	1,497
Written back against elimination on consolidation	(7,712)
	<hr/>
<b>At 31 December 2008</b>	<b>–</b>
<b>Carrying value:</b>	
<b>At 31 December 2008</b>	<b>–</b>
	<hr/>
At 31 December 2007	15,578
	<hr/>

The intangible assets represent the right to operate department stores in PRC using the brand name "Century Ginwa" for a 10-year term commencing 13 April 2005 licensed by Century Ginwa to the Group's wholly owned subsidiary, Century Ginwa Urumqi. Upon the acquisition of Century Ginwa by the Group on 31 August 2008 (see also note 30(a)), Century Ginwa became a subsidiary of the Group. The above licensing transaction and balance have been eliminated upon consolidation.

## 14 無形資產

### 本集團

特許權  
千港元

#### 成本值：

於二零零七年一月一日	17,892
匯兌差額	1,253
於二零零七年十二月三十一日	19,145
於二零零八年一月一日	19,145
匯兌差額	3,593
於收購附屬公司時剔除	(22,738)
於二零零八年十二月三十一日	-

#### 累計攤銷：

於二零零七年一月一日	1,333
匯兌差額	179
本年折舊	2,055
於二零零七年十二月三十一日	3,567
於二零零八年一月一日	3,567
匯兌差額	2,648
本年折舊	1,497
綜合時撥回	(7,712)
於二零零八年十二月三十一日	-

#### 賬面淨值：

於二零零八年十二月三十一日	-
於二零零七年十二月三十一日	15,578

無形資產指本集團全資附屬公司世紀金花烏魯木齊購物中心有限公司獲世紀金花授權獲准於二零零五年四月十三日起計的十年期內以世紀金花品牌名稱於中國經營百貨商店。於二零零八年八月三十日(見附註30(a))本集團收購世紀金花，使其成為本集團附屬公司，因此，上述之牌照交易及餘款已於綜合時剔除。



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 15 INVESTMENTS IN SUBSIDIARIES

	The Company	
	2008 HK\$'000	2007 HK\$'000
Unlisted shares, at cost	2	2
Less: Provision for impairment loss	(1)	(1)
	1	1
Amounts due from subsidiaries	1,213,692	237,553
Less: Provision for impairment loss	(476,999)	(18,999)
	736,693	218,554
Amounts due to subsidiaries	7,656	329

The amounts due to/from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

Details of the subsidiaries are as follows:

Name	Place of establishment and operation	Particulars of issued and fully paid share capital/ registered capital	Ownership interest		Nature of business
			Direct	Indirect	
Bright Chance (Asia) Limited	Hong Kong	HK\$1,000	100%	–	Provision of administrative services
China King Management Limited	Hong Kong	HK\$1	100%	–	Investment holding
China Rich International Management Limited	Hong Kong	HK\$1	100%	–	Investment holding
Xian Century Ginwa Property Investments Company Limited 西安世紀金花購物有限公司	People's Republic of China	HK\$65,000,000	–	100%	Operation of a shopping mall
Century Ginwa Urumqi Shopping Mall (H.K.) Limited	Hong Kong	HK\$10	–	100%	Investment holding

## 15 於附屬公司之投資

	本公司	
	二零零八年 千港元	二零零七年 千港元
非上市權益投資，按成本值	2	2
減：虧損減值撥備	(1)	(1)
	<u>1</u>	<u>1</u>
應收附屬公司款項	1,213,692	237,553
減：虧損減值撥備	(476,999)	(18,999)
	<u>736,693</u>	<u>218,554</u>
應付附屬公司款項	7,656	329

應收／(應付)附屬公司款是無抵押、免利息及沒有固定還款期。

附屬公司資料如下：

附屬公司名稱	註冊成立及 營業地點	已發行及 繳足股本／ 註冊資本資料	擁有權權益比率		業務性質
			直接	間接	
卓運(亞洲)有限公司	香港	1,000港元	100%	–	提供行政服務
中國管理有限公司	香港	1港元	100%	–	投資控股
裕華國際管理有限公司	香港	1港元	100%	–	投資控股
西安世紀金花置業有限公司	中華人民共和國	65,000,000港元	–	100%	經營購物中心
世紀金花烏魯木齊購物中心 (香港)有限公司	香港	10港元	–	100%	投資控股

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 15 INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place of establishment and operation	Particulars of issued and fully paid share capital/ registered capital	Ownership interest		Nature of business
			Direct	Indirect	
Century Ginwa Urumqi Shopping Mall Company Limited 世紀金花烏魯木齊購物中心有限公司	People's Republic of China	RMB50,000,000	–	100%	Operation of a shopping mall
Century Ginwa Joint Stock Company Limited 世紀金花股份有限公司	People's Republic of China	RMB235,500,000	–	76.43%	Operation of a shopping mall
Xian Century Ginwa Property Management Company Limited 西安世紀金花物業管理有限公司	People's Republic of China	RMB1,000,000	–	76.43%	Property management

## 16 GOODWILL

### The Group

HK\$'000

#### Cost:

At 1 January 2007 and 31 December 2007	4,513
At 1 January 2008	4,513
Additions (note 30(a))	831,232
Disposal	(2,802)
<b>At 31 December 2008</b>	<b>832,943</b>

#### Accumulated impairment:

At 1 January 2007 and 31 December 2007	4,513
At 1 January 2008	4,513
Provision for impairment loss	604,653
Written back on disposal	(2,802)
<b>At 31 December 2008</b>	<b>606,364</b>

#### Carrying value:

<b>At 31 December 2008</b>	<b>226,579</b>
At 31 December 2007	–

## 15 於附屬公司之投資 (續)

附屬公司名稱	註冊成立及 營業地點	已發行及 繳足股本/ 註冊資本資料	擁有權益比率		業務性質
			直接	間接	
世紀金花烏魯木齊購物中心有限公司	中華人民共和國	人民幣50,000,000	-	100%	經營購物中心
世紀金花股份有限公司	中華人民共和國	人民幣235,500,000	-	76.43%	經營購物中心
西安世紀金花物業管理有限公司	中華人民共和國	人民幣1,000,000	-	76.43%	物業管理

## 16 商譽

### 本集團

千港元

#### 成本值：

於二零零七年一月一日及於二零零七年十二月三十一日	4,513
於二零零八年一月一日	4,513
添置 (附註30(a))	831,232
出售	(2,802)
於二零零八年十二月三十一日	<b>832,943</b>

#### 累計減值：

於二零零七年一月一日及於二零零七年十二月三十一日	4,513
於二零零八年一月一日	4,513
減值虧損撥備	604,653
出售時撥回	(2,802)
於二零零八年十二月三十一日	<b>606,364</b>

#### 賬面淨值：

於二零零八年十二月三十一日	<b>226,579</b>
於二零零七年十二月三十一日	-

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 16 GOODWILL (Continued)

### Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segment as follows:

Operation of shopping malls in PRC

**2008**  
**HK\$'000**

**226,579**

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

Key assumptions used for value-in-use calculations:

- Gross margin
- Growth rate
- Discount rate

**2008**

%

79

2

14.8

Management determined the budgeted gross margin and growth rate based on past performance and its expectations for market development. The discount rate used is post-tax and reflects specific risks relating to this segment.

## 16 商譽 (續)

### 包含商譽現金產生單位的減值測試

商譽分配至本集團之現金產生單位(「CGU」)，並根據以下業務分部來分類：

於中國經營百貨商店

二零零八年  
千港元

**226,579**

現金產生單位之可收回金額乃以使用價值計算。預估商譽能在不受限的期間產生現金流。這計算是使用管理層批核的約為五年期財政預算所估計現金流。超過五年期的現金流使用以下列出的估計比率來推斷。而增長率不會高於現金產生單位經營之業務的長期平均增長率。

使用價值計算之主要假設：

— 毛利率  
— 增長率  
— 折扣率

二零零八年  
%

79

2

14.8

管理層根據過往表現及對市場發展預期釐定預算總利潤及增長率。而折扣率是除稅後的及反映與這分部有關的特定風險。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 17 LOAN RECEIVABLES

	The Group	
	2008 HK\$'000	2007 HK\$'000
At 1 January	36,153	30,000
Exchange differences	(7,738)	–
Add: Acquisition of subsidiaries (note 30(a))	1,333,018	–
Add: Additions	43,728	6,153
Less: Settlement during the year	(40,538)	–
At 31 December	<u>1,364,623</u>	36,153
Less: Current portion classified as current assets	<u>(20,979)</u>	(26,153)
Non-current portion	<u>1,343,644</u>	<u>10,000</u>

(a) The carrying amounts of loan receivables are analysed as follows:

	2008 HK\$'000	2007 HK\$'000
Interest free portion	460,956	6,153
Interest bearing portion at 2%-7.839% (2007: 2%)	<u>903,667</u>	<u>30,000</u>
	<u>1,364,623</u>	<u>36,153</u>

## 17 應收貸款

	本集團	
	二零零八年 千港元	二零零七年 千港元
於一月一日	36,153	30,000
匯兌差額	(7,738)	—
加：收購附屬公司(附註30(a))	1,333,018	—
加：添置	43,728	6,153
減：年內結算	(40,538)	—
於十二月三十一日	1,364,623	36,153
減少：流動貸款區別為流動資產	(20,979)	(26,153)
非流動貸款	1,343,644	10,000

### (a) 應收貸款賬面額為以下分析

	二零零八年 千港元	二零零七年 千港元
免息貸款部份	460,956	6,153
計息貸款部份2%至7.839% (二零零七年：2%)	903,667	30,000
	1,364,623	36,153



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 17 LOAN RECEIVABLES (Continued)

### (b) Maturity analysis

	The Group	
	2008 HK\$'000	2007 HK\$'000
The loans are receivable as below:		
Within 1 year	20,979	26,153
After 1 year but within 5 years	<u>1,343,644</u>	<u>10,000</u>
	<u><b>1,364,623</b></u>	<u><b>36,153</b></u>

### (c) Currency analysis

The carrying amounts of loan receivables are denominated in the following currencies:

	2008 HK\$'000	2007 HK\$'000
Hong Kong dollars	17,000	30,000
Renminbi	<u>1,347,623</u>	<u>6,153</u>
	<u><b>1,364,623</b></u>	<u><b>36,153</b></u>

### (d)(i) Loans to Ming Fai

On 28 December 2004, Ming Fai Princess Entertainment Limited ("Ming Fai"), a former subsidiary of the Group, entered into an agreement (the "Agreement") with Anglo View Limited (the "Licensee") and Mr. Cai Jun Jie who is the sole legal and beneficial owner of the Licensee. Pursuant to the Agreement, Ming Fai has paid HK\$40,000,000 (the "Consideration") to the Licensee in consideration of the Licensee undertaking that it shall pay to Ming Fai 20% of the net profits of the gaming facilities of a cruise ship known as "Ming Fai Princess" for a period of 5 years commencing on 1 January 2005. The aforesaid share of profits shall be payable semi-annually. The Licensee guarantees to Ming Fai that the aforesaid share of annual profits in the two years ended 31 December 2006 shall not be less than HK\$5,000,000 each and the aforesaid share of annual profits in the three years ending 31 December 2009 shall not be less than HK\$10,000,000 each.

The guaranteed share of profits for the half-year ended 30 June 2005 in the amount of HK\$2,500,000 has already been received by Ming Fai in September 2005 and was recognised as revenue in the year ended 30 June 2005.

## 17 應收貸款 (續)

### (b) 到期日分析

	本集團	
	二零零八年 千港元	二零零七年 千港元
應收貸款：		
一年內	20,979	26,153
一年後但於五年內	1,343,644	10,000
	<b>1,364,623</b>	<b>36,153</b>

### (c) 貨幣分析

應收貸款賬面額為下列貨幣：

	二零零八年 千港元	二零零七年 千港元
港元	17,000	30,000
人民幣	1,347,623	6,153
	<b>1,364,623</b>	<b>36,153</b>

### (d)(i) 予明輝之貸款

於二零零四年十二月二十八日，明輝與Anglo View Limited (「特許經營者」)及蔡俊杰先生訂立協議(「協議」)。蔡先生為特許經營者之唯一法定實益擁有人。根據協議，明輝已向特許經營者繳付40,000,000港元之代價(「代價」)，而特許經營者向明輝承諾向其繳付郵輪博彩設施20%純利，並由二零零五年一月一日起計為期5年。上述分佔溢利須每半年支付。特許經營者向明輝保證，於截至二零零六年十二月三十一日止兩個年度之上述分佔全年溢利將每年不少於5,000,000港元，而截至二零零九年十二月三十一日止三個年度之上述分佔全年溢利將每年不少於10,000,000港元。

明輝已於二零零五年九月收取截至二零零五年六月三十日止半年度之保證分佔溢利2,500,000港元，並已於截至二零零五年六月三十日止年度確認為收入。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 17 LOAN RECEIVABLES (Continued)

### (d)(i) Loans to Ming Fai (Continued)

On 7 October 2005, Ming Fai entered into a supplement agreement (the "Supplemental Agreement") with the Licensee whereby Ming Fai agreed with the Licensee to give up its right to the profits sharing arrangement under the Agreement dated 28 December 2004 as detailed above in exchange of a fixed return from the Licensee, calculated as 2% on the amount of repayment of the outstanding Consideration to be received. The repayments will be made semi-annually in the amount of HK\$2,550,000 (including repayment of Consideration in the amount of HK\$2,500,000) for the three half-years ended 31 December 2006 and HK\$5,100,000 (including repayment of Consideration in the amount of HK\$5,000,000) for the six half-years ending 31 December 2009.

On 25 September 2006, Ming Fai, Bright Chance (Asia) Limited ("Bright Chance") and Mr. Cai Jun Jie entered into a loan assignment agreement. Pursuant to the loan assignment agreement, Ming Fai agreed to assign all its rights and benefits in the loan receivable balance of HK\$30,000,000 to Bright Chance at a total consideration of HK\$30,000,000. The loan receivable balance is interest bearing at 2% per annum and the repayments will be made semi-annually in the amount of HK\$5,100,000 (including repayment of the principal in the amount of HK\$5,000,000) for the six half years ending 31 December 2009.

### (d)(ii) Loan to Fortune Dragon

On 24 January 2008, the Group's wholly owned subsidiary, China King Management Limited entered into an agreement with Fortune Dragon Investments Limited, an independent third party, to grant a loan of HK\$21,000,000 and charge interest at the Hong Kong Dollar Prime Rate per annum. On 18 August 2008, the loan was repaid.

### (d)(iii) Loans to Ginwa Investments

In September 2008, the Group's newly acquired subsidiary, Century Ginwa, entered into an unsecured loan agreement with Ginwa Investments Company Limited ("Ginwa Investments") for its advances of RMB1,165,348,000 to be repayable by 31 August 2013. The interest bearing loan portion carries interest at the five-year lending rate published by the Bank of China, the PRC (see note 36 (d)). Mr. Wu Yijian, a former executive director and chairman of the Company, has a 60% equity interest in Ginwa Investments, thus, Ginwa Investments is a connected party to the Group.

### (d)(iv) Other loan receivables

The Group's wholly owned subsidiary, Xian Century Ginwa, signed loan agreements with independent third parties, for unsecured loans of RMB3,500,000, which bear interest at 7.83% per annum and are repayable by 25 March 2009.

In December 2007, the Group's wholly owned subsidiary, Century Ginwa Urumqi signed a loan agreement with its landlord of the shopping mall for a loan of RMB5,750,000, which was unsecured, interest free and was repayable by 31 December 2008. During the year, due to default in repayment from the landlord, the loan was used to offset the rent payable for the shopping mall.

- (e) The directors consider that the carrying amounts of loan receivables approximate their fair values.

## 17 應收貸款 (續)

### (d)(i) 予明輝之貸款 (續)

於二零零五年十月七日，明輝與特許經營者訂立補充協議（「補充協議」）。據此協議，明輝同意放棄其於二零零四年十二月二十八日訂立之協議內有關溢利分享安排之權利（詳見上文附註15(a)），以換取特許經營者支付之固定回報，有關固定回報按未付代價還款金額2%計算。還款將於截至二零零六年十二月三十一日止三個半年度每半年支付2,550,000港元（包括償還代價2,500,000港元）及截至二零零九年十二月三十一日止六個半年度每半年支付5,100,000港元（包括償還代價5,000,000港元）。

於二零零六年九月二十五日，明輝、卓運（亞洲）有限公司（「卓運」）及蔡俊杰先生訂立貸款轉讓協議。據此，明輝同意轉讓其於應收貸款餘額30,000,000港元之所有權利及利益予卓運，總代價為30,000,000港元。應收貸款餘額按年利率2%計息，還款將於截至二零零九年十二月三十一日止六個半年度每半年支付5,100,000港元（包括償還本金5,000,000港元）。

### (d)(ii) 予Fortune Dragon之貸款

於二零零八年一月二十四日，本集團全資附屬公司中國管理有限公司與獨立第三方Fortune Dragon Investments Limited（「Fortune Dragon」）簽定協議。根據協議，Fortune Dragon獲提供金額為21,000,000港元的一年貸款，利息按港元最優惠年利率計算。該筆貸款已於二零零八年八月十八日償還。

### (d)(iii) 予金花投資之貸款

於二零零八年九月，本集團新收購的附屬公司世紀金花股份有限公司與金花投資有限公司（「金花投資」）達成一項無抵押貸款協議，獲貸款人民幣1,165,348,000元，並於二零一三年八月三十一日付還。該貸款按中國人民銀行所公佈之五年期借貸利率付息（附註36(d)）。本公司前執行董事及主席吳一堅先生持有金花投資60%權益，因此，世紀投資與本集團關連人士。

### (d)(iv) 其他應收貸款

本集團全資附屬公司西安世紀金花物業投資有限公司（「西安世紀金花」）與獨立第三方簽定貸款協議，以無抵押貸款人民幣3,500,000元，附年息7.83%，並於二零零九年三月二十五日償還。

於二零零七年十二月，本集團全資附屬公司世紀金花烏魯木齊與購物中心物業持有人簽定貸款協議，獲無抵押免息貸款人民幣5,750,000元，於二零零八年十二月三十一日付還。年內，鑑於物業持有人拖欠還款，該筆貸款用以抵償支付購物中心的租金。

### (e) 董事認為應收貸款賬面淨值與其公允值相若。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 18 INVENTORIES

Inventories in the balance sheet comprise:

	The Group	
	2008 HK\$'000	2007 HK\$'000
Raw materials	836	337
Low value consumables	2,071	738
Merchandise	29,465	6,531
	<b>32,372</b>	<b>7,606</b>

## 19 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Trade receivables	8,501	3,249	–	–
Less: Allowance for impairment loss (note 19(c))	(3,118)	–	–	–
	<b>5,383</b>	3,249	–	–
Deposits and prepayments	7,497	5,789	543	5,404
Other receivables	10,336	3,979	–	–
Value-added tax recoverable	37,000	9,841	–	–
	<b>60,216</b>	<b>22,858</b>	<b>543</b>	<b>5,404</b>

## 18 存貨

資產負債表中的存貨包括：

	本集團	
	二零零八年 千港元	二零零七年 千港元
原材料	836	337
低值易耗品	2,071	738
商品	29,465	6,531
	<b>32,372</b>	<b>7,606</b>

## 19 應收賬款及其它應收款

	本集團		本公司	
	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元
應收賬款	8,501	3,249	-	-
減：減值準備(附註19(c))	(3,118)	-	-	-
	<b>5,383</b>	3,249	-	-
按金及預付款	7,497	5,789	543	5,404
其他應收款項	10,336	3,979	-	-
可收回增值稅	37,000	9,841	-	-
	<b>60,216</b>	<b>22,858</b>	<b>543</b>	<b>5,404</b>

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 19 TRADE AND OTHER RECEIVABLES (Continued)

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year. The directors consider the carrying amounts of trade and other receivables approximate their fair values.

### (a) Currency analysis

The carrying amounts of the Group's and the Company's trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Hong Kong dollars	764	5,843	543	5,404
Renminbi	59,452	17,015	–	–
	<b>60,216</b>	<b>22,858</b>	<b>543</b>	<b>5,404</b>

### (b) Aging analysis

Included in trade and other receivables are trade receivables (net of allowance for impairment loss) with the following aging analysis as of the balance sheet date:

	The Group	
	2008 HK\$'000	2007 HK\$'000
0-30 days	4,073	2,753
31-60 days	175	43
61-90 days	107	–
Over 90 days	1,028	453
Amounts past due	<b>5,383</b>	<b>3,249</b>

## 19 應收賬款及其它應收款 (續)

所有應收賬款及其他應收款預期將於一年內收回或確認為支出。董事會認為應收賬款及其他應收款項的賬面淨額與其公允值相若。

### (a) 貨幣分析

本集團及本公司之應收賬款及其他應收款項的賬面淨值是用以下貨幣計值：

	本集團		本公司	
	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元
港元	764	5,843	543	5,404
人民幣	59,452	17,015	-	-
	<b>60,216</b>	<b>22,858</b>	<b>543</b>	<b>5,404</b>

### (b) 賬齡分析

包括於應收及其他應收款項的應收賬款(虧損減值之淨額備抵)於結算日之賬齡分析：

	本集團	
	二零零八年 千港元	二零零七年 千港元
0-30天	4,073	2,753
31-60天	175	43
61-90天	107	-
90天以上	1,028	453
拖欠總額	<b>5,383</b>	<b>3,249</b>



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 19 TRADE AND OTHER RECEIVABLES (Continued)

### (c) Impairment of trade receivables

The movement in the allowance for impairment loss during the year is as follows:

	The Group	
	2008 HK\$'000	2007 HK\$'000
At 1 January	–	–
Acquisition of subsidiaries	3,137	–
Exchange differences	(19)	–
	<hr/>	<hr/>
At 31 December	<b>3,118</b>	–
	<hr/>	<hr/>

### (d) Trade receivables that are not impaired

The Group's retail sales to customers are mainly on cash basis, either in cash or credit card payments. The Group does not have a defined fixed credit policy as its major trade receivables arise from credit card sales.

Based on past experience, the directors believe that no impairment allowance is necessary in respect of these trade receivables arise from credit card sales as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

## 20 AMOUNTS DUE FROM RELATED COMPANIES

Details disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance in relation to amounts due from related companies in which Mr. Wu Yijian, a former executive director and chairman of the Company, had indirect controlling interests are as follows:

	2008 HK\$'000	Maximum amount outstanding during the year HK\$'000	2007 HK\$'000
Century Ginwa	–	59,201	59,201
Shaanxi Century Ginwa Hi-Tech Shopping Centre Company Limited ("Ginwa Hi-Tech")	–	805	805
	<hr/>	<hr/>	<hr/>
	–	<b>60,006</b>	60,006
	<hr/>	<hr/>	<hr/>

## 19 應收賬款及其它應收款 (續)

### (c) 應收賬款之減值

年內減值虧損之備抵變動如下：

	本集團	
	二零零八年 千港元	二零零七年 千港元
於一月一日	-	-
收購附屬公司	3,137	-
匯兌差額	(19)	-
於十二月三十一日	<u>3,118</u>	<u>-</u>

### (d) 無減值之應收賬款

本集團與消費者的零售銷售以現金為主，本集團並無一套既定固定信貸措施，因其主要應收賬款是信用卡銷售產生。

根據過往經驗，董事會相信無需為信用卡銷售產生的應收賬款作減值備抵，因信貸質素並無重大改變及考慮到餘額應可全數收回。

## 20 應收關連公司款項

根據香港公司條例第161B條有關應收關連公司款項所披露的詳情，本公司前行政董事及主席吳一堅先生曾間接持有的權益如下：

	二零零八年 千港元	年內 最高結餘 千港元	二零零七年 千港元
世紀金花	-	59,201	59,201
陝西世紀金花高新購物中心有限公司(「金花高新」)	-	805	805
	<u>-</u>	<u>60,006</u>	<u>60,006</u>

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 20 AMOUNTS DUE FROM RELATED COMPANIES (Continued)

Upon the acquisition of Century Ginwa by the Group on 31 August 2008 (see also note 30(a)), Century Ginwa became a subsidiary of the Group. The above balance has been eliminated upon consolidation.

The amounts due were unsecured, interest free and had no fixed terms of repayment.

The directors consider the carrying amount of amounts due from related companies approximate their fair value. The amounts receivable were denominated in Renminbi and settled during the year.

## 21 AMOUNT DUE FROM A DIRECTOR

Details disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance in relation to amount due from a director are as follows:

	2008 HK\$'000	Maximum amount outstanding during the year HK\$'000	2007 HK\$'000
Mr. Li Haogang	<u>78</u>	<u>200</u>	<u>–</u>

The amount due is unsecured, interest free and has no fixed terms of repayment. The directors consider the carrying amount of amount due from a director approximates its fair value.

The amount receivable is denominated in Renminbi.

## 22 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Deposits with banks	5,685	100,000	–	100,000
Cash at bank and in hand	<u>84,686</u>	<u>138,363</u>	<u>8</u>	<u>8,410</u>
	<u>90,371</u>	<u>238,363</u>	<u>8</u>	<u>108,410</u>

- (a) Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for a period of three months and earn interest at 3.15% per annum. The directors consider the carrying amounts of the cash and cash equivalents approximate their fair values.

## 20 應收關連公司款項 (續)

本集團於二零零八年八月三十一日收購世紀金花(見於附註30(a))，世紀金花成為本集團附屬公司。以上結餘於綜合時已被剔除。

逾期款項為無抵押、免息及無固定還款期。

董事會認為應收關連公司之逾期款項賬面淨額與其公允價值相約。該應收款項為人民幣並已於年內付還。

## 21 應收董事款項

有關應收董事款項詳情已根據香港公司條例第161B條披露如下：

	二零零八年 千港元	年內 最高結餘額 千港元	二零零七年 千港元
李郝港先生	<b>78</b>	<b>200</b>	—

逾期款項為無抵押、免息及無固定還款期。

董事會認為應收關連公司之逾期款項賬面淨額與其公允價值相約。該應收款額為人民幣並已於年內付還。

## 22 現金及現金等值項目

	本集團		本公司	
	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元
銀行存款	<b>5,685</b>	100,000	—	100,000
銀行結存及庫存現金	<b>84,686</b>	138,363	<b>8</b>	8,410
	<b>90,371</b>	238,363	<b>8</b>	108,410

- (a) 銀行存款根據每日銀行存款利率按浮息賺取利息。短期定期存款存款期為三個月，賺取3.15%年息。董事會認為現金及現金等值項目的賬面金額與其公允價值相若。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 22 CASH AND CASH EQUIVALENTS (Continued)

(b) The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Hong Kong dollars	99	158,824	8	108,408
Renminbi (note 22(c))	90,263	79,537	–	–
United States dollars	9	2	–	2
	<b>90,371</b>	<b>238,363</b>	<b>8</b>	<b>108,410</b>

(c) The RMB is not freely convertible into other currencies, however, subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

## 23 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Trade payables	25,306	5,296	–	–
Advances and deposits from staffs	6,107	1,223	–	–
Concessionaire sales payable	209,234	60,745	–	–
Customers' deposits	464,734	10,566	–	–
Dividend payable	64,372	–	–	–
Other payables and accruals	55,744	9,260	1,905	4,142
Other tax payables	1,571	1,163	–	–
Payroll and welfare payables	21,788	6,774	–	–
Renovation retention	2,187	125	–	–
Suppliers' deposits	2,512	1,183	–	–
	<b>828,249</b>	<b>91,039</b>	<b>1,905</b>	<b>4,142</b>
	<b>853,555</b>	<b>96,335</b>	<b>1,905</b>	<b>4,142</b>

All of the trade and other payables are expected to be settled or recognised as an income within one year. The directors consider the carrying amounts of trade and other payables approximate their fair values.

## 22 現金及現金等值項目 (續)

(b) 現金及現金等值項目的賬面淨值是用以下貨幣計值：

	本集團		本公司	
	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元
港元	99	158,824	8	108,408
人民幣 (附註22(c))	90,263	79,537	-	-
美元	9	2	-	2
	<b>90,371</b>	<b>238,363</b>	<b>8</b>	<b>108,410</b>

(c) 人民幣不可自由兌換為其他貨幣，然而，跟據中國政府頒布的有關外匯管制規則及法規，本公司可透過獲准進行外匯業務的銀行把人民幣兌換為其他貨幣。

## 23 應付賬款及其他應付款

	本集團		本公司	
	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元
應付賬款	25,306	5,296	-	-
員工預付及存款	6,107	1,223	-	-
應付特許專櫃銷售款	209,234	60,745	-	-
客戶按金	464,734	10,566	-	-
應付股息	64,372	-	-	-
其他應付款項及應付費用	55,744	9,260	1,905	4,142
其他應付稅項	1,571	1,163	-	-
應付薪金及福利	21,788	6,774	-	-
裝修留存金	2,187	125	-	-
供貨商訂金	2,512	1,183	-	-
	<b>828,249</b>	<b>91,039</b>	<b>1,905</b>	<b>4,142</b>
	<b>853,555</b>	<b>96,335</b>	<b>1,905</b>	<b>4,142</b>

所有應付賬款及其他應付款將於一年內償還或確認為收入。本公司之董事認為應付賬款及其它應付款之賬面值及其公允值相若。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 23 TRADE AND OTHER PAYABLES (Continued)

### (a) Currency analysis

The carrying amounts of trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Hong Kong dollars	2,059	4,519	1,905	4,142
Renminbi	851,496	91,816	–	–
	<b>853,555</b>	<b>96,335</b>	<b>1,905</b>	<b>4,142</b>

### (b) Aging analysis

Included in trade and other payables are trade payables with the following aging analysis as of the balance sheet date:

	The Group	
	2008 HK\$'000	2007 HK\$'000
0 – 30 days	19,291	3,912
31 – 90 days	4,803	667
Over 90 days	1,212	717
	<b>25,306</b>	<b>5,296</b>

## 24 AMOUNT DUE TO A RELATED COMPANY

The amount due is unsecured, interest free and has no fixed terms of repayment.

## 23 應付賬款及其他應付款 (續)

### (a) 貨幣分析

應付賬款及其他應付款項的賬面淨額是用以下貨幣計值：

	本集團		本公司	
	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元
港元	2,059	4,519	1,905	4,142
人民幣	851,496	91,816	-	-
	<b>853,555</b>	<b>96,335</b>	<b>1,905</b>	<b>4,142</b>

### (b) 賬齡分析

截至結算日之應付賬款及其他應付款項之賬齡分析如下：

	本集團	
	二零零八年 千港元	二零零七年 千港元
0-30天	19,291	3,912
31-90天	4,803	667
90天以上	1,212	717
	<b>25,306</b>	<b>5,296</b>

## 24 應付關連公司款項

該等欠款是無抵押、免利息及沒有固定還款期。



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 25 BANK LOANS, SECURED

The amounts are interest bearing at a range from 5.31% to 13% per annum (2007: 9.72%), secured by investment securities and properties of related companies, guarantees given by its related companies and third parties, and are repayable within one year.

The carrying amounts of bank loans are denominated in the following currencies:

	The Group	
	2008 HK\$'000	2007 HK\$'000
Renminbi	339,119	1,059
United States dollars	19,456	–
	<b>358,575</b>	<b>1,059</b>

## 26 OBLIGATIONS UNDER FINANCE LEASES

At 31 December 2008, the Group had obligations under finance leases repayable as follows:

	2008		2007	
	Present value of minimum lease payments HK\$'000	Total minimum lease payments HK\$'000	Present value of minimum lease payments HK\$'000	Total minimum lease payments HK\$'000
Within 1 year	154	178	–	–
After 1 year but within 5 years	–	–	–	–
	<b>154</b>	<b>178</b>	<b>–</b>	<b>–</b>
Less: Total future interest expenses		(24)		–
Present value of lease obligations		<b>154</b>		<b>–</b>

The average lease term is five years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

## 25 銀行借款(抵押)

被擔保之銀行借款是計利息，年利率由5.31%至13%（二零零七年：9.72%）連公司所擁有的投資證券，物業及關連公司及第三者發出之擔保作抵押，及需於一年內償還。

該銀行貸款賬面淨額是用以下貨幣計值。

	本集團	
	二零零八年 千港元	二零零七年 千港元
人民幣	339,119	1,059
美元	19,456	—
	<b>358,575</b>	<b>1,059</b>

## 26 融資租賃之債務

於二零零八年十二月三十一日，本公司根據融資租賃須償還之債務如下：

	二零零八年		二零零七年	
	最低租賃 付款之現值 千港元	最低租賃 付款總額 千港元	最低租賃 付款之現值 千港元	最低租賃 付款總額 千港元
一年內	154	178	—	—
一年後但五年內	—	—	—	—
	<b>154</b>	<b>178</b>	<b>—</b>	<b>—</b>
減：未來利息費用總額		(24)		—
租賃債務之現值		<b>154</b>		<b>—</b>

平均租期為五年。所有租約為固定還款方式及無或然租金的條款。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 27 PROMISSORY NOTES

	The Group and the Company	
	2008 HK\$'000	2007 HK\$'000
Amount payable for acquisition of Silver Light Group	–	6,807
Adjustment for non-attainment of guarantee profit	–	(4,327)
	<hr/>	<hr/>
Amount payable within one year	–	2,480
	<hr/>	<hr/>

- (a) On 16 May 2006, a promissory note in a principal value of HK\$30,000,000 was issued as partial consideration for the acquisition of the entire 100% equity interest in Silver Light Group Limited and its wholly owned subsidiaries, Century Ginwa Urumqi Shopping Mall (H.K.) Limited and Century Ginwa Urumqi (collectively known as "Silver Light Group") (see also note 36(c)). The promissory note was due and repayable in two years on 4 May 2006 and interest bearing at 2% per annum. The promissory note was repaid during the year.
- (b) Upon repayment by the Group in March 2008, the holders of promissory notes agreed to waive the accrued interest of HK\$299,000.

## 28 INCOME TAX IN THE CONSOLIDATED BALANCE SHEET

- (a) Current taxation in the consolidated balance sheet represents:

	The Group	
	2008 HK\$'000	2007 HK\$'000
Provision for tax for the year (note 7(a))	10,231	5,426
Exchange differences	54	–
Provisional tax paid	(6,988)	(1,300)
	<hr/>	<hr/>
	3,297	4,126
Balance of tax provision relating to prior years	26,857	844
Under-provision in respect of prior years	–	507
Tax paid for prior years	(4,124)	(1,632)
	<hr/>	<hr/>
Current taxation	26,030	3,845
	<hr/>	<hr/>

## 27 承兌票據

	本集團及本公司	
	二零零八年 千港元	二零零七年 千港元
收購銀光集團之應付款項	-	6,807
不能取得保證溢利之調整	-	(4,327)
一年內應付款項	-	2,480

- (a) 於二零零六年五月十六日，本公司發行本金額為30,000,000港元之承兌票據，作為收購銀光集團有限公司，及其全資附屬公司，世紀金花烏魯木齊購物中心（香港）有限公司及世紀金花烏魯木齊（統稱為「銀光集團」）之100%權益的部份代價（附註36(c)）。承兌票據於二零零六年五月四日後兩年到期應付，並按年息率2厘計息。該承兌票據已於該年內付還。
- (b) 於本集團在二零零八年三月還款時，承兌票據持有人同意放棄應付利息299,000港元。

## 28 綜合資產負債表之所得稅

- (a) 綜合資產負債表之應付稅項為：

	本集團	
	二零零八年 千港元	二零零七年 千港元
本年度所得稅撥備（附註7(a)）	10,231	5,426
匯兌差額	54	-
已繳付之預繳所得稅項	(6,988)	(1,300)
	3,297	4,126
前年未付稅項	26,857	844
前年撥備不足	-	507
前年已繳付稅項	(4,124)	(1,632)
應付稅項	26,030	3,845

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 28 INCOME TAX IN THE CONSOLIDATED BALANCE SHEET (Continued)

**(b)** Deferred tax assets and liabilities recognised:

The components of deferred tax assets recognised in the balance sheet and the movements during the year are as follows:

**The Group**

	Decelerated depreciation allowances	Loss on investment	Deferred income	Provision for impairment	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Deferred tax arising from:</b>						
At 1 January 2007 and 31 December 2007	–	–	–	–	–	–
At 1 January 2008	–	–	–	–	–	–
Acquisition of subsidiaries (note 30(a))	(5,546)	(213)	1,930	(782)	669	(3,942)
Charge to profit or loss (note 7(a))	(251)	–	190	–	325	264
Exchange differences	33	2	(12)	4	(4)	23
<b>At 31 December 2008</b>	<b>(5,764)</b>	<b>(211)</b>	<b>2,108</b>	<b>(778)</b>	<b>990</b>	<b>(3,655)</b>

	<b>The Group</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Net deferred tax assets recognised on the balance sheet	<b>3,655</b>	–

**(c) Deferred tax assets not recognised**

In accordance with the accounting policy set out in note 2(r) the Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$37,053,000 (2007: HK\$24,771,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

## 28 綜合資產負債表之所得稅 (續)

### (b) 已確認遞延稅項資產及負債：

於資產負債表確認之遞延稅項資產的成份及本年變動如下：

#### 本集團

	投資減速 折舊免稅額 千港元	遞延損失 千港元	減值收入 千港元	虧損 千港元	其他 千港元	合計 千港元
遞延稅項形成於：						
於二零零七年一月一日至 二零零七年十二月三十一日	-	-	-	-	-	-
於二零零八年一月一日	-	-	-	-	-	-
收購附屬公司(附註30(a))	(5,546)	(213)	1,930	(782)	669	(3,942)
損益支出(附註7(a))	(251)	-	190	-	325	264
匯兌差額	33	2	(12)	4	(4)	23
於二零零八年十二月三十一日	<b>(5,764)</b>	<b>(211)</b>	<b>2,108</b>	<b>(778)</b>	<b>990</b>	<b>(3,655)</b>

#### 本集團

於資產負債表確認之遞延稅項資產淨額

二零零八年 千港元	二零零七年 千港元
<b>3,655</b>	-

### (c) 未確認之遞延稅項資產額

根據附註2(r)說明的會計政策，本集團於因累計稅務虧損而未確認之遞延稅項資產為37,053,000港元(二零零七年：24,771,000港元)，因為在相關稅及實體可以未來應繳稅溢利減虧損來列賬。該稅務虧損於目前稅務法下不會逾期。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 29 CONVERTIBLE BONDS

- (a) On 16 May 2006, a convertible bond in a principal amount of HK\$10,000,000 was issued as partial consideration for the acquisition of Silver Light Group (see also note 36(c)).

The convertible bond is due and mature at the end of the two years' period after 4 May 2006. The Company shall repay the principal amount outstanding under the convertible bond to the bondholder(s) on the maturity date. The convertible bond is interest bearing at 1% per annum. The bondholders shall have the right to convert the convertible bond at any time following one year after the date of issue of the convertible bond at the initial conversion price of HK\$0.624 per share (subject to the standard adjustment clause relating to the share sub-division, share consolidation and/or rights issues).

The fair value of the liability component, included in long-term borrowings, was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in convertible bond reserve net of deferred income taxes.

On 14 September 2007, the convertible bond of HK\$10,000,000 was converted into 16,528,925 new ordinary shares of Company at an adjusted conversion price of HK\$0.605 per share.

- (b) On 19 September 2008, the Company issued 2.75% convertible bonds with an aggregate principal amount of HK\$1,231,612,200. The five-year convertible bonds were issued with a conversion price of HK\$0.689 per share and will mature on 18 September 2013. The yield to maturity is 19.12%.

Due to several terms in the convertible bonds including price reset and cash settlement option, the conversion will not result in the exchange of a fixed number of the Company's shares. In accordance with the requirements of HKAS 32, Financial Instruments: Disclosure and Presentation and HKAS 39, Financial Instruments: Recognition and Measurement, the convertible bond contract must be separated into two component elements: a derivative component consisting of the conversion option and a liability component of the straight debt element of the convertible bonds.

## 29 可換股債券

- (a) 於二零零六年五月十六日，本公司發行本金額為10,000,000港元之可換股債券，作為收購銀光集團之部份代價（附註36(c)）。

可換股債券將於二零零六年五月四日後兩年期間結束時到期。本公司須於到期日向債券持有人償還在可換股債券下之尚欠本金額。可換股債券按年息率1%計息。債券持有人將有權於可換股債券發行日期後一年，隨時按初步換股價每股0.624港元轉換可換股債券（惟須受有關股份拆細、股份合併及／或供股之標準調整條款所限制）。

負債部份之公允值（包括長期借貸的）按等價的非可換股債券之市場利率計算。剩餘金額（即換股部份之價值）計入可換股債券儲備下之股東權益（扣除遞延所得稅稅項）。

於二零零七年九月十四日年度止，以調整轉換價每股0.605港元轉換本公司16,528,925股新普通股份的10,000,000港元可換股債券，已載於財務報表附註31(c)(i)。

- (b) 於二零零八年九月十九日，本公司以總本金額1,231,612,200港元發行2.75%可換股債券。五年期可換股債券以每股轉換價0.689港元發行，並於二零一三年九月十八日到期。到期利息為19.12%。

鑑於可換股債券的部份條款包括重定價格及現金結算選擇，可換股債券不可轉換定額數量的本公司股份。根據會計準則第32號「金融工具：披露及列賬」及會計準則第39號「金融工具：確認及計算」，可換股債券合約必須分開兩部份處理：一種包含可轉換權衍生部份，及可換股債券的直接債項的一種負債部份。



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 29 CONVERTIBLE BONDS (Continued)

(b) (Continued)

On the issue of the convertible bonds, the fair value of the embedded conversion option was calculated using the Trinomial Tree model. The derivative component, the embedded conversion option, is carried at fair value on the balance sheet with any changes in fair value being charged or credited to the income statement in the period when the change occurs. The remainder of the proceeds is allocated to the debt element of the convertible bonds, net of transaction costs, and is recorded as the liability component. The liability component is subsequently carried at amortised cost until extinguished on conversion or redemption. Interest expense is calculated using the effective interest method by applying the effective interest rate to the liability component through the maturity date.

If the convertible bonds are converted, the carrying amounts of the derivative and liability components are transferred to share capital and share premium as consideration for the shares issued. If the convertible bonds are redeemed, any difference between the amount paid related to the liability component and the carrying amounts of liability components is recognised in the income statement.

### Fair value of the conversion option

The embedded conversion option has been separated from the host debt contract and accounted for as a derivative liability carried at fair value through profit or loss. The fair value of this conversion option which is not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select an appropriate valuation method and makes assumptions that are mainly based on market conditions existing at each balance sheet date. The valuation model requires the input of subjective assumptions, such as the volatility of the share price, stock closing price, dividend yield, risk-free rate, and expected option life. Changes in subjective input assumptions can materially affect the fair value estimate. For the year ended 31 December 2008, the fair value of the derivative component of the convertible bonds was calculated using the Trinomial Tree model.

The change in the fair value of the conversion option during the period from its issuance resulted in a fair value gain of approximately HK\$73,108,000, which has been recorded as "Fair value gain on the derivative component of convertible bonds" in the consolidated income statement for the year ended 31 December 2008.

## 29 可換股債券 (續)

### (b) (續)

在發行可換股債券時，可轉換權的公允值以三元樹方法計算。其衍生部份、已有的可轉換權，均按公允值列於資產負債表。如公允值有任何變動，在變動出現時會於該期間的損益表作支銷和入賬。而餘下的所得款會撥作可換股債券的負債部份，而交易成本淨額將記賬為負債部份。負債部份隨即轉為攤銷成本直至被轉換及贖回。利息支出使用實際利息方法計算，以實際利率按到期日計算負債部份。

若可換股債券被轉換，衍生及負債部份的賬面淨額會轉為股份資本及股份溢價，並作為發行股份的代價。若可換股債券被贖回，支付有關負債部份款額及負債部份的賬面淨額差異將於損益表入賬確認。

### 可轉換權之公允值

已有的可轉換權已與擁有權債務合約分開處理，並作為一種衍生負債按公允價入賬。這等不可在活躍市場交易的可轉換權是以估值方法來釐定。本集團使用其判斷來選取一種合適估值方法來作出假設。這等假設根據每個結算日的市場現狀。該估值方式要求主觀假設，如股份價格的反覆無常、股票收市價，股息利潤、無風險比率及預期權限。主觀假設的變動能實際影響公允值的估值。於二零零八年十二月三十一日止年度，可換股債券衍生部份的公允值是採用三元樹方法運算。

發行可轉換權的公允值在年內之變動，令公允值增加約達73,108,000港元，並已於二零零八年十二月三十一日止年度之綜合損益表入賬為「於可換股債券衍生部份獲利之公允值」。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 29 CONVERTIBLE BONDS (Continued)

(b) (Continued)

The carrying values of the derivative component and liability component of the convertible bonds as at 31 December 2008 are as follows:

	<b>The Group and the Company</b>		
	<b>Liability component</b>	<b>Derivative component</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000
At 1 January 2008	–	–	–
Issue of convertible bonds (note 30(a))	688,534	149,736	838,270
Fair value gain on the derivative component of convertible bonds	–	(73,108)	(73,108)
Interest expense (note 6(a))	28,556	–	28,556
Conversion during the year	(71,317)	(15,488)	(86,805)
<b>At 31 December 2008</b>	<b>645,773</b>	<b>61,140</b>	<b>706,913</b>

On 22 September 2008, the convertible bonds in a principal amount of HK\$127,396,100 was converted into 184,900,000 ordinary shares.

As a result of the conversion, the outstanding principal amount of the convertible bonds was HK\$1,104,216,100 as at 31 December 2008.

## 30 BUSINESS COMBINATION

(a) **Acquisition of Century Ginwa Group**

On 25 September 2007, the Group entered into agreements with Ginwa Investments and its associates to acquire a 76.43% equity interest in Century Ginwa and Xian Century Ginwa Property Management Company Limited ("Century Ginwa Group") at an aggregate consideration of RMB180,000,000 in cash and of HK\$1,231,612,200 in convertible bonds issued by the Company. The acquisition was completed on 31 August 2008, at which date the fair value of convertible bonds and the cash consideration amounted to HK\$1,044,168,000. The fair value of the convertible bonds was determined based on the valuations carried by an independent firm of surveyors, RHL Appraisal Ltd, using Trinomial Tree Model as at that date.

## 29 可換股債券 (續)

### (b) (續)

於二零零八年十二月三十一日可換股債券之衍生及負債部份之賬面淨值為:

	本集團及本公司		合計 千港元
	負債部份 千港元	衍生部份 千港元	
於二零零八年一月一日	-	-	-
發行可換股債券 (附註30(a))	688,534	149,736	838,270
於可換股債券衍生部份獲利之公允值	-	(73,108)	(73,108)
利息支出 (附註6(a))	28,556	-	28,556
年內轉換	(71,317)	(15,488)	(86,805)
<b>於二零零八年十二月三十一日</b>	<b>645,773</b>	<b>61,140</b>	<b>706,913</b>

於二零零八年九月二十二日，本金額\$127,396,100港元之可換股債券被轉換為184,900,000股普通股股份。

可換股債券獲轉換後，可換股債券於二零零八年十二月三十一日的本金結餘額為1,104,216,100港元。

## 30 業務合併

### (a) 收購世紀金花

於二零零七年九月二十五日，本集團與金花投資及其關連公司達成一項協議，已總代價人民幣80,000,000元現金及本公司發行的1,231,612,200港元可換股債券，購入世紀金花及西安世紀金花物業管理有限公司（「世紀金花集團」）的76.43%股權。該項收購於二零零八年八月三十一日完成，而收購完成當日的可換股債券公允值及現金代價為1,044,168,000港元。可換股債券公允值是基於獨立估值公司永利行評值顧問有限公司以三元樹方法進行的估值而釐定。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 30 BUSINESS COMBINATION (Continued)

### (a) Acquisition of Century Ginwa group (Continued)

The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Acquiree's carrying amount before combination HK\$'000	Fair value HK\$'000
Net assets acquired:		
Fixed assets	104,443	84,924
Loan receivable	1,333,018	1,333,018
Deferred tax assets	3,942	3,942
Inventories	18,684	18,684
Trade and other receivables	29,603	29,597
Amounts due from related companies	16,713	16,713
Amount due from a director	108	108
Bank balances and cash	82,650	82,650
Trade and other payables	(732,158)	(730,644)
Amounts due to fellow subsidiaries	(71,308)	(71,308)
Bank loans, secured	(401,164)	(401,164)
Dividend payable	(13,585)	(13,585)
Obligations under finance leases	(238)	(238)
Current taxation	(22,911)	(22,911)
	<u>347,797</u>	329,786
Less: Dividends declared to former shareholders		(51,183)
Minority interests		<u>(65,667)</u>
Net assets acquired		212,936
Goodwill (note 16)		<u>831,232</u>
Total consideration		<u>1,044,168</u>
Satisfied by:		
Cash		205,898
Issue of convertible bonds (note 29)		<u>838,270</u>
		<u>1,044,168</u>
Net cash outflow arising on acquisition		
Cash consideration paid		(205,898)
Cash and cash equivalents acquired		<u>82,650</u>
		<u>(123,248)</u>

The goodwill arising on the acquisition of Century Ginwa group was attributable to the anticipated future operating synergies from the combination.

The acquisition had contributed total revenue of HK\$143,704,000 and profit before taxation to the Group of approximately of HK\$28,798,000 for the period between the date of acquisition and 31 December 2008.

## 30 業務合併 (續)

### (a) 收購世紀金花 (續)

交易所獲得的淨資產額及所產生之商譽如下:

	被收購公司 綜合前 賬面淨值 千港元	公允值 千港元
獲得之資產淨額:		
固定資產	104,443	84,924
應收貸款	1,333,018	1,333,018
遞延稅項資產	3,942	3,942
庫存	18,684	18,684
應收賬款及其他應收款項	29,603	29,597
應收關連公司款項	16,713	16,713
應收董事款項	108	108
銀行結餘及現金	82,650	82,650
應付賬款及其他應付款項	(732,158)	(730,644)
應付附屬公司款項	(71,308)	(71,308)
銀行借款 (抵押)	(401,164)	(401,164)
應支付股息	(13,585)	(13,585)
融資租賃之債務	(238)	(238)
即期稅項	(22,911)	(22,911)
	<u>347,797</u>	<u>329,786</u>
減: 向前股東宣派之股息		(51,183)
少數股東權益		<u>(65,667)</u>
獲得之資產淨額		212,936
商譽 (附註16)		<u>831,232</u>
合計代價		<u>1,044,168</u>
收入方式:		
現金		205,898
發行可換股債券 (附註29)		<u>838,270</u>
		<u>1,044,168</u>
收購產生之現金流出之淨額		
支付現金代價		(205,898)
獲得之現金及現等值項目		<u>82,650</u>
		<u>(123,248)</u>

收購世紀金花集團產生之商譽為預計綜合後於未來協力經營應佔的商譽。

收購為本集團於收購日至二零零八年十二月三十一日期內繳入143,704,000港元合計收入及約28,798,000港元除稅前溢利。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 30 BUSINESS COMBINATION (Continued)

### (b) Acquisition of business

On 10 November 2006, Xian Century Ginwa as purchaser entered into an assets acquisition agreement with Ginwa Hi-Tech as vendor, in relation to the purchase of certain assets owned by Ginwa Hi-Tech, for the operation of department store business of the 1st to 4th floors of Shu Ma Da Sha of International Commercial Centre in Xian, the PRC at a consideration of approximately RMB127,000 payable at cash after taking up obligations to pay suppliers in the amount of approximately RMB13,981,000 on completion. After the completion, Xian Century Ginwa could start its department store business in Xian, the PRC. The transaction was approved in the Special General Meeting held on 18 December 2006. Approval was granted by the government authorities and the acquisition was completed on 10 May 2007.

The acquired business contributed revenues of approximately HK\$206,962,000 and net profit of approximately HK\$5,708,000 for the period between the date of acquisition and 31 December 2007.

The assets and liabilities arising from the acquisition are as follows:

	<b>As at 10 May 2007</b> HK\$'000
Fixed assets ( <i>note 13</i> )	13,682
Inventories	2,794
Trade payables	<u>(16,340)</u>
Net assets acquired	<u>136</u>
Total consideration	<u>136</u>
Net cash outflow on acquisition of business	<u>136</u>

## 30 業務合併(續)

### (b) 收購業務

於二零零六年十一月十日，本集團新近收購所得之全資附屬公司西安世紀金花(作為買方)與金花高新(作為賣方)訂立資產收購協議，旨在收購若干由金花高新持有之資產，以於中國西安國際商務中心數碼大廈一至四樓(「購物樓層」)經營百貨商店業務，代價約為人民幣127,000元。於完成時以現金支付，惟須同時承擔供應商之付款責任約人民幣13,981,000元。收購完成後，西安世紀金花便可於中國西安開始經營百貨商店業務。所有上述交易已於二零零六年十二月十八日舉行之股東特別大會上獲批准。此舉已獲政府當局授予批准，而收購亦於二零零七年五月十日完成。

於二零零七年五月十日，本集團收購若干由金花高新持有的資產，以經營百貨商店業務，詳情見財務報表附註37(b)(ii)。由收購日起至二零零七年十二月三十一日期間，收購所得的業務向本集團貢獻收入約206,962,000港元及純利約5,708,000港元。

收購交易產生之資產及負債如下：—

	二零零七年 五月十日 千港元
固定資產(附註13)	13,682
存貨	2,794
貿易應付款項	<u>(16,340)</u>
收購所得資產淨額	<u>136</u>
代價總額	<u>136</u>
收購業務之現金流出淨額	<u>136</u>



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 31 CAPITAL AND RESERVES

### (a) The Group

	Share capital	Share premium	Share-based Capital reserve	Convertible payment reserve	Convertible bond reserve	Warrant reserve	Statutory surplus reserve	Exchange reserve	Accumulated losses	Total	Minority interests	Total equity/(deficit)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2007	49,106	71,905	49,886	3,336	1,550	-	-	1,444	(112,314)	64,913	-	64,913
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	-	-	-	-	6,464	-	6,464	-	6,464
Issue of warrants	-	-	-	-	-	2,455	-	-	-	2,455	-	2,455
Shares issued for conversion of convertible bonds	1,653	8,347	-	-	(1,550)	-	-	-	-	8,450	-	8,450
Placement of new shares	41,228	226,382	-	-	-	-	-	-	-	267,610	-	267,610
Shares issued for exercise of warrants	1,255	4,898	-	-	-	(170)	-	-	-	5,983	-	5,983
Shares issued for exercise of share options	1,600	6,904	-	(1,304)	-	-	-	-	-	7,200	-	7,200
Expenses paid for placement of shares	-	(10,564)	-	-	-	-	-	-	-	(10,564)	-	(10,564)
Profit for the year	-	-	-	-	-	-	-	-	5,330	5,330	-	5,330
Transfer from retained profits	-	-	-	-	-	-	804	-	(804)	-	-	-
<b>At 31 December 2007</b>	<b>94,842</b>	<b>307,872</b>	<b>49,886</b>	<b>2,032</b>	<b>-</b>	<b>2,285</b>	<b>804</b>	<b>7,908</b>	<b>(107,788)</b>	<b>357,841</b>	<b>-</b>	<b>357,841</b>
At 1 January 2008	94,842	307,872	49,886	2,032	-	2,285	804	7,908	(107,788)	357,841	-	357,841
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	-	-	-	-	4,711	-	4,711	-	4,711
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	65,667	65,667
Shares issued for conversion of convertible bonds	18,490	68,313	-	-	-	-	-	-	-	86,803	-	86,803
Shares issued for exercise of warrants	200	770	-	-	-	(50)	-	-	-	920	-	920
Shares issued for exercise of share options	2,292	9,880	-	(1,869)	-	-	-	-	-	10,303	-	10,303
Equity settled share-based transactions												
- Amount recognised during the year	-	-	-	2,447	-	-	-	-	-	2,447	-	2,447
- Forfeiture of share options	-	-	-	(163)	-	-	-	-	163	-	-	-
Expenses paid for placement of shares	-	(162)	-	-	-	-	-	-	-	(162)	-	(162)
Loss for the year	-	-	-	-	-	-	-	-	(545,172)	(545,172)	5,341	(539,831)
Transfer from retained profits	-	-	-	-	-	-	8,344	-	(8,344)	-	-	-
<b>At 31 December 2008</b>	<b>115,824</b>	<b>386,673</b>	<b>49,886</b>	<b>2,447</b>	<b>-</b>	<b>2,235</b>	<b>9,148</b>	<b>12,619</b>	<b>(661,141)</b>	<b>(82,309)</b>	<b>71,008</b>	<b>(11,301)</b>

## 31 資本及儲備

### (a) 本集團

	股本 千港元	股份溢價 千港元	資本儲備 千港元	以股份			法定盈			累計虧本 千港元	總計 千港元	少數股東	總計股本/ (虧損)
				支付儲備 千港元	換股權儲備 千港元	認股證儲備 千港元	餘額儲備 千港元	匯兌儲備 千港元	權益			千港元	
於二零零七年一月一日	49,106	71,905	49,886	3,336	1,550	-	-	1,444	(112,314)	64,913	-	64,913	
換算海外附屬公司財務報表所產生之匯兌差額	-	-	-	-	-	-	-	6,464	-	6,464	-	6,464	
發行認股權證	-	-	-	-	-	2,455	-	-	-	2,455	-	2,455	
發行股票轉換可換股債券	1,653	8,347	-	-	(1,550)	-	-	-	-	8,450	-	8,450	
配售新股份	41,228	226,382	-	-	-	-	-	-	-	267,610	-	267,610	
發行股票以行使認股權證	1,255	4,898	-	-	-	(170)	-	-	-	5,983	-	5,983	
發行股票以行使購股權	1,600	6,904	-	(1,304)	-	-	-	-	-	7,200	-	7,200	
配售新股之支出	-	(10,564)	-	-	-	-	-	-	-	(10,564)	-	(10,564)	
年內溢利	-	-	-	-	-	-	-	-	5,330	5,330	-	5,330	
保留盈利轉移	-	-	-	-	-	-	804	-	(804)	-	-	-	
於二零零七年十二月三十一日	94,842	307,872	49,886	2,032	-	2,285	804	7,908	(107,788)	357,841	-	357,841	
於二零零八年一月一日	94,842	307,872	49,886	2,032	-	2,285	804	7,908	(107,788)	357,841	-	357,841	
換算海外附屬公司財務報表所產生之匯兌差額	-	-	-	-	-	-	-	4,711	-	4,711	-	4,711	
收購附屬公司	-	-	-	-	-	-	-	-	-	-	65,667	65,667	
可換股債券所發行之股份轉換	18,490	68,313	-	-	-	-	-	-	-	86,803	-	86,803	
發行股票以行使認股權證	200	770	-	-	-	(50)	-	-	-	920	-	920	
發行股票以行使購股權	2,292	9,880	-	(1,869)	-	-	-	-	-	10,303	-	10,303	
以股份支付之股本交易													
一年內確認款額	-	-	-	2,447	-	-	-	-	-	2,447	-	2,447	
一沒收購股權	-	-	-	(163)	-	-	-	-	163	-	-	-	
配售新股份之支出	-	(162)	-	-	-	-	-	-	-	(162)	-	(162)	
年內虧損	-	-	-	-	-	-	-	-	(545,172)	(545,172)	5,341	(539,831)	
保留盈利轉移	-	-	-	-	-	-	8,344	-	(8,344)	-	-	-	
於二零零八年十二月三十一日	115,824	386,673	49,886	2,447	-	2,235	9,148	12,619	(661,141)	(82,309)	71,008	(11,301)	

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 31 CAPITAL AND RESERVES (Continued)

### (b) The Company

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Share-based payment reserve HK\$'000	Convertible bond reserve HK\$'000	Warrant reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2007	49,106	71,905	49,886	3,336	1,550	–	(112,020)	63,763
Issue of warrants	–	–	–	–	–	2,455	–	2,455
Shares issued for conversion of convertible bonds	1,653	8,347	–	–	(1,550)	–	–	8,450
Placement of new shares	41,228	226,382	–	–	–	–	–	267,610
Shares issued for exercise of warrants	1,255	4,898	–	–	–	(170)	–	5,983
Shares issued for exercise of share options	1,600	6,904	–	(1,304)	–	–	–	7,200
Expenses paid for placement of shares	–	(10,564)	–	–	–	–	–	(10,564)
Loss for the year	–	–	–	–	–	–	(2,319)	(2,319)
<b>At 31 December 2007</b>	<b>94,842</b>	<b>307,872</b>	<b>49,886</b>	<b>2,032</b>	<b>–</b>	<b>2,285</b>	<b>(114,339)</b>	<b>342,578</b>
At 1 January 2008	94,842	307,872	49,886	2,032	–	2,285	(114,339)	342,578
Shares issued for conversion of convertible bonds	18,490	68,313	–	–	–	–	–	86,803
Shares issued for exercise of warrants	200	770	–	–	–	(50)	–	920
Shares issued for exercise of share options	2,292	9,880	–	(1,869)	–	–	–	10,303
Equity settled share-based transactions								
– Amount recognised during the year	–	–	–	2,447	–	–	–	2,447
– Foreiture of share options	–	–	–	(163)	–	–	163	–
Expenses paid for placement of shares	–	(162)	–	–	–	–	–	(162)
Loss for the year	–	–	–	–	–	–	(422,118)	(422,118)
<b>At 31 December 2008</b>	<b>115,824</b>	<b>386,673</b>	<b>49,886</b>	<b>2,447</b>	<b>–</b>	<b>2,235</b>	<b>(536,294)</b>	<b>20,771</b>

## 31 資本及儲備 (續)

### (b) 本公司

	股本 千港元	股票溢價 千港元	繳入盈餘 千港元	以股份 支付之儲備 千港元	可換股 債券儲備 千港元	認股證儲備 千港元	累計虧損 千港元	總計 千港元
於二零零七年一月一日	49,106	71,905	49,886	3,336	1,550	-	(112,020)	63,763
發行認股權證	-	-	-	-	-	2,455	-	2,455
發行股票轉換可換股債券	1,653	8,347	-	-	(1,550)	-	-	8,450
配售新股份	41,228	226,382	-	-	-	-	-	267,610
發行股票以行使認股權證	1,255	4,898	-	-	-	(170)	-	5,983
發行股票以行使購股權	1,600	6,904	-	(1,304)	-	-	-	7,200
配售新股之支出	-	(10,564)	-	-	-	-	-	(10,564)
年內虧損	-	-	-	-	-	-	(2,319)	(2,319)
於二零零七年十二月三十一日	<u>94,842</u>	<u>307,872</u>	<u>49,886</u>	<u>2,032</u>	<u>-</u>	<u>2,285</u>	<u>(114,339)</u>	<u>342,578</u>
於二零零八年一月一日	94,842	307,872	49,886	2,032	-	2,285	(114,339)	342,578
發行股票轉換可換股債券	18,490	68,313	-	-	-	-	-	86,803
發行股票以行使認股權證	200	770	-	-	-	(50)	-	920
發行股票以行使購股權	2,292	9,880	-	(1,869)	-	-	-	10,303
以股本結算以股本支付之交易	-	-	-	2,447	-	-	-	2,447
一年內確認款額	-	-	-	(163)	-	-	163	-
一沒收購股權	-	-	-	-	-	-	-	-
配置股票之支出部份	-	(162)	-	-	-	-	-	(162)
年內虧損	-	-	-	-	-	-	(422,118)	(422,118)
於二零零八年十二月三十一日	<u>115,824</u>	<u>386,673</u>	<u>49,886</u>	<u>2,447</u>	<u>-</u>	<u>2,235</u>	<u>(536,294)</u>	<u>20,771</u>

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 31 CAPITAL AND RESERVES (Continued)

### (c) Share capital

#### Authorised and issued share capital

	2008		2007	
	No. of shares '000	HK\$'000	No. of shares '000	HK\$'000
Authorised:				
Ordinary shares of HK\$0.1 each				
At 1 January	20,000,000	2,000,000	2,000,000	200,000
Increase in authorised share capital	–	–	18,000,000	1,800,000
At 31 December	<b>20,000,000</b>	<b>2,000,000</b>	<b>20,000,000</b>	<b>2,000,000</b>
Ordinary shares, issued and fully paid:				
At 1 January	948,419	94,842	491,067	49,106
Shares issued for conversion of convertible bonds (note (i))	184,900	18,490	16,529	1,653
Shares issued for placement of new shares	–	–	412,273	41,228
Shares issued for exercise of share options (note (ii))	22,922	2,292	16,000	1,600
Shares issued for exercise of warrants (note (iii))	2,000	200	12,550	1,255
At 31 December	<b>1,158,241</b>	<b>115,824</b>	<b>948,419</b>	<b>94,842</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (i) On 22 September 2008, the convertible bond in a principal amount of HK\$127,396,100 was converted into 184,900,000 ordinary shares of HK\$0.1 each at the conversion price of HK\$0.689. The excess of the conversion price over the par value of the new shares, totalling HK\$68,313,000, was credited to the share premium account of the Company.
- (ii) During the year ended 31 December 2008, 22,922,250 new shares of HK\$0.1 each were allotted and issued at a premium of HK\$0.35 per share upon the exercise of 22,922,250 share options granted under the share option scheme as mentioned in note 32 to the financial statements. The excess of the issue price over the par value of the new shares, totalling HK\$9,880,000 was credited to the share premium account of the Company.

## 31 資本及儲備 (續)

### (c) 股本

#### 已授權及發行之股本

	二零零八年		二零零七年	
	股票數量 千	千港元	股票數量 千	千港元
已授權：				
每股0.1港元之普通股				
於一月一日	20,000,000	2,000,000	2,000,000	200,000
增加已授權股本	-	-	18,000,000	1,800,000
於十二月三十一日	<b>20,000,000</b>	<b>2,000,000</b>	<b>20,000,000</b>	<b>2,000,000</b>
普通股、已發行及全數付清：				
於一月一日	948,419	94,842	491,067	49,106
發行股票以轉換可換股債券 (附註(i))	184,900	18,490	16,529	1,653
配售新股份	-	-	412,273	41,228
根據購股權計劃發行股票 (附註(ii))	22,922	2,292	16,000	1,600
發行股票以行使股票認股權證 (附註(iii))	2,000	200	12,550	1,255
於十二月三十一日	<b>1,158,241</b>	<b>115,824</b>	<b>948,419</b>	<b>94,842</b>

普通股持有人有權獲取不時公佈的股息，於本公司大會每股享有表決權。所有普通股與本公司的剩餘資產等級相同。

- (i) 於二零零八年九月二十二日，本金額\$127,396,100港元之可換股債券以轉換價0.689港元被轉換為184,900,000股每股0.1港元的普通股股份。換股價格超出新股份面值之總金額68,313,000港元，已入賬本公司之股份溢價賬。
- (ii) 於二零零八年十二月三十一止年度，按財務報表附註32所述之購股權計劃，以每股溢價0.35港元行使了22,922,250購股權，發行了22,922,250股每股0.1港元之新股。發行價格超出新股份面值之總金額9,880,000港元，已入賬本公司之股份溢價賬。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 31 CAPITAL AND RESERVES (Continued)

### (c) Share capital (Continued)

#### *Authorised and issued share capital (Continued)*

- (iii) On 28 June 2007, a board resolution was duly passed with respect to the issue of 98,200,000 warrants of the Company at an issue price of HK\$0.025 per warrant for total cash consideration of HK\$2,455,000. Each warrant entitles the holder to subscribe for one ordinary share of the Company of HK\$0.1 each at an initial subscription price of HK\$0.49 per share at any time during the period from 29 June 2007, the date of issue, to 28 June 2009.

During the year ended 31 December 2008, an aggregate of 2,000,000 new shares of HK\$0.1 each were issued for cash pursuant to the exercise of 2,000,000 warrants for a total cash consideration of approximately HK\$922,000. The excess by the subscription price over the par value of the shares amounted to approximately HK\$722,000 was credited to the share premium account of the Company.

At the balance sheet date, the Company had 89,398,156 warrants outstanding. The exercise in full of such warrants would, under the present capital structure of the Company, result in an issue of 89,398,156 additional ordinary shares of the Company, including additional share capital and share premium of approximately HK\$8,940,000 and HK\$32,273,000 (before expenses) respectively.

### (d) Nature and purpose of reserves

#### (i) *Share premium*

The application of the share premium account is governed by Section 40 of the Bermuda Companies Act 1981.

#### (ii) *Capital reserve*

Capital reserve represents the difference between the nominal value of the ordinary shares issued by the Company and the aggregate of the share capital and share premium of a subsidiary acquired through an exchange of shares pursuant to a group reorganisation (the "Reorganisation") by which the Company became the holding company of the other companies comprising the Group on 28 September 2000.

#### (iii) *Contributed surplus*

Contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of a subsidiary acquired through an exchange of shares pursuant to the Reorganisation.

Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus of (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

## 31 資本及儲備 (續)

### (c) 股本 (續)

#### 已授權及發行之股本 (續)

- (iii) 於二零零七年六月二十八日，一項董事決議正式通過，以每認股權證0.025港元發行價，發行98,200,000本公司認股權證，總現金代價為2,455,000港元。每認股權證持有人有權於二零零七年六月二十九日（即認股權證發行日期）至二零零九年六月二十八日期間內任何時間，按每股0.49港元初步認購價認購本公司每股面值0.1港元的普通股份。

截至二零零八年十二月三十一日止年度，根據以約922,000港元總現金代價行使2,000,000認股權證，而發行之每股面值0.1港元的新股份總數為2,000,000股，以換取現金代價。認購價格超出股份面值之金額約722,000港元，已入賬本公司之股份溢價賬。

於結算日，本公司尚未行使之認股權證為89,398,156。若該等認股權證按現時本公司股本結構獲行使，將要額外發行89,398,156股本公司普通股份，包括約8,940,000港元之額外股本及32,273,000港元（除支出前）之額外股份溢價。

### (d) 儲備之性質及用途

#### (i) 股票溢價

股票溢價的應用是符合百慕達一九八一年公司法第40章之規定

#### (ii) 資本儲備

資本儲備是指本公司發行普通股的面值，與透過交換股票取得附屬公司的總股本及股票溢價差異。於二零零零年九月二十八日，本公司透過集團重組（「重組」）與其他公司組成本集團，並成為這等附屬公司的控股公司。

#### (iii) 繳入盈餘

繳入盈餘是指本公司發行普通股的面值，與重組後透過交易股票獲得附屬公司資產淨值的差異。

根據百慕達一九八一年公司法（已修定），繳入盈餘可分派給股東，但如有下述情況本公司不能宣佈或支付股息，或動用繳入盈餘分派。這些情況包括(i)支付後未能付還到期負責，或(ii)其資產之可實現價值將少於其總負債、發行股本及股票溢價。



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 31 CAPITAL AND RESERVES (Continued)

### (d) Nature and purpose of reserves (Continued)

#### (iv) Share option reserve

The share option reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 2(q).

#### (v) Statutory surplus reserve

As stipulated by regulations in the PRC, the Group's subsidiaries established and operated in the PRC are required to appropriate 10% of their after-tax profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to statutory surplus reserve until the reserve balance reaches 50% of the share capital/registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders/equity owners.

#### (vi) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(u).

### (e) Distributability of reserves

At 31 December 2008, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK\$Nil (2007: HK\$Nil).

### (f) Capital management

The Group's primary objective when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes judgements to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group and the Company monitor its capital structure on the basis of a net debt-to-adjusted-capital ratio. For this purpose the Group and the Company define net debt as total debt which includes trade and other payables, loans, current taxation, amounts due to related companies and subsidiaries, and convertible bonds less cash and cash equivalents. Adjusted capital comprises all components of equity.

During 2008, the Group's strategy was to maintain the net debt-to-adjusted-capital ratio at the lower end of the range 10% to 45%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

## 31 資本及儲備 (續)

### (d) 儲備之性質及用途 (續)

#### (iv) 購股權儲備

購股權儲備包括授予本公司僱員實際或估計未行使購股權數量的公允值，已根據附註2(q)以股份支付的會計政策確認。

#### (v) 法定盈餘儲備

根據中國法規規定，本公司在中國成立及經營須將其根據中國會計規則及法規釐定的除稅後溢利（對銷過往年度虧損後）的10%轉撥至法定盈餘公積金，直至該儲備的結餘達到半數註冊股本為止，且須於向股東／股權持有人分派股息前轉撥至該儲備。

#### (vi) 匯兌儲備

匯兌儲備包括所有因轉換海外業務財務報表所產生的匯兌差額，或於海外業務注入的淨投資所產生的任何外匯差異實際部分。而儲備已根據附註2(u)列出的會計政策處理。

### (e) 可供分派儲備

於二零零八年十二月三十一日，可供分派予本公司股東之累積儲備額為：無（二零零七年：無）。

### (f) 資本管理

本集團在管理資本時之首要目標為保障本集團能持續經營的能力，藉以不斷為股東提供回報。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

據行業慣例，本集團及本公司以淨債項調整資本比率為基準監察資本架構。為此，本集團及本公司把淨債項定義為總債項，其中包括應付賬款及其他應付款項、貸款、即期稅項、應付關連公司及附屬公司款項、及可換股債券，減以現金及現金等值項目。調整資本包括股本全部項目。

於二零零八年本集團的策略為維持淨債項調整資本比率於10%至45%的低幅。為了維持或調整比率，本集團可能調整分派予股東的股息、發行新股、退回資本與股東、提出新債項融資或賣出資產以減債。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 31 CAPITAL AND RESERVES (Continued)

### (f) Capital management (Continued)

	The Group		The Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Current liabilities:				
Trade and other payables	853,555	96,335	1,905	4,142
Amount due to a related company	2,502	–	–	–
Amounts due to subsidiaries	–	–	7,656	329
Bank loans, secured	358,575	1,059	–	–
Obligations under finance leases	154	–	–	–
Promissory notes	–	2,480	–	2,480
Current taxation	26,030	3,845	–	–
	<u>1,240,816</u>	<u>103,719</u>	<u>9,561</u>	<u>6,951</u>
Non-current liabilities:				
Convertible bonds	706,913	–	706,913	–
Total	1,947,729	103,719	716,474	6,951
Less: Cash and cash equivalents	90,371	238,363	8	108,410
<b>Net debt</b>	<b>1,857,358</b>	<b>(134,644)</b>	<b>716,466</b>	<b>(101,459)</b>
Total (deficit)/equity	<b>(11,301)</b>	357,841	<b>20,771</b>	342,578
<b>Adjusted capital</b>	<b>(11,301)</b>	357,841	<b>20,771</b>	342,578
<b>Net debt-to-adjusted-capital ratio</b>	<b>N/A</b>	(38%)	<b>3,449%</b>	(30%)

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 31 資本及儲備 (續)

### (f) 資本管理 (續)

	本集團		本公司	
	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元
流動負債：				
應付賬款及其他應付款項	853,555	96,335	1,905	4,142
應付關連公司款項	2,502	–	–	–
應付附屬公司款項	–	–	7,656	329
銀行貸款(抵押)	358,575	1,059	–	–
融資租賃之債務	154	–	–	–
承兌票據	–	2,480	–	2,480
應付稅項	26,030	3,845	–	–
	<b>1,240,816</b>	103,719	<b>9,561</b>	6,951
非流動負債：				
可換股債券	706,913	–	706,913	–
總計	<b>1,947,729</b>	103,719	<b>716,474</b>	6,951
減：現金及現金等值項目	<b>90,371</b>	238,363	<b>8</b>	108,410
<b>債務淨額</b>	<b>1,857,358</b>	(134,644)	<b>716,466</b>	(101,459)
總(虧絀)／股本	<b>(11,301)</b>	357,841	<b>20,771</b>	342,578
調整資本	<b>(11,301)</b>	357,841	<b>20,771</b>	342,578
債務淨額調整資本比率	不適用	(38%)	<b>3,449%</b>	(30%)

本公司及其任何附屬公司均不受制於外部的資本要求。

# Notes to the Financial Statements

*(Expressed in Hong Kong dollars)*

## **32 EQUITY SETTLED SHARE-BASED TRANSACTIONS**

The Company operates a share option scheme for the purpose of attracting and retaining quality personnel and providing incentives to eligible participants, including any directors, employees, consultants and service providers of the Group and any persons or entities having business with the Group. The scheme was introduced on 6 November 2001 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares in respect of which share options may be granted under the scheme shall not exceed 10% of the number of issued shares of the Company at 6 November 2001 ("General Limit") unless its shareholders in general meeting renew such a limit. The General Limit was revised to 40,922,250 shares at a Special General Meeting ("SGM") of the Company held on 15 June 2004 and further revised by 40,922,250 shares at the SGM of the Company held on 12 April 2006. The General Limit was then revised again in the Annual General Meetings of the Company on 8 January 2007 and 6 June 2008 to 49,106,695 shares and 96,334,085 shares respectively. Notwithstanding the foregoing, the aggregate number of shares issued or issuable under the scheme and any other scheme(s) of the Company shall not exceed 30% of its issued share capital from time to time.

The offer of a grant of share options may be accepted by the grantee within 21 days from the date of the offer. The exercise period of the share options granted (including the minimum period, if any, for which an option must be held before it can be exercised) is determinable by the directors of the Company, and such period of time shall not be later than 6 November 2011.

The exercise price of the share options shall be the higher of (i) the nominal value of the shares; (ii) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; and (iii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant (subject to scheme adjustments).

## 32 以股本結算以股本支付之交易

設立了一個購股權計劃，目的在於吸引及留任優秀人員，並為他們提供獎勵。該等人士包括本集團之任何董事、雇員、顧問及服務供應商，以及與本集團有業務往來之任何人士或實體。該計劃於二零零一年十一月六日推行，除另行註銷或修訂外，該計劃將於該日起計10年內有效。

根據該計劃可能授出之購股權所涉及之最高股份數目，不得超過本公司於二零零一年十一月六日之已發行股份的10%（「一般限額」），除非本公司股東於股東大會上修訂該限額則另作別論。一般限額已於二零零四年六月十五日舉行之本公司特別股東大會更新為40,922,250股股份；並於二零零六年四月十二日舉行之特別股東大會再次更新為40,922,250股股份。於二零零七年一月八日和二零零八年六月六日舉行之周年股東大會，一般限額再次分別更新為49,106,695股股份和96,334,085股股份。不論上文所述者，根據該計劃及本公司任何其他計劃所發行或可於發行之股份總數，不得超過本公司當時已發行股本之30%。

承授人可於購股權要約日期起21日內接納要約授出之購股權。所授出購股權之行使期（包括購股權可於行使前之最短持有期（如有））乃由本公司董事釐定，無論如何該時限不得超過二零一一年十一月六日。

購股權之行使價須為下列各項之較高者：(i) 股份面值，(ii) 按聯交所發出之日報表所示，股份於授出日期之收市價，及(iii) 按聯交所發出之日報表所示，股份於緊接授出日期前五個營業日之平均收市價（可按該計劃作出調整）。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 32 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

Details of movements in share options granted under the scheme:

Name of participants	Date of grant	Exercise price HK\$	Vesting and exercise period	Number of share options				Outstanding as at 31 December 2008
				Outstanding as at 1 January 2008	Granted during the year	Exercised during the year	Forfeited/lapsed during the year	
<b>Directors</b>								
Mr. Hu Yangxiong	15 Jan 2008	0.74	16 Jan 2008 to 15 Jan 2010	–	3,154,000	–	–	3,154,000
Mr. Leung Siu Kuen	15 Jan 2008	0.74	16 Jan 2008 to 15 Jan 2010	–	1,500,000	–	–	1,500,000
Mr. Li Haogang	25 May 2006	0.45	25 May 2006 to 25 May 2008	3,022,250	–	(3,022,250)	–	–
	15 Jan 2008	0.74	16 Jan 2008 to 15 Jan 2010	–	2,000,000	–	–	2,000,000
Mr. Qu Jiaqi	25 May 2006	0.45	25 May 2006 to 25 May 2008	3,900,000	–	(3,900,000)	–	–
	15 Jan 2008	0.74	16 Jan 2008 to 15 Jan 2010	–	2,000,000	–	–	2,000,000
Mr. Sha Yingjie	25 May 2006	0.45	25 May 2006 to 25 May 2008	2,000,000	–	(2,000,000)	–	–
	15 Jan 2008	0.74	16 Jan 2008 to 15 Jan 2010	–	2,000,000	–	–	2,000,000
<b>Employees</b>								
	25 May 2006	0.45	25 May 2006 to 25 May 2008	16,000,000	–	(14,000,000)	(2,000,000)	–
	15 Jan 2008	0.74	16 Jan 2008 to 15 Jan 2010	–	10,000,000	–	(10,000,000)	–
<b>Consultants</b>								
	23 Feb 2004	0.54	23 Feb 2004 to 22 Feb 2009	4,092,225	–	–	–	4,092,225
	26 Mar 2004	0.463	26 Mar 2004 to 25 Mar 2009	12,276,675	–	–	–	12,276,675
	15 Jan 2008	0.74	16 Jan 2008 to 15 Jan 2010	–	28,452,000	–	(18,968,000)	9,484,000
				<u>41,291,150</u>	<u>49,106,000</u>	<u>(22,922,250)</u>	<u>(30,968,000)</u>	<u>36,506,900</u>

Mr. Leung Siu Kuen resigned as director of the Company on 11 December 2008.

## 32 以股本結算以股本支付之交易 (續)

根據該計劃授出之購股權之變動詳情如下：

姓名	授出日期	行使價 港元	行使期	購股權數目				於二零零八年 十二月 三十一日
				於二零零八年 尚未行使	年內授出	年內行使	年內沒收	
<b>董事</b>								
胡養雄先生	二零零八年 一月十五日	0.74	二零零八年一月十六日至 二零一零年一月十五日	-	3,154,000	-	-	3,154,000
梁兆權先生	二零零八年 一月十五日	0.74	二零零八年一月十六日至 二零一零年一月十五日	-	1,500,000	-	-	1,500,000
李郝港先生	二零零六年 五月二十五日	0.45	二零零六年五月二十五日至 二零零八年五月二十五日	3,022,250	-	(3,022,250)	-	-
	二零零八年 一月十五日	0.74	二零零八年一月十六日至 二零一零年一月十五日	-	2,000,000	-	-	2,000,000
曲家琪先生	二零零六年 五月二十五日	0.45	二零零六年五月二十五日至 二零零八年五月二十五日	3,900,000	-	(3,900,000)	-	-
	二零零八年 一月十五日	0.74	二零零八年一月十六日至 二零一零年一月十五日	-	2,000,000	-	-	2,000,000
沙英傑先生	二零零六年 五月二十五日	0.45	二零零六年五月二十五日至 二零零八年五月二十五日	2,000,000	-	(2,000,000)	-	-
	二零零八年 一月十五日	0.74	二零零八年一月十六日至 二零一零年一月十五日	-	2,000,000	-	-	2,000,000
<b>僱員</b>								
	二零零六年 五月二十五日	0.45	二零零六年五月二十五日至 二零零八年五月二十五日	16,000,000	-	(14,000,000)	(2,000,000)	-
	二零零八年 一月十五日	0.74	二零零八年一月十六日至 二零一零年一月十五日	-	10,000,000	-	(10,000,000)	-
<b>顧問</b>								
	二零零四年 二月二十三日	0.54	二零零四年二月二十三日至 二零零九年二月二十二日	4,092,225	-	-	-	4,092,225
	二零零四年 三月二十六日	0.463	二零零四年三月二十六日至 二零零九年三月二十五日	12,276,675	-	-	-	12,276,675
	二零零八年 一月十五日	0.74	二零零八年一月十六日至 二零一零年一月十五日	-	28,452,000	-	(18,968,000)	9,484,000
				<u>41,291,150</u>	<u>49,106,000</u>	<u>(22,922,250)</u>	<u>(30,968,000)</u>	<u>36,506,900</u>

梁兆權先生於二零零八年十二月十一日辭任董事職務。



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 32 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

- (a) The terms and conditions of the grants that existed during the years are as follows, whereby all options are settled by physical delivery of shares:

	Number of options	Vesting conditions	Contractual life of options
Options granted to directors:			
– on 25 May 2006	8,922,250	Half year from the date of grant	2 years
– on 15 Jan 2008	10,654,000	Half year from the date of grant	2 years
Options granted to employees and consultants:			
– on 23 Feb 2004	4,092,225	Half year from the date of grant	5 years
– on 26 Mar 2004	12,276,675	Half year from the date of grant	5 years
– on 25 May 2006	16,000,000	Half year from the date of grant	2 years
– on 15 Jan 2008	38,452,000	Half year from the date of grant	2 years
Total share options	90,397,150		

- (b) The number of share options are as follows:

	2008 Number of options	2007 Number of options
At 1 January 2008	41,291,150	57,291,150
Exercised during the year	(22,922,250)	(16,000,000)
Forfeited/lapsed during the year	(30,968,000)	–
Granted during the year	49,106,000	–
At 31 December 2008	36,506,900	41,291,150

## 32 以股本結算以股本支付之交易 (續)

(a) 年內授出之細則及條款如下，所有股權均以授予實物股票：

	股本數量	行使條件	股權合約期
授予董事之購股權：			
— 於二零零六年五月二十五日	8,922,250	授出日後半年	兩年
— 於二零零八年一月十五日	10,654,000	授出日後半年	兩年
授予僱員及顧問之購股權：			
— 於二零零四年二月二十三日	4,092,225	授出日後半年	五年
— 於二零零四年三月二十六日	12,276,675	授出日後半年	五年
— 於二零零六年五月二十五日	16,000,000	授出日後半年	兩年
— 於二零零八年一月十五日	38,452,000	授出日後半年	兩年
購股權總數	<u>90,397,150</u>		

(b) 購股權數量如下：

	二零零八年 購股權數量	二零零七年 購股權數量
於二零零八年一月一日	41,291,150	57,291,150
年內行使	(22,922,250)	(16,000,000)
年內沒收／期滿失效	(30,968,000)	—
年內授出	49,106,000	—
於二零零八年十二月三十一日	<u>36,506,900</u>	<u>41,291,150</u>

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 32 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) The number of share options are as follows: (Continued)

### **Exercisable at the end of the year**

The weighted average share price at the date of exercise for share options exercised during the year was HK\$0.45 (2007: HK\$0.83).

The options outstanding at 31 December 2008 had exercise prices of HK\$0.74, HK\$0.54 and HK\$0.463 (2007: HK\$0.45, HK\$0.54 and HK\$0.463) and a weighted average remaining contractual life of one year (2007: one year).

### (c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Black-Scholes Option Pricing Model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the model.

Fair value of share options and assumptions

Fair value at measurement date

Share price

Exercise price

Expected volatility (expressed as weighted average volatility used in the model)

Option life

Risk-free interest rate (based on Exchange Fund Notes)

2008
HK\$0.25
HK\$0.74
HK\$0.74
94.164%
2 years
1.89%-1.90%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

## 32 以股本結算以股本支付之交易 (續)

### (b) 股權加權平均行使價如下：(續)

#### 年終可行使

年內行使購股權於行使日的加權平均股價為0.45港元(二零零七年：0.83港元)。

於二零零八年十二月三十一日未行使購股權的行使價為0.74港元、0.54港元及0.463港元(二零零七年：0.45港元、0.54港元及0.463港元)，而加權平均餘下合約期為一年(二零零七年：一年)。

### (c) 購股權公允值及假設

以授出購股權來獲得服務的公允值是參考已授出購股權的公允值來計算。已授出購股權公允值是根據布萊克-斯柯爾斯期權定價模型來估算。在模型中使用了購股權的合約期及預期有早期行使購股權情況。

#### 購股權公允值及假設

計量日的公允值  
 股份價格  
 行使價  
 預期波動性(模型中所指的加權平均波動性)  
 購股權期限  
 無風險利率(根據外匯基金債券)

二零零八年
0.25港元
0.74港元
0.74港元
94.164%
兩年
1.89%-1.90%

預期波動性是基於歷史波動(按購股權的加權餘下期限計算)，及根據公開之資訊對未來波動的預期變動作出調整。預計股息是根據歷史股息。主觀投入假定的變動會實際影響公允值的估算。

購股權是根據服務條件授出。於授出日計算獲得服務的公允值時並無考慮此條件。而授出購股權亦與市場情況無關。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 33 FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

### (a) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2008 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the balance sheet. In order to minimise the credit risk, the management of the Group has formulated a defined fixed credit policy and 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 trade receivable regularly 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. Retail sales are mainly on cash basis, either in cash, debit card or credit card payments. The Group has no significant concentration of credit risk in relation to trade and other receivables, with exposure spread over a number of counterparties and customers.

For loan receivables as set out in note 17, the Group reviews the recoverable amount of each loan receivable on a regular basis and the value of pledged assets, if any, to ensure adequate impairment losses are made for irrecoverable amounts.

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

### (b) Liquidity risk

The Group regularly monitors current and expected liquidity requirements to ensure that it maintains cash to meet such requirements in the short and longer term.

## 33 金融工具

信貸、流動資金、利率及外匯面對之風險從本集團業務之正常過程中產生。本集團之財務管理政策與慣例能限制有關風險，載述如下。

### (a) 信貸風險

於二零零八年十二月三十一日，本公司就對手方未能履行其責任而按各類別已確認金融資產面對之最高信貸風險，指資產負債表所述該等資產之賬面值。為盡量減低信貸風險，本公司管理層已制定明確之既定信貸政策，並委任一組人員，專責釐定信貸限額、批核信貸額及進行其他監管程序，以確保能跟進有關逾期債務之追討事宜。此外，本公司會於各結算日定期檢討各項個別應收賬款之可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，本公司之董事認為，本公司之信貸風險已大幅減少。零售銷售主要以現金進行，可以現金、記賬卡或信用卡付款。由於信貸風險分散於多名對手方及客戶，故本公司就應收賬款及其他應收款項並無重大信貸風險集中情況。

於附註17列示的應收貸款，本集團定期檢討每項應收貸款的收回款額及抵押資產的價值（若有），以確保為未能收回款項做足減值虧損。

由於對手方均為獲國際信貸評級機構高信貸評級之銀行及政府機構，故流動資金之信貸風險有限。

### (b) 流動資金風險

本集團定期監控目前及預期之流動資金需要，以確保本集團維持充足現金，以應付短期及長期之流動資金需要。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 33 FINANCIAL INSTRUMENTS (Continued)

### (b) Liquidity risk (Continued)

#### (i) The Group

	Carrying amount HK\$'000	Total contractual undiscouted cash flow HK\$'000	2008			2007		
			Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years HK\$'000	Carrying amount HK\$'000	Total contractual undiscouted cash flow HK\$'000	Within 1 year or on demand HK\$'000
Trade and other payables	853,555	853,555	853,555	-	-	96,335	96,335	96,335
Amount due to a related company	2,502	2,502	2,502	-	-	-	-	-
Bank loans, secured	358,575	358,575	358,575	-	-	1,059	1,059	1,059
Obligations under finance leases	154	178	178	-	-	-	-	-
Promissory notes	-	-	-	-	-	2,480	2,480	2,480
Current taxation	26,030	26,030	26,030	-	-	3,845	3,845	3,845
Convertible bonds	706,913	1,247,432	30,404	30,366	1,186,662	-	-	-
	<b>1,947,729</b>	<b>2,488,272</b>	<b>1,271,244</b>	<b>30,366</b>	<b>1,186,662</b>	<b>103,719</b>	<b>103,719</b>	<b>103,719</b>

#### (ii) The Company

	Carrying amount HK\$'000	Total contractual undiscouted cash flow HK\$'000	2008			2007		
			Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years HK\$'000	Carrying amount HK\$'000	Total contractual undiscouted cash flow HK\$'000	Within 1 year or on demand HK\$'000
Trade and other payables	1,905	1,905	1,905	-	-	4,142	4,142	4,142
Amounts due to subsidiaries	7,656	7,656	7,656	-	-	329	329	329
Promissory notes	-	-	-	-	-	2,480	2,480	2,480
Convertible bonds	706,913	1,247,432	30,404	30,366	1,186,662	-	-	-
	<b>716,474</b>	<b>1,256,993</b>	<b>39,965</b>	<b>30,366</b>	<b>1,186,662</b>	<b>6,951</b>	<b>6,951</b>	<b>6,951</b>

33 金融工具 (續)

(b) 流動資金風險 (續)

(i) 本集團

	賬面淨值 千港元	合約未折現 現金流總額 千港元	二零零八年			賬面淨值 千港元	二零零七年 合約未折現 現金流總額 千港元	一年內 或即付 千港元
			一年內 或即付 千港元	一年以上 但少於兩年 千港元	兩年以上 千港元			
應付賬款及其他應付款項	853,555	853,555	853,555	-	-	96,335	96,335	96,335
應付關連公司款項	2,502	2,502	2,502	-	-	-	-	-
銀行借款(抵押)	358,575	358,575	358,575	-	-	1,059	1,059	1,059
融資租賃之債務	154	178	178	-	-	-	-	-
承兌票據	-	-	-	-	-	2,480	2,480	2,480
即期稅項	26,030	26,030	26,030	-	-	3,845	3,845	3,845
可換股債券	706,913	1,247,432	30,404	30,366	1,186,662	-	-	-
	<b>1,947,729</b>	<b>2,488,272</b>	<b>1,271,244</b>	<b>30,366</b>	<b>1,186,662</b>	<b>103,719</b>	<b>103,719</b>	<b>103,719</b>

(ii) 本公司

	賬面淨值 千港元	合約未折現 現金流總額 千港元	二零零八年			賬面淨值 千港元	二零零七年 合約未折現 現金流總額 千港元	一年內 或即付 千港元
			一年內 或即付 千港元	一年以上 但少於兩年 千港元	兩年以上 千港元			
應付賬款及其他應付款項	1,905	1,905	1,905	-	-	4,142	4,142	4,142
應付附屬公司款項	7,656	7,656	7,656	-	-	329	329	329
承兌票據	-	-	-	-	-	2,480	2,480	2,480
可換股債券	706,913	1,247,432	30,404	30,366	1,186,662	-	-	-
	<b>716,474</b>	<b>1,256,993</b>	<b>39,965</b>	<b>30,366</b>	<b>1,186,662</b>	<b>6,951</b>	<b>6,951</b>	<b>6,951</b>



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 33 FINANCIAL INSTRUMENTS (Continued)

### (c) Interest rate risk

The Group has no significant interest bearing assets other than cash at banks and loan receivables.

The Group's interest rate risk arises primarily from bank loans and obligations under finance leases. These borrowings at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

### (i) Interest rate profile

The Group's interest rate profile as monitored by management is set out below:

	2008		2007	
	Effective interest rate %	HK\$'000	Effective interest rate %	HK\$'000
Fixed rate borrowings:				
Obligations under finance leases	5.58%	154		–
Bank loans, secured	7.29%	317,646	9.72%	1,059
Convertible bonds	16.32%	706,913		–
		<u>1,024,713</u>		<u>1,059</u>
Variable rate borrowings:				
Bank loans, secured	5.31%-7.47%	40,929		–
		<u>40,929</u>		–
Total interest bearing liabilities		<u>1,065,642</u>		<u>1,059</u>
Fixed rate interest bearing assets:				
Loan receivables	2%-7.839%	(20,979)		–
Variable rate interest bearing assets:				
Loan receivables	5.76%-7.47%	(882,688)	2%	(30,000)
Time deposits	3.15%	(5,685)	3.3%	(100,000)
Cash at banks		(83,738)		(112,497)
		<u>(972,111)</u>		<u>(242,497)</u>
Total interest bearing assets		<u>(993,090)</u>		<u>(242,497)</u>
Net interest bearing liabilities/(assets)		<u>72,552</u>		<u>(241,438)</u>

## 33 金融工具 (續)

### (c) 利率風險

本集團除銀行現金以及應收貸款外並無重大計息資產。

本集團之利率風險主要來自銀行借款及融資租賃之債務。按可變利率及按固定利率發行之借貸使本集團分別承受現金流量利率風險及公允值的利率風險。

#### (i) 利率概況

下表詳列在本集團管理層監察下的利率概況：

	二零零八年		二零零七年	
	實際利率 %	千港元	實際利率 %	千港元
固定利率借貸：				
融資租賃之債務	5.58%	154		—
銀行借款 (抵押)	7.29%	317,646	9.72%	1,059
可換股債券	16.32%	706,913		—
		<u>1,024,713</u>		<u>1,059</u>
浮動利率借貸：				
銀行借款 (抵押)	5.31%-7.47%	40,929		—
		<u>40,929</u>		—
附息借貸總額		<u>1,065,642</u>		<u>1,059</u>
定息附息資產：				
應收貸款	2%-7.839%	(20,979)		—
浮動利率附息資產：				
應收貸款	5.76%-7.47%	(882,688)	2%	(30,000)
定期存款	3.15%	(5,685)	3.3%	(100,000)
銀行結存		(83,738)		(112,497)
		<u>(972,111)</u>		<u>(242,497)</u>
附息資產總額		<u>(993,090)</u>		<u>(242,497)</u>
附息負債／(資產)淨額		<u>72,552</u>		<u>(241,438)</u>

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 33 FINANCIAL INSTRUMENTS (Continued)

### (c) Interest rate risk (Continued)

#### (ii) Sensitivity analysis

At 31 December 2008, it is estimated that a general increase/decrease of 10 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's loss after tax and accumulated losses by approximately HK\$778,000 (2007: HK\$200,000). Other components of equity would not be affected by the changes in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 10 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date.

### (d) Foreign currency risk

The Group is exposed to currency risks primarily through sales, purchases and borrowings that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily United States dollars and Renminbi.

Renminbi is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China or other institutions authorised to buy and sell foreign exchange. The exchange rate adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China.

In respect of trade and other receivables, trade and other payables and borrowings held in a currency other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rate where necessary to address short-term imbalances.

## 33 金融工具 (續)

### (c) 利率風險 (續)

#### (ii) 敏感性分析

於二零零八年十二月三十一日，估計利率普遍上調／下調10點子，在所有其他可變動因素保持不變之情況下，本公司除稅後溢利及保留溢利將因此增加／減少約778,000港元（二零零七年：200,000港元）。權益中之其他部份則不受利率之普遍上調／下調影響。

以上敏感性分析乃假設利率變動於結算日發生，並應用於該日存在之非衍生金融工具之利率風險而釐定。上調或下調10個點子指管理層對直至下一年度結算日止期間可能發生之合理利率變動所進行之評估。

### (d) 外匯風險

本集團面對的貨幣風險主要來自以經營所在之功能貨幣以外的貨幣計值之銷售、購買及借款。因此而引起風險的貨幣主要為美元及人民幣。

人民幣不可自由兌換為其他貨幣，所有涉及人民幣的外匯交易必須通過中國銀行或其他獲授權可買賣外匯的機構。而外匯交易採用的匯兌率為中國銀行所報之匯兌率。

就以經營所在功能貨幣以外貨幣計值的應收賬款及其他應收款項、應付賬款及其他應付款項、以及借款，本集團於需要時會透過即期匯率買賣外幣來處理短期失衡，以此確保淨風險維持於可接受水平。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 33 FINANCIAL INSTRUMENTS (Continued)

### (d) Foreign currency risk (Continued)

The following table details the Group's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

#### (i) Exposure to currency risk

##### The Group

	2008	
	United States dollars '000	Renminbi '000
Trade and other receivables	–	59,452
Loan receivables	–	1,347,623
Amount due from a director	–	78
Time deposits	–	5,685
Cash and cash equivalents	2	90,263
Trade and other payables	–	(851,496)
Amount due to a related company	–	(2,505)
Bank loans, secured	(19,456)	(339,119)
Obligations under finance leases	–	(154)
	<u>(19,454)</u>	<u>309,827</u>
Overall net exposure		

	2007	
	United States dollars '000	Renminbi '000
Trade and other receivables	–	17,015
Loan receivables	–	6,153
Amounts due from related companies	–	60,006
Time deposits	–	–
Cash and cash equivalents	2	79,537
Trade and other payables	–	(91,815)
Bank loans, secured	–	(1,059)
Promissory notes	–	–
	<u>2</u>	<u>69,837</u>
Overall net exposure		

## 33 金融工具 (續)

### (d) 外匯風險 (續)

下表細明本集團於結算日因確認實體使用經營所在之功能貨幣以外貨幣計值的資產或負債所產生之貨幣風險。

#### (i) 貨幣風險

##### 本集團

	二零零八年	
	千美元	千人民幣
應收賬款及其他應收款項	-	59,452
應收貸款	-	1,347,623
應收董事款項	-	78
定期存款	-	5,685
現金及現金等值項目	2	90,263
應付賬款及其他應付款項	-	(851,496)
應付關連公司款項	-	(2,505)
銀行借款(抵押)	(19,456)	(339,119)
融資租賃之債務	-	(154)
整體淨風險	(19,454)	309,827

	二零零七年	
	千美元	千人民幣
應收賬款及其他應收款項	-	17,015
應收貸款	-	6,153
應收關連公司款項	-	60,006
定期存款	-	-
現金及現金等值項目	2	79,537
應付賬款及其他應付款項	-	(91,815)
銀行借款(抵押)	-	(1,059)
承兌票據	-	-
整體淨風險	2	69,837

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 33 FINANCIAL INSTRUMENTS (Continued)

### (d) Foreign currency risk (Continued)

#### (i) Exposure to currency risk (Continued)

##### The Company

	2008	
	United States dollars '000	Renminbi '000
Deposits and prepayments	–	–
Amounts due from subsidiaries	–	–
Cash and cash equivalents	2	–
Accrued expenses and other payables	–	–
Amounts due to subsidiaries	–	(1,136)
	<u>2</u>	<u>(1,136)</u>
Overall net exposure	<u>2</u>	<u>(1,136)</u>

	2007	
	United States dollars '000	Renminbi '000
Deposits and prepayments	–	–
Amounts due from subsidiaries	–	–
Time deposits	–	–
Cash and cash equivalents	2	–
Accrued expenses and other payables	–	–
Amounts due to subsidiaries	–	(328)
Promissory notes	–	–
	<u>2</u>	<u>(328)</u>
Overall net exposure	<u>2</u>	<u>(328)</u>

## 33 金融工具 (續)

### (d) 外匯風險 (續)

#### (i) 貨幣風險 (續)

本公司

	二零零八年	
	千美元	千人民幣
按金及預付款	-	-
應收附屬公司款項	-	-
現金及現金等值項目	2	-
應計費用及其他應付款項	-	-
應付附屬公司款項	-	(1,136)
	<u>2</u>	<u>(1,136)</u>
整體淨風險	<u>2</u>	<u>(1,136)</u>

	二零零七年	
	千美元	千人民幣
按金及預付款	-	-
應收附屬公司款項	-	-
定期存款	-	-
現金及現金等值項目	2	-
應計費用及其他應付款項	-	-
應付附屬公司款項	-	(328)
承兌票據	-	-
	<u>2</u>	<u>(328)</u>
整體淨風險	<u>2</u>	<u>(328)</u>



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 33 FINANCIAL INSTRUMENTS (Continued)

### (d) Foreign currency risk (Continued)

#### (ii) Sensitivity analysis

The following table indicates the approximate increase/decrease in the Group's loss for the year in response to 5% strengthening/weakening of Hong Kong dollars against the foreign currencies to which the Group has significant exposure at the balance sheet date. The sensitivity analysis includes balances between group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower.

	2008 HK\$'000	2007 HK\$'000
United States dollars		
– 5% strengthening of HK\$	812	–
– 5% weakening of HK\$	(812)	–
Renminbi		
– 5% strengthening of HK\$	(12,935)	(2,881)
– 5% weakening of HK\$	12,935	2,881

The sensitivity analysis above has been determined assuming that the change in foreign exchange rate had occurred at the balance sheet date and had been applied to each of the Group entities' exposure to currency risk for financial instrument in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rate over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2007.

### (e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2008 and 2007.

33 金融工具 (續)

(d) 外匯風險 (續)

(ii) 敏感性分析

下表列示於結算日港元強於／弱於本集團主要使用的外幣時，本集團本年度虧損相應的增／減。敏感性分析包括集團公司之間以貸方或借方的功能貨幣以外之貨幣計值之結餘。

	二零零八年 千港元	二零零七年 千港元
美元		
—強於港元5%	812	—
—弱於港元5%	(812)	—
人民幣		
—強於港元5%	(12,935)	(2,881)
—弱於港元5%	12,935	2,881

上述的敏感性分析是基於假設外匯匯率於結算日變動，並使本集團所有實體於同日的金融工具面受貨幣風險，並假設其他可變因素尤其是利率保持不變。而提出的變動代表了管理層對外匯匯率直至下一年度結算日期間可能出現合理變動的評估。而分析項目與二零零七年相同。

(e) 公允值

所有金融工具之賬面值與其於二零零八年十二月三十一日及二零零七年十二月三十一日之公允值並無重大差異。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 34 COMMITMENTS

- (a) Capital commitments outstanding at 31 December 2008 not provided for in the financial statements were as follows:

	The Group	
	2008 HK\$'000	2007 HK\$'000
Contracted but not provided for:		
– in respect of purchases of fixed assets	<u>6,804</u>	<u>2,093</u>

- (b) At 31 December 2008, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	The Group			
	2008			2007
	Properties	Motor	Total	Properties
	HK\$'000	vehicles	HK\$'000	HK\$'000
		HK\$'000	HK\$'000	
Within 1 year	95,701	1,896	97,597	12,501
After 1 year but within 5 years	193,676	136	193,812	31,075
After 5 years	229,634	–	229,634	77,040
	<u>519,011</u>	<u>2,032</u>	<u>521,043</u>	<u>120,616</u>

The Group is the lessee in respect of a number of properties and motor vehicles held under operating leases. The leases typically run for an initial period of 3 to 20 years, at the end of which period all terms are renegotiated. None of the leases includes contingent rentals.

## 34 承擔

(a) 於二零零八年十二月三十一日，未在財務報表中撥備之未付資本承擔詳情如下：

	本集團	
	二零零八年 千港元	二零零七年 千港元
已定約但未入賬 — 購買固定資產	<b>6,804</b>	2,093

(b) 於二零零八年十二月三十一日，根據不可撤銷之經營租賃在日後應付之最低租賃付款總額如下：

	本集團			二零零七年 物業 千港元
	二零零八年	合計		
	物業 千港元	運輸工具 千港元	合計 千港元	
一年內	<b>95,701</b>	<b>1,896</b>	<b>97,597</b>	12,501
一年後但五年內	<b>193,676</b>	<b>136</b>	<b>193,812</b>	31,075
五年後	<b>229,634</b>	-	<b>229,634</b>	77,040
	<b>519,011</b>	<b>2,032</b>	<b>521,043</b>	120,616

本公司為數項物業租賃的承租人。該等租賃一般初步為期三年至二十年，屆時所有條款均可重新商定。各項租賃並不包括或有租金。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 34 COMMITMENTS (Continued)

- (c) At 31 December 2008, the total future minimum sublease payments under non-cancellable operating subleases were receivable as follows:

	The Group	
	2008 HK\$'000	2007 HK\$'000
Within 1 year	7,441	5,753
After 1 year but within 5 years	18,983	18,600
After 5 years	509	851
	<u>26,933</u>	<u>25,204</u>

The Group subleases out shopping areas in the shopping mall and office premises under operating leases. The leases typically run for an initial period of 1 to 10 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments receivable are fixed during the lease terms. Certain leases include contingent rentals.

## 35 CONTINGENT LIABILITIES

### (a) Litigation

- (i) On 14 September 2003, Century Ginwa entered into a guarantee contract with a bank to provide guarantee to secure a bank loan of RMB8,400,000, which was interest bearing at 6.039% per annum, granted to an unrelated party (the "Borrower I") for a period from 14 September 2003 to 13 March 2005. The guarantee period given by Century Ginwa was two years starting from 14 March 2005. By default of the Borrower I, a court judgement was obtained by the bank against Century Ginwa for the repayment of the bank loan together with interest thereon. On 24 April 2007, an independent third party agreed to put up guarantee to the court by his own shares in a limited company with cost of RMB4,900,000 and the court issued a court order to freeze the shares until 27 October 2007. On 28 October 2008, Ginwa Hi-Tech entered into an agreement with Century Ginwa, in which it agreed to undertake Century Ginwa's repayment liability of the bank loan. On 31 December 2008, the amount was fully settled.

## 34 承擔 (續)

- (c) 於二零零八年十二月三十一日，根據不可解除之分租經營租賃在日後應付之最低分租收款總額如下：

	本集團	
	二零零八年 千港元	二零零七年 千港元
一年內	7,441	5,753
一年後但五年內	18,983	18,600
五年後	509	851
	<b>26,933</b>	<b>25,204</b>

本公司分租出購物中心之購物區及辦公室。該等分租租賃一般初步為期一年至十年，並且有權選擇續期，屆時所有條款均可重新商定。租賃期內之租賃收款是固定的。若干分租租賃包含或有租金部份。

## 35 或有負債

### (a) 訴訟

- (i) 於二零零三年九月十四日，本公司與一所銀行簽訂一份保證合同，為一無關連人士（「借款人I」）向一所銀行貸款人民幣8,400,000提供不可撤銷和變更的連帶責任保證，該貸款的年利率為6.039%，貸款期限自二零零三年九月十四日起至二零零五年三月十三日止，保證期則為從二零零五年三月十四日起兩年。由於借款人I違約，該銀行得到法院裁決，要求本公司償還拖欠之銀行貸款及相關利息。於二零零七年四月二十四日，一獨立第三方自願以其擁有之一所有限公司的人民幣490萬元股權向法院提請執行擔保，據此法院頒發裁定書裁定凍結上述股權至二零零七年十月二十七日止。於二零零八年十月二十八日，金花高新和本公司簽訂協議，同意為本公司承擔本銀行貸款的還款義務。直至二零零八年十二月三十一日，該款項已全部歸還。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 35 CONTINGENT LIABILITIES (Continued)

### (a) Litigation (Continued)

- (ii) On 22 July 2004, Century Ginwa together with Mr. Wu Yijian (collectively known as the "Guarantor I"), entered into guarantee contracts with a financial institution to provide guarantees to secure a bank loan of RMB3,000,000, which was interest free, granted to Ginwa Enterprise (Group) Inc. ("Ginwa Enterprise"), for a period from 20 July 2004 to 31 August 2004. The guarantee period given by the Guarantor I was two years starting from 31 August 2004. By default of Ginwa Enterprise, a court judgement was obtained by the financial institution on 2 November 2006 against the Guarantor I for the repayment of the bank loan. On 11 August 2008, a court judgement was announced to withhold bank deposit of RMB1,720,000 under Century Ginwa to repay the bank loan due to the financial institution. On 31 August 2008, the amount was fully settled and the liabilities were released by the court on 5 November 2008.
  
- (iii) On 7 September 2005, Century Ginwa, together with other four unrelated parties (collectively known as the "Guarantor II"), entered into guarantee contracts with a bank to provide guarantees to secure a bank loan of RMB24,000,000, which was interest bearing at 6.138% per annum, granted to an unrelated party (the "Borrower II") for a period from 7 September 2005 to 6 June 2006. The guarantee period given by the Guarantor II was two years starting from 6 June 2006. By default of the Borrower II, a court judgement was obtained by the bank on 30 October 2006 against the Guarantor II for the repayment of the bank loan together with interest and administrative expenses thereon. On 31 August 2008, Ginwa Investments entered into a counter-indemnity agreement with Century Ginwa to indemnify it against any loss that may arise from this guarantee. On 31 December 2008, the outstanding balance of the bank loan was approximately RMB18,249,000.

The directors consider that, given the nature of the claims and the preliminary status of these proceedings, it is not possible to estimate the eventual outcome of the claims with reasonable certainty at this stage. In addition, Ginwa Investments has agreed to indemnify Century Ginwa against any loss that may arise from this guarantee and therefore, no provision for penalty interest or other damages has been made in these financial statements.

## 35 或有負債 (續)

### (a) 訴訟 (續)

- (ii) 於二零零四年七月二十二日，本公司連同吳一堅先生（共同稱為「擔保人I」），與一所金融機構簽訂保證合同，為金花企業（集團）股份有限公司向該金融機構貸款人民幣3,000,000提供不可撤銷和變更的連帶責任保證，該貸款是免利息，貸款期限自二零零四年七月二十日起至二零零四年八月三十一日止，保證期則為從二零零四年八月三十一日起兩年。由於金花企業（集團）股份有限公司違約，該金融機構於二零零六年十一月二日得到法院裁決，要求擔保人I償還拖欠之貸款。於二零零八年八月十一日，法院出具民事裁定書，劃撥本公司之人民幣1,720,000銀行存款以歸還該款項。直至二零零八年八月三十一日，該款項已全部歸還。法院亦已於二零零八年十一月五日解除該保證。
- (iii) 於二零零五年九月七日，本公司連同其它四個無關連人士（共同稱為「擔保人II」），與一所銀行簽訂保證合同，為一無關連人士（「借款人II」）向該銀行貸款人民幣24,000,000提供不可撤銷和變更的連帶責任保證，該貸款的年利率為6.138%，貸款期限自二零零五年九月七日起至二零零六年六月六日止，保證期則為從二零零六年六月六日起兩年。由於借款人II違約，該銀行於二零零六年十月三十日得到法院裁定，要求擔保人II償還拖欠之銀行貸款，相關利息以及相關行政費用。於二零零八年八月三十一日，金花投資就相關的借款提供了反擔保給本公司。於二零零八年十二月三十一日，本借款的余額約為人民幣18,249,000。

本公司之董事認為，基於這些追索的性質以及這些訴訟尚處初步階段，於現時很難合理明確地估計出這些追索的最終結果。此外，金花投資同意補償有關銀行或金融機構向本公司之任何追索，因此本財務報表並無撥備任何相關罰息或其它的損失。



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 35 CONTINGENT LIABILITIES (Continued)

### (b) Financial guarantees issued

- (i) On 18 April 2006, Century Ginwa, together with other three unrelated parties (collectively known as the "Guarantor III"), entered into guarantee contracts with a bank to provide guarantees to secure a bank loan of RMB13,460,000 ("First Bank Loan"), which was interest bearing at 5.22% per annum, granted to an unrelated company (the "Borrower III") for a period of six months from 27 April 2006 to 27 October 2006. The guarantee period given by the Guarantor III was two years starting from 27 October 2006.

On 27 October 2006, the Borrower III negotiated with the bank for a bank loan of RMB12,000,000 ("Second Bank Loan") which was interest bearing at 5.58% per annum, for a further six months until 26 April 2007 to repay the First Bank Loan, and the First Bank Loan was then fully settled. Under the new loan agreement, the guarantee period given by the Guarantor III was extended for a further six months until 26 April 2009.

On 23 April 2008, the Borrower III negotiated with the bank for another loan of RMB4,500,000, which was interest bearing at 7.227% per annum, for a further eighteen months until 22 October 2008 to repay the Second Bank Loan. Under the new loan agreement, the guarantee period given by the Guarantor III was extended for a further eighteen months until 23 October 2010. On 31 August 2008, Ginwa Investments entered into a counter-indemnity agreement with Century Ginwa to indemnify it against any loss that may arise from this guarantee. On 31 December 2008, the outstanding balance of the bank loan was RMB2,496,751.

As at 31 December 2008, the directors consider that the Borrower III will settle the amount in the near future and any claim made by the bank to Century Ginwa is unlikely. In addition, Ginwa Investments has agreed to indemnify Century Ginwa against any loss that may arise from this guarantee and therefore, a provision for penalty interest or other damages has not been made in these financial statements.

- (ii) On 30 June 2008, Century Ginwa, together with Ginwa Investments and Ginwa Enterprise (collectively known as the "Guarantor IV"), entered into guarantee contracts with a bank to provide guarantees to secure a bank loan of RMB90,000,000, which was interest bearing at 9.486% per annum, granted to 陝西新世界醫葯有限公司 (the "Borrower IV") for a period from 30 June 2008 to 31 July 2008. The guarantee period given by the Guarantor IV was two years starting from 31 July 2008. Ginwa Investments has equity interests in 陝西新世界醫葯有限公司. On 31 August 2008, Ginwa Investments entered into a counter-indemnity agreement with Century Ginwa to indemnify it against any loss that may arise from this guarantee.

## 35 或有負債 (續)

### (b) 財務擔保之發出

- (i) 於二零零六年四月十八日，本公司連同其它三個無關連人士（共同稱為「擔保人III」），與一所銀行簽訂保證合同，為一所無關連公司（「借款人III」）向該銀行貸款人民幣13,460,000（「第一貸款」）提供不可撤銷和變更的連帶責任保證，該貸款的年利率為5.22%，貸款期限自二零零六年四月二十七日起至二零零六年十月二十七日止，保證期則為從二零零六年十月二十七日起兩年。

二零零六年十月二十七日，借款人III與銀行協定貸款人民幣12,000,000（「第二貸款」）作為償還第一貸款，年利率5.58%，貸款期延期六個月至二零零七年四月二十六日。第一貸款已全部歸還。根據新貸款合同，擔保人III之保證期限亦同時延長六個月至二零零九年四月二十六日。

二零零八年四月二十三日，借款人III與銀行協定貸款人民幣4,500,000作為償還第二貸款，年利率7.227%，貸款期延期十八個月至二零零八年十月二十二日。第二貸款已全部歸還。根據新貸款合同，擔保人III之保證期限亦同時延長十八個月至二零一零年十月二十三日。於二零零八年八月三十一日，金花投資就相關的借款提供了反擔保給本公司。於二零零八年十二月三十一日，本借款的余額為人民幣2,496,751。

本公司之董事認為該借款人III將於不久將來償還貸款，該銀行追索本公司之機會很小。此外，金花投資同意補償有關銀行或金融機構向本公司之任何追索，因此本財務報表並無撥備任何相關罰息或其它的損失。

- (ii) 於二零零八年六月三十日，本公司連同金花投資及金花企業（集團）股份有限公司（共同稱為「擔保人IV」），與一所銀行簽訂保證合同，為陝西新世界醫藥有限公司（「借款人IV」）向該銀行貸款人民幣90,000,000提供不可撤銷和變更的連帶責任保證，該貸款的年利率為9.486%，貸款期限自二零零八年六月三十日起至二零零八年七月三十一日止，保證期則為從二零零八年七月三十一日起兩年。陝西新世界醫藥有限公司為一所金花投資有股份的公司。於二零零八年八月三十一日，金花投資就相關的借款提供了反擔保給本公司。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 35 CONTINGENT LIABILITIES (Continued)

### (b) Financial guarantees issued (Continued)

(iii) On 29 September 2007, Century Ginwa entered into guarantee contracts with a bank to provide guarantees to secure a bank loan of RMB18,900,000, which was interest bearing at 9.534% per annum, granted to a Ginwa Investments for a period from 29 September 2007 to 28 September 2008. The guarantee period given by Century Ginwa was two years starting from 28 September 2008. On 31 August 2008, Ginwa Investments entered into a counter-indemnity agreement with Century Ginwa to indemnify it against any loss that may arise from this guarantee. On 29 September 2008, Ginwa Investments negotiated with the bank to extend the loan period for eleven months until 28 August 2009, with interest bearing at 15.3421% per annum. The guarantee period given by Century Ginwa was extended for eleven months until 28 August 2011.

## 36 MATERIAL RELATED PARTY TRANSACTIONS

### (a) Transactions with key management personnel

All key management personnel are directors of the Company, and their remuneration is disclosed in note 8(a).

(b) Certain bank borrowings of the Group secured by guarantees from certain related parties are as follows:

	Note	2008 HK\$'000	2007 HK\$'000
Xian Ya Jian International Golf Company Limited ("Ya Jian")	(1)	95,628	–
Ginwa Enterprise together with Mr. Wu Yijian	(1)	15,917	–
Ginwa Enterprise	(1)	71,057	–
Ginwa Investments together with 金花國際大酒店有限公司	(1)	56,142	–
Ginwa Investments together with Ya Jian	(1)	40,929	–
Ginwa Investments	(1)	78,902	–
		<b>358,575</b>	–

## 35 或有負債 (續)

### (b) 財務擔保之發出 (續)

(iii) 於二零零七年九月二十九日，本公司與一所銀行簽訂保證合同，為金花投資向該銀行貸款人民幣18,900,000提供不可撤銷和變更的連帶責任保證，該貸款的年利率為9.534%，貸款期限自二零零七年九月二十九日起至二零零八年九月二十八日止，保證期則為從二零零八年九月二十八日起兩年。於二零零八年八月三十一日，金花投資就相關的借款提供了反擔保給本公司。於二零零八年九月二十九日，金花投資與銀行協定貸款期延長十一個月至二零零九年八月二十八日，年利率為15.3421%，本公司之保證期限亦同時延長十一個月至二零一一年八月二十八日。

## 36 重大關連人士交易

### (a) 與關鍵管理人員之交易

所有的關鍵管理人員皆是本公司之董事，他們的酬金已披露於附註 8(a)。

### (b) 本公司被擔保的銀行借貸由以下關連人士發出擔保：

	附註	二零零八年 千港元	二零零七年 千港元
西安亞建國際高爾夫俱樂部有限公司(「亞建」)	(1)	95,628	—
金花企業及吳一堅先生	(1)	15,917	—
金花企業	(1)	71,057	—
金花國際大酒店有限公司	(1)	56,142	—
金花投資及亞建	(1)	40,929	—
金花投資	(1)	78,902	—
		<b>358,575</b>	<b>—</b>

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 36 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

- (c) Save as disclosed elsewhere in the financial statements, the Group had the following significant related party transactions during the year:

	Note	2008 HK\$'000	2007 HK\$'000
Guarantee profit	(2)	–	4,327
Interest receivable from Ginwa Investments	(1)	19,269	–
Rent paid to Ginwa Enterprise	(1)	7,268	6,164
Repairs and maintenance fee paid to Ginwa Hi-Tech	(1)	673	308
		<u>673</u>	<u>308</u>

Note:

- (1) Ya Jian, Ginwa Investments, Ginwa Enterprise, 金花國際大酒店有限公司 and Ginwa Hi-Tech are related to the Group by virtue of Mr. Wu Yijian, the former executive, director and chairman's equity interests in them.
- (2) Pursuant to the sale and purchase agreement entered into with Mr. Guo Qiang and Mr. Li Haogang (the "Vendors") by the Company on 16 February 2006 for the acquisition of Silver Light Group, the Vendors guaranteed that the audited profit before tax of Century Ginwa Urumqi for the financial years ended 31 December 2006 and 2007 would not be less than RMB14,000,000 in aggregate. At 31 December 2007, the Vendors compensated the Company a guarantee profit of HK\$4,327,000 by an adjustment to the promissory notes issued to the Vendors (see also note 27). As Mr. Wu Yijian is the elder brother of Mr. Guo Qiang, Mr. Guo is deemed as a connected person of the Company under the Listing Rules.

### (d) Other related party transactions

On 25 September 2007, the Group's wholly-owned subsidiary, China Rich International Management Limited ("China Rich") entered into an acquisition agreement with Ginwa Investments in which China Rich agreed to acquire and Ginwa Investments agreed to dispose of a 76.43% equity interest in Century Ginwa owned by Ginwa Investments at a consideration of RMB180,000,000 (the "CG Acquisition"). On the same day, the Company also entered into an agreement with Best Mineral Resources Limited ("Best Mineral") and Mr. Wu (the "BM Agreement"), pursuant to which Best Mineral agreed to (i) assist the Company, China Rich and their agents and advisers in obtaining the right to access the books, records and other related documents of Century Ginwa; (ii) procure Century Ginwa to assist the Company, China Rich and their agents and advisers in their due diligence review; (iii) provide the relevant information and files upon request by the Company, China Rich and their agents and advisers; and (iv) assist the Company in drafting the Acquisition Agreement, and in consideration of Best Mineral's provision of the Profit Guarantee and the Repayment Guarantee, the Company agreed to issue convertible bonds in a principal amount of HK\$1,231,612,200 to Best Mineral upon the completion of the CG Acquisition.

## 36 重大關連人士交易 (續)

(c) 除了在本財務報表的其他地方所披露，本公司於年內已訂立以下重大關連人士交易：

	附註	二零零八年 千港元	二零零七年 千港元
保證溢利	(2)	-	4,327
應收金花投資利息	(1)	19,269	-
支付租賃費予金花企業	(1)	7,268	6,164
支付金花高新的維修及保養費用	(1)	673	308

附註：

- (1) 基於本集團前董事及主席吳一堅先生於亞建、金花投資、金花企業、金花國際大酒店有限公司及金花高新持有權益，故亦視與本集團關連。
- (2) 本公司於二零零六年二月十六日與郭強先生及李郝港先生（賣方）收購銀光集團全部權益，賣方已向本公司作出不可撤回溢利保證，承諾世紀金花烏魯木齊於截至二零零六年及二零零七年十二月三十一日止財政年度之經審核除所得稅前溢利將合共不少於人民幣14,000,000元。截至二零零七年十二月三十一日止年度，獲提供之保證溢利約為4,327,000港元（附註27）。鑑於吳一堅先生為郭強先生之胞兄，故根據上市規則之規定，郭先生為本公司之關連人士。

### (d) 其它關聯人士交易

於二零零七年九月二十五日，本公司全資附屬公司裕華國際管理有限公司（「裕華」）與金花投資簽定一份收購協議。依據協議內容，裕華同意收購金花投資出售其持有的世紀金花的76.43%股本權益，代價為人民幣180,000,000元（「CG收購」）。同日，本公司與Best Mineral Resources Limited（「Best Mineral」）及吳先生簽定一份協議（「BM協議」）。根據協議，Best Mineral同意(i)協助本公司、裕華及其代理人與顧問取得使用世紀金花帳冊、紀錄及其他有關文件的權利；(ii)促成世紀金花協助本公司、裕華及其代理人與顧問進行盡職調查；(iii)應本公司、裕華及其代理人與顧問要求提供相關資料及檔案；及(iv)協助本公司起草收購協議，而本公司考慮到Best Mineral的保證溢利及保證還款撥備，同意當CG收購完成後向Best Mineral發行一金額為1,231,612,200港元的可換股債券。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 36 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

### (d) Other related party transactions *(Continued)*

Upon completion of the acquisition agreement, Ginwa Investments shall be obliged to repay the amount due to Century Ginwa to Century Ginwa within a period of five years commencing from the completion of the Acquisition with interest at the five-year lending rate published by the Bank of China, the PRC as at the date of completion of the CG Acquisition (see also note 17(d)(iii)).

Since Ginwa Investments is 60% owned by Mr. Wu, being an executive director of the Company before he resigned on 28 May 2008, Ginwa Investments is a connected person of the Company. Therefore, the entering into of the acquisition agreement between Ginwa Investments and China Rich, a wholly-owned subsidiary of the Company, constitutes a non-exempted connected transaction. Best Mineral is the substantial shareholder of the Company. Best Mineral is a connected person of the Company by virtue of it being a substantial shareholder, and the entering into of the BM Agreement among the Company, Best Mineral and Mr. Wu therefore constitutes a non-exempted connected transaction. Mr. Qu Jiaqi, Mr. Li Haogang and Mr. Sha Yingjie, executive directors of the Company, are also executive directors and senior staff of Century Ginwa.

These transactions were approved in the SGM held on 17 January 2008. The indirect shareholding of Mr. Wu ceased in June 2008. Approvals were granted by related China government authorities on the CG Acquisition on 31 August 2008.

- (e) Balances with related parties are disclosed in the balance sheets and in notes 17, 20, 21 and 24.

## 37 NON-ADJUSTING POST BALANCE SHEET EVENTS

Save as disclosed elsewhere in the financial statements, there were no other significant events that took place subsequent to 31 December 2008.

## 38 KEY SOURCES OF ESTIMATION UNCERTAINTY

The management had made the following estimates and assumptions in the process of applying the Group's accounting policies, which are described in note 2(b), that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities as discussed below.

### (a) Useful lives of fixed assets and depreciation

The Group's management determines the estimated useful lives and related depreciation for the Group's fixed assets. This estimate is based on the historical experience of the actual useful lives of fixed assets of similar nature and functions.

### (b) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer taste or competitor actions in response to severe consumer product industry cycles. Management reassesses these estimates at each balance sheet date.

## 36 重大關連人士交易 (續)

### (d) 其它關聯人士交易 (續)

當收購協議完成，金花投資必須於收購完成日期起五年內，按CG收購完成當日中國銀行發佈的五年貸款息率向世紀金花償還欠款(附註17(d)(iii))。

鑑於吳先生在他於二零零八年五月二十八日辭職前為本公司執行董事，擁有金花投資之60%，故金花投資為本公司的關連人士。因此，金花投資與本公司全資附屬公司裕華達成的收購協議則構成不獲豁免的關連交易。Best Mineral是本公司重要股東。Best Mineral為本公司關連人士，並視為重要股東。而本公司、Best Mineral及吳先生所簽定的BM協議因此構成不獲豁免的關連交易。本公司執行董事曲家琪先生、李郝港先生及沙英杰先生亦為世紀金花執行董事及高級職員。

這等交易於二零零八年一月十七日舉行的股東特別大會獲批准。吳先生之非直接股權於二零零八年六月終止。該CG收購已於二零零八年八月三十一日獲中國政府授出批准。

(e) 與相關方的結餘於資產負債表及附註17、20、21及24中披露。

## 37 結算日後未調整事項

除於財務報表中披露外，於二零零八年十二月三十一日後並無重大事件發生。

## 38 估計的主要不明朗因素來源

管理層在應用列示於附註2(b)本集團會計政策過程中作出下述估計及假設，對以下論述的資產及負債賬面淨額構成實際調整的重大風險。

### (a) 固定資產使用期及折舊

本集團管理層釐定本集團固定資產的估計使用期及折舊。估算是根據過往對具相同性質及功能的固定資產的實際使用年期之經驗來釐定。

### (b) 存貨淨變現值

存貨淨變現值乃按估計日常業務過程中之售價減預計銷售成本計算。這等估算乃基於目前市場情況及過往銷售同類性質產品的經驗。它可因顧客口味改變或競爭者對嚴苛消費品行業週期的回應行動而出現重大變化。管理層於每結算日對估算作檢討。



# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 38 KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

### (c) Allowances for doubtful debts

The policy for allowance of doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

### (d) Income taxes

The Group is primarily subject to income taxes in the PRC. Significant estimation and judgement are required in determining the amount of the provision for tax and the timing of payment of the related taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final outcome of tax assessment is different from the carrying amounts of tax provision, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## 39 COMPARATIVE FIGURES, RESTATEMENTS AND RECLASSIFICATIONS

### (a) Revenue recognition

In previous years, gross proceeds from concessionaire sales and net proceeds payable to relevant stores after deduction of commission receivable by the Group were included in turnover and cost of sales of the Group respectively. In the current year, the Group has recognised commission income from concessionaire sales as revenue only. The directors consider that the restatement reflects more appropriately the nature of this income.

### (b) Comparative figures

Certain comparative amounts have been reclassified and adjusted to conform with the current year's presentation.

## 38 估計的主要不明朗因素來源 (續)

### (c) 呆賬備抵

本集團的呆賬備抵政策是基於評估賬目的可收回能力及賬齡分析、及管理層的判斷。在評估這些應收款項的最終變現時需要大大依賴管理層的判斷，包括現時信貸價值及每名顧客過往收回款項的情況。倘若本集團顧客的財務狀況變壞，導致他們還款能力減值，便需要額外備抵。

### (d) 所得稅

本集團主要在中國繳納所得稅。在釐定稅項撥備及相關稅項付款期時需要作出重大估量和判斷。以在業務正常運作中的交易及計算來釐定最終繳納稅款是不確實的。當評稅結果與稅項撥備出現差異，差額會影響所得稅及遞延該年度釐定之稅項撥備。

## 39 比較數字、重列和重新分類

### (a) 收入確認

於以往年度，由特許專櫃銷售產生的總收入及應付各相關店鋪之淨收入，於扣減本集團應收佣金後分別入賬為本集團營業額及銷售成本。於本年度，本集團已把特許專櫃銷售產生之佣金收入只確認為收入。董事認為這重列更能適當反映收入的性質。

### (b) 比較數字

部份比較數字經重新分類以符合本年度呈列之變動。

# Notes to the Financial Statements

(Expressed in Hong Kong dollars)

## 40 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2008

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2008 and which have not been adopted in these financial statements:

HKFRSs (Amendments)	Improvements to HKFRSs <sup>1</sup>
HKAS 1 (Revised)	Presentation of financial statements <sup>2</sup>
HKAS 23 (Revised)	Borrowing costs <sup>2</sup>
HKAS 27 (Revised)	Consolidated and separate financial statements <sup>3</sup>
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation <sup>2</sup>
HKAS 39 (Amendment)	Eligible hedged items <sup>3</sup>
HKFRS 1 (Revised)	First-time adoption of Hong Kong Financial Reporting Standards <sup>3</sup>
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate <sup>2</sup>
HKFRS 2 (Amendment)	Vesting conditions and cancellations <sup>2</sup>
HKFRS 3 (Revised)	Business combinations <sup>3</sup>
HKFRS 8	Operating segments <sup>2</sup>
HK(IFRC)-Int 13	Customer loyalty programmes <sup>4</sup>
HK(IFRC)-Int 15	Agreements for the construction of real estate <sup>2</sup>
HK(IFRC)-Int 16	Hedges of a net investment in a foreign operation <sup>5</sup>
HK(IFRC)-Int 17	Distribution of non-cash assets to owners <sup>3</sup>
HK(IFRC)-Int 18	Transfers of assets from customers <sup>3</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2009

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2009

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2008

<sup>5</sup> Effective for annual periods beginning on or after 1 October 2008

The Group is assessing the impact of these amendments and new standards and has so far concluded that they are not in a position to state whether their adoption will have a significant impact on the Group's results of operations and financial position.

## 40 已經頒佈但未於二零零八年十二月三十一日止年度生效的修訂、新準則及詮釋的影響

於發佈這等財務報表日，香港會計師公會頒佈了數項未於二零零八年十二月三十一日止年度生效及未於這等財務報表採納的的修訂、新準則及詮釋：

香港財務報告準則(修訂本)	國際財務報告準則的改進 <sup>1</sup>
香港會計準則第1號(經修訂)	財務報表之呈報 <sup>2</sup>
香港會計準則第23號(經修訂)	借貸成本 <sup>2</sup>
香港會計準則第27號(經修訂)	綜合及獨立財務報表 <sup>3</sup>
香港會計準則第32及1號	可贖回財務工具及清盤產生之責任 <sup>2</sup>
香港會計準則第39號(修訂本)	合資格對沖項目 <sup>3</sup>
香港財務報告準則第1號(經修訂)	首次採用香港財務報告準則 <sup>3</sup>
香港財務報告準則第1號及 香港會計準則第27號(修訂本)	於一間附屬公司、共同控制實體或聯營公司之 投資的成本 <sup>2</sup>
香港財務報告準則第2號(修訂本)	既得條件及取消 <sup>2</sup>
香港財務報告準則第3號(經修本)	業務合併 <sup>3</sup>
香港財務報告準則第8號	經營分類 <sup>2</sup>
《香港(國際財務報告詮釋委員會) 詮釋》第13號	客戶忠誠計劃 <sup>4</sup>
《香港(國際財務報告詮釋委員會) 詮釋》第15號	房地產建築協議 <sup>2</sup>
《香港(國際財務報告詮釋委員會) 詮釋》第16號	海外業務投資淨額之對沖 <sup>5</sup>
《香港(國際財務報告詮釋委員會) 詮釋》第17號	分派非現金資產予持有人 <sup>3</sup>
《香港(國際財務報告詮釋委員會) 詮釋》第18號	客戶轉讓資產 <sup>3</sup>

<sup>1</sup> 由二零零九年一月一日起或以後年度期間生效，除香港財務報告準則第5號之修訂本由二零零九年七月一日起或以後年度期間生效。

<sup>2</sup> 由二零零九年一月一日起或以後年度期間生效。

<sup>3</sup> 由二零零九年七月一日起或以後年度期間生效。

<sup>4</sup> 由二零零八年七月一日起或以後年度期間生效。

<sup>5</sup> 由二零零八年十月一日起或以後年度期間生效。

本集團正評估這等修訂及新準則的影響，至今的總結是不適宜表明本集團的經營業績及財務狀況會否因採納這等修訂及新準則後受重大影響。

# Summary Financial Information (2004 - 2008) 財務資料摘要 (二零零四年至二零零八年)

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

## RESULTS 業績

		Year ended 31 December 截至十二月三十一日止年度		Period from 1 July 2005 to 31 December 2006 二零零五年 七月一日至 二零零六年 十二月三十一日 止期間	Year ended 30 June 截至六月三十日止年度	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元 (Restated) (重列)	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Turnover	營業額					
- Continuing operations	- 持續經營業務	301,052	115,656	34,681	-	-
- Discontinued operations	- 終止經營業務	-	-	15,000	70,933	136,925
		<b>301,052</b>	<b>115,656</b>	<b>49,681</b>	<b>70,933</b>	<b>136,925</b>
(Loss)/profit attributable to shareholders	股東應佔(虧損)/溢利					
- Continuing operations	- 持續經營業務	(545,172)	5,330	(23,701)	(7,647)	(9,377)
- Discontinued operations	- 終止經營業務	-	-	(127,501)	9,822	32,173
		<b>(545,172)</b>	<b>5,330</b>	<b>(151,202)</b>	<b>2,175</b>	<b>22,796</b>

## ASSETS AND LIABILITIES 資產及負債

		As at 31 December 於十二月三十一日			As at 30 June 於六月三十日	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產	1,732,412	106,574	74,611	210,626	183,827
CURRENT ASSETS	流動資產	204,016	354,986	53,275	22,874	74,299
DEDUCT:	減:					
CURRENT LIABILITIES	流動負債	1,240,816	103,719	41,650	30,829	30,696
NET CURRENT (LIABILITIES)/ASSETS	(負債)/流動資產淨額	<b>(1,036,800)</b>	<b>251,267</b>	<b>11,625</b>	<b>(7,955)</b>	<b>43,603</b>
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	<b>695,612</b>	<b>357,841</b>	<b>86,236</b>	<b>202,671</b>	<b>227,430</b>
DEDUCT:	減:					
NON-CURRENT LIABILITIES	非流動負債	706,913	-	21,323	3,000	25,474
NET (LIABILITIES)/ASSETS	(負債)/資產淨額	<b>(11,301)</b>	<b>357,841</b>	<b>64,913</b>	<b>199,671</b>	<b>201,956</b>

**URUMQI STORE** 烏魯木齊店

