

ANNUAL REPORT 2008 年報



21 Holdings Limited
21 控股有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 01003

Contents

目錄

Corporate Information	公司資料	2
Management Discussion and Analysis	管理層討論及分析	3
Senior Management Profile	高級管理層簡歷	13
Corporate Governance Report	企業管治報告	15
Directors' Report	董事報告	19
Independent Auditors' Report	獨立核數師報告	28
Audited Financial Statements	經審核財務報表	
Consolidated Income Statement	綜合收益表	30
Consolidated Balance Sheet	綜合資產負債表	31
Balance Sheet	資產負債表	33
Consolidated Statement of Changes in Equity	綜合權益變動表	34
Consolidated Cash Flow Statement	綜合現金流量表	35
Notes to the Financial Statements	財務報表附註	37
Financial Summary	財務概要	120



Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Ha Kee Choy, Eugene
Ma Wai Man, Catherine
Ng Kai Man

Independent Non-executive Directors

Cheng Yuk Wo
Chui Chi Yun, Robert
Leung Sau Fan, Sylvia

AUDIT COMMITTEE

Chui Chi Yun, Robert (*Chairman*)
Cheng Yuk Wo
Leung Sau Fan, Sylvia

AUDITORS

Grant Thornton
Certified Public Accountants

REGISTERED OFFICE

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

10/F., 88 Gloucester Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, Bermuda

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F., Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited 1003

WEBSITE

www.irasia.com/listco/hk/21holdings

董事會

執行董事

夏其才
馬慧敏
吳啟民

獨立非執行董事

鄭毓和
崔志仁
梁秀芬

審核委員會

崔志仁 (*主席*)
鄭毓和
梁秀芬

核數師

均富會計師行
執業會計師

註冊辦事處

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

總辦事處及香港主要營業地點

香港灣仔
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主要股份過戶登記處

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Rosebank Centre
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Pembroke, Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712-1716室

股份代號

香港聯合交易所有限公司1003

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Management Discussion and Analysis

管理層討論及分析

BUSINESS AND OPERATION REVIEW

Year 2008 is undoubtedly a year that is difficult to forget. The unprecedented financial tsunami hits most of the industries and countries. All the three business segments of the Company and its subsidiaries (the "Group") are unavoidably adversely affected.

Toy Products Trading

The financial crisis aggravates the ever-tightening orders in toys industry on a global scale. Revenue generated from toys trading segment of the Group are HK\$103.9 million this year, represented a decline of 21.9% when compared with last year. The decrease was noticeably occurred in the second half of the year and primarily due to orders cutting by two major customers in Japan. Nevertheless, the Group has successfully secured remarkable orders shipped to Europe which resulted in certain desirable changes in the usual geographical mix of revenue. Sales to Japan dropped from around 70% of the total revenue of toys trading segment to around 50% only this year whilst sales to Europe built up to around one-third of the total revenue.

In procurement side, costs charged by the Group's suppliers were kept at bargained level even though the suppliers themselves were beaten by escalation in material, labour and operating costs in Mainland China. Gross profit margin of toys trading business maintained at around 4.1% this year. However, distribution costs and administration expenses hanged at a high level due to inflation and appreciation of Renminbi and a provision on doubtful debts of HK\$1.5 million was made. As a result, toys trading business of the Group recorded a segment loss of HK\$8.3 million.

業務及營運回顧

二零零八年度毫無疑問是一個讓人難以忘記的年度。史無前例的金融海嘯沖擊絕大部分行業和國家，本公司及其附屬公司（「本集團」）之三個業務分部均無法避免地因此蒙受不利影響。

玩具產品買賣

金融危機對環球玩具行業本已呈緊張的訂單數量造成進一步打擊。本集團於本年度從玩具買賣分部獲得收益港幣103,900,000元，較去年減少21.9%。跌幅於下半年尤其顯著，主要由於兩大日本客戶均減少了訂單所致。儘管如此，本集團亦已順利取得大量歐洲貨運訂單，使收益於經常性地區分部中產生一些可喜轉變。日本之銷售額由佔玩具買賣分部之總收益約70%下跌至今年僅約佔50%，而歐洲之銷售額則上升至佔總收益約三分之一。

採購工作方面，本集團供應商徵收之成本保持於低廉水平，雖然該等供應商本身亦身受中國內地物料、勞工及經營成本不斷上漲所打擊。玩具買賣業務之毛利率今年維持於約4.1%水平。可是分銷成本及行政開支由於通脹和人民幣升值而高企不下，以及作出呆壞賬撥備港幣1,500,000元。因此，本集團之玩具買賣業務錄得分部虧損港幣8,300,000元。

Management Discussion and Analysis

管理層討論及分析

Securities Trading and Investments

The Group reactivated securities trading and investment business in November 2007. Despite that the Group was only engaged at the nurturing stage and not deeply involved in this section during the year, loss in an amount of HK\$3.7 million was inevitably incurred in the midst of stock markets slumps. In view of the pessimistic market sentiments and that the time ahead remains obscure, the Group decisively suspended its operations in this segment during the year and did not have any securities held for trading as at 31 December 2008.

Property Agency — Material Acquisition of Subsidiaries

On 30 April 2008, the Company together with one of its wholly-owned subsidiary entered into an agreement to acquire from Mr. Ng Kai Man (“Mr. Ng”) the equity interests in Consecutive Profits Limited, Pacific Pointer Limited, Real Clever Profits Limited, Century 21 Hong Kong Limited and Century 21 Limited (collectively, “C21 Group”), at a consideration of HK\$430.0 million (“C21 Acquisition”). C21 Group possesses the exclusive perpetual right to grant franchise to licensed property agents to operate under an international brand name “Century 21” in Hong Kong and Macau and has consistently maintained over 100 sub-franchisees. C21 Group by itself actively engages and has proven records in the brokerage and consultancy business in both the primary and secondary property market in Hong Kong.

證券買賣及投資

本集團於二零零七年十一月再次展開證券買賣及投資業務。儘管該業務年內僅處於耕耘時期，本集團並未積極從事此分部，惟股市屢創低位，亦不可避免地產生虧損港幣3,700,000元。由於市場瀰漫一片悲觀情緒加上前景難以樂觀，故本集團於年內果斷地暫停該分部之業務，於二零零八年十二月三十一日更沒有持有任何作買賣之證券。

物業代理 — 附屬公司之重大收購

於二零零八年四月三十日，本公司與其其中一間全資附屬公司訂立協議，以代價港幣430,000,000元向吳啟民先生（「吳先生」）購入Consecutive Profits Limited、Pacific Pointer Limited、Real Clever Profits Limited、世紀21香港有限公司及世紀21有限公司（統稱「世紀21集團」）之股權（「世紀21收購事項」）。世紀21集團獲授永久獨家權利，可授出特許經營權予持牌房地產經紀，以國際品牌「Century 21」於香港及澳門經營業務，並經常維持超過100家特許經營商。世紀21集團在香港一二線地產市場積極參與經紀及顧問業務，成績有目共睹。



Management Discussion and Analysis

管理層討論及分析

Upon completion of C21 Acquisition on 23 July 2008, Mr. Ng, who is the founder of C21 Group and a seasoned entrepreneur in the real estate industry, is appointed as the executive director of the Company to steer this new business. And the consideration of HK\$430.0 million was settled (i) as to HK\$200.0 million in cash; (ii) by issuing a promissory note in HK\$100.0 million (the "PN"); and (iii) by issuing a convertible note in HK\$130.0 million (the "CN").

Property Agency

Similarly, performance of this newly acquired segment was badly hampered by the economic downturn. Transactions in Hong Kong property market started its turn from the peak in June 2008. The outbreak of financial crisis in September, which in turn caused economic recession, raising of unemployment rate and tightening of credit facilities, exacerbated the stagnation. Revenue generated from property agency segment in the five months after the completion of C21 Acquisition was HK\$15.7 million (the aggregate revenue recorded by the companies in C21 Group for the year ended 31 March 2008 was HK\$88.9 million as disclosed in the circular of the Company dated 28 June 2008).

Facing with the worsening operating environment, the management has taken a series of measures to withstand the adversity, including cutting off underperformed branches and resources, streamlining of manpower and repositioning of marketing strategies.

世紀21收購事項於二零零八年七月二十三日完成後，世紀21集團創辦人兼經驗豐富之地產界企業家吳先生獲委任為本公司之執行董事，為此項新業務掌舵。有關代價港幣430,000,000元之支付方式為(i)港幣200,000,000元以現金支付；(ii)港幣100,000,000元透過發行承兌票據(「承兌票據」)支付；及(iii)港幣130,000,000元透過發行可換股票據(「可換股票據」)支付。

物業代理

同樣，經濟回落對此項新收購分部之表現造成重大打擊。香港物業市場交投量於二零零八年六月由高峰輾轉回落。九月爆發金融危機使經濟陷入衰退、失業率上升及信貸融資收緊，使不景氣加劇。完成世紀21收購事項後的五個月，物業代理分部所得收益為港幣15,700,000元(誠如本公司日期為二零零八年六月二十八日之通函披露，世紀21集團旗下之公司截至二零零八年三月三十一日止年度錄得之總收益為港幣88,900,000元)。

面對不斷惡化的經營環境，管理層已為抵抗逆境而採取連串措施，包括關閉銷售成績未如理想之分行和節省有關資源、精簡人手及重新部署營銷策略。



Management Discussion and Analysis

管理層討論及分析

Operating loss of the property agency segment for the five months period was HK\$2.9 million (the aggregate profit before taxation recorded by the companies in C21 Group for the year ended 31 March 2008 was HK\$25.0 million as disclosed in the circular of the Company dated 28 June 2008). Because of the abrupt changes in the property market since the second half of 2008 and that recovery from the adversity is still on an unclear path, an impairment loss on goodwill arising from C21 Acquisition amounted HK\$174.0 million was provided. The property agency segment recorded a substantial loss of HK\$176.9 million during the year.

PROSPECTS

Among the segments the Group currently engaged in, the management considers that property agency segment will rebound faster and at a greater extent when the economy resumes its momentum and hence more resources will be directed to property agency segment in the time to come. As an assertion to reflect determination in this regard, the name of the Company has been changed to "21 Holdings Limited" in February 2009. Furthermore, placing exercises on best effort basis are undergone to raise fund of up to HK\$151.0 million which will be applied, apart from prepaying the PN so as to lessen the Group's burden on finance costs and gearing ratio, to provide additional working capital for developing the Group's business when opportunities emerged.

物業代理分部於五個月期間之經營虧損為港幣2,900,000元(誠如本公司日期為二零零八年六月二十八日之通函披露,世紀21集團旗下之公司截至二零零八年三月三十一日止年度錄得之總除稅前溢利為港幣25,000,000元)。由於物業市場自二零零八年下半年急轉直下,從逆境中復蘇之路途尚未明朗,故已就世紀21收購事項產生之商譽提撥減值虧損港幣174,000,000元。物業代理分部於年內錄得達港幣176,900,000元之龐大虧損。

前景

在本集團目前從事之多個分部中,管理層認為物業代理分部將於經濟重拾動力時較快反彈,而反彈幅度亦會較大,故此於適當時候將會投放更多資源給物業代理分部。為清楚反映此項部署,本公司之名稱已於二零零九年二月更改為「21控股有限公司」。此外,現正按竭力基準進行配售,以籌資最多達港幣151,000,000元,有關資金除提早償還承兌票據以減輕本集團之財務費用負擔及降低資本與負債比率外,亦將作為額外營運資金,以待適當時機用作發展本集團之業務。



Management Discussion and Analysis

管理層討論及分析

The Group is posed to stretch its presence in the property market in Hong Kong by increasing the number of franchisees and the self-operating branches and active participation in the primary market, but only when the management considers that timing is appropriate after careful evaluation on the development in the economy and the property market. The vast and promising property market in Mainland China is another focal point of the Group's expansion agenda. The Group has already commenced its presence in Beijing in the first quarter of 2009 through a small scale leasing project. The management is always observant on profitable opportunities that will bring attractive returns to the Company and its shareholders.

Year 2009 is expected to be harsh even though the economies show modest revival recently. Nonetheless, the management is devoted and works hard to improve the performance and enhance the value of the Group.

FINANCIAL REVIEW

Review of Results

The Group recorded a revenue of HK\$119.6 million for the year ended 31 December 2008, being a decline of HK\$13.4 million or 10.1% when compared with last year. Gross profit improved by HK\$8.5 million from HK\$3.0 million for last year to HK\$11.5 million, principally due to the acquisition of C21 Group during the year, which has different business nature and cost structure enhanced the gross profit margin of the Group.

本集團已作好準備，將透過增加特許經營商和本身分行數目，於香港物業市場大展拳腳，本集團亦會積極參與一手市場，但僅會於管理層經過審慎評估經濟和物業市場的發展後，認為時機適當時方會進行。中國內地這個龐大及前景充滿希望之物業市場，是本集團擴充議程中的另一重點。本集團已於二零零九年第一季透過一個小型租賃項目開始在北京建立業務。管理層時刻注意市場上任何利潤機遇，以為本公司及其股東帶來豐厚回報。

雖然最近經濟已呈現溫和復蘇跡象，但預料二零零九年度將會是艱辛的一年。儘管如此，管理層已全情投入和加倍努力，以改善本集團表現和提升其價值。

財務回顧

業績回顧

截至二零零八年十二月三十一日止年度，本集團錄得營業額港幣119,600,000元，較去年減少港幣13,400,000元或10.1%。毛利由去年之港幣3,000,000元增加港幣8,500,000元至港幣11,500,000元，主要原因為年內收購世紀21集團，其業務性質及成本結構均與本集團並不相同，使本集團毛利率有所提升。



Management Discussion and Analysis

管理層討論及分析

Mainly caused by the same reason, distribution costs and administrative expenses of the Group increased by HK\$3.4 million and HK\$4.2 million respectively in year 2008. Finance costs of this year basically comprised of interests accrued for the PN and the CN issued on 23 July 2008 and amounted to HK\$4.5 million, surged by 3.8 times when compared with last year.

After deducting other operating expenses which solely comprise of loss on disposals of securities held for trading in HK\$4.5 millions, provision for impairment loss in HK\$3.7 million on investment properties which was acquired by the Group in February 2008 and provision for impairment loss in HK\$174.0 million on goodwill arising from C21 Acquisition, the Group reported a loss of HK\$205.9 million for the year.

Liquidity and Financial Resources

The Group maintained sufficient working capital as at 31 December 2008 with bank balances and cash of HK\$11.9 million (31 December 2007: HK\$235.4 million).

The Group has no bank borrowings as at 31 December 2008 (31 December 2007: nil). However, the PN and the CN issued during the year remained outstanding as at 31 December 2008. The PN bears interest of 3% per annum and matures on 23 January 2010 whilst the CN bears interest of 2% per annum, matures on 23 July 2011 and carrying rights to convert the outstanding principal amount into shares of the Company.

主要因為同一原因，本集團之分銷成本及行政開支於二零零八年分別增加港幣3,400,000元及港幣4,200,000元。本年度之財務費用基本上包括於二零零八年七月二十三日發行之承兌票據和可換股票據的應計利息，有關金額達到港幣4,500,000元，較去年大幅增加3.8倍。

扣除其他經營開支，即僅包括出售持作買賣證券之虧損港幣4,500,000元、本集團於二零零八年二月購入之投資物業之減值虧損撥備港幣3,700,000元及世紀21收購事項產生之商譽之減值虧損撥備港幣174,000,000元後，本集團於本年度錄得虧損港幣205,900,000元。

流動資金及財務資源

於二零零八年十二月三十一日，本集團保留足夠營運資金，銀行結餘及現金為港幣11,900,000元（二零零七年十二月三十一日：港幣235,400,000元）。

於二零零八年十二月三十一日，本集團並無任何銀行借貸（二零零七年十二月三十一日：無）。然而，本集團於年內發行之承兌票據及可換股票據於二零零八年十二月三十一日尚未獲贖回。承兌票據按年利率3厘計息，於二零一零年一月二十三日到期；而可換股票據則按年利率2厘計息，於二零一一年七月二十三日到期，並且有權就未獲贖回之本金額兌換成本公司股份。



Management Discussion and Analysis

管理層討論及分析

Gearing ratio, express as the percentage of total borrowings over total capital, of the Group as at 31 December 2008 was 79.4% (31 December 2007: nil). Total capital is calculated as total equity plus total borrowings. The upsurge in gearing ratio is caused by the issue of the PN and the CN during the year and the substantial loss incurred by the Company which resulted in reduction in equity.

Capital Structure

As at 31 December 2008, the Company has 1,251,646,080 shares of HK\$0.125 each in issue. On 12 February 2009, pursuant to a special resolution passed by the shareholders of the Company, the Company effected a capital reorganisation (the "Capital Reorganisation"), which included :—

- share consolidation of every twenty shares of HK\$0.125 each into one consolidated share of HK\$2.50 each;
- capital reduction of the par value of each issued consolidated share from HK\$2.50 to HK\$0.01 by cancellation of HK\$2.49 of the paid-up capital on each consolidated share; and
- cancellation of the entire balance in the share premium account of the Company.

A total of credit of approximately HK\$323.9 million was arisen from the Capital Reorganisation which was applied to eliminate the accumulated losses of the Company.

於二零零八年十二月三十一日，本集團之資本與負債比率，即借貸總額對總股本之百分比為79.4% (二零零七年十二月三十一日：零)。總資本按總權益加總借貸計算。資本與負債比率大幅上升乃由於年內發行承兌票據及可換股票據，加上本公司產生龐大虧損，使權益有所減少所致。

資本架構

於二零零八年十二月三十一日，本公司有1,251,646,080股每股面值港幣0.125元之已發行股份。於二零零九年二月十二日，根據本公司股東通過之特別決議案，本公司實行股本重組（「股本重組」），包括：—

- 每二十股每股面值港幣0.125元之股份合併為一股面值港幣2.50元之合併股份；
- 透過註銷每股合併股份之實繳股本港幣2.49元，將每股已發行合併股份之面值由港幣2.50元削減為港幣0.01元；及
- 註銷本公司股份溢價賬之全部結餘。

因股本重組產生之進賬額合共約為港幣323,900,000元，已用作抵銷本公司之累計虧損。



Management Discussion and Analysis

管理層討論及分析

Furthermore, 130 million new shares of HK\$0.01 each were allotted and issued by the Company on 31 March 2009 pursuant to a share placing agreement approved by the shareholders of the Company on 11 February 2009 (the "Share Placing").

Resulting from the Capital Reorganisation and the Share Placing, the initial conversion price of the CN HK\$0.1375 was adjusted according to the terms of the CN. Assuming that the CN is fully converted at the prevailing conversion price of HK\$1.366, the number of new shares of HK\$0.01 each to be allotted and issued is 95,168,374.

Charges on Assets

None of the assets of the Group was under charge as at 31 December 2008. As at 31 December 2007, certain financial assets and bank deposits in HK\$19.1 million were pledged to a bank to secure banking facilities of US\$7.0 million, of which no bank loan had ever been drawn.

Exposure to Exchange Rates

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollars, United States dollars and Renminbi. The Group's exposure to United States dollars currency risk is minimal as Hong Kong dollars is pegged to United States dollars. Nevertheless, operations and performances of the Group might be affected by the fluctuation of Renminbi. Presently, the Group does not have any currency hedging policy but will closely monitor Renminbi exchange rate and take appropriate measures to minimise any adverse impact that may be caused by its fluctuation.

此外，根據本公司股東於二零零九年二月十一日批准之股份配售協議，本公司於二零零九年三月三十一日配發及發行130,000,000股每股面值港幣0.01元之新股份（「股份配售」）。

股本重組及股份配售後，已按照可換股票據之條款調整可換股票據之初步兌換價港幣0.1375元。假設按現行兌換價港幣1.366元悉數兌換可換股票據，將配發及發行95,168,374股每股面值港幣0.01元之新股份。

資產抵押

於二零零八年十二月三十一日，概無本集團資產被抵押。於二零零七年十二月三十一日，港幣19,100,000元之若干財務資產及銀行存款已抵押予一間銀行，作為銀行信貸額7,000,000美元之抵押，該銀行貸款未被提取。

匯率風險

本集團之業務交易、資產及負債主要以港幣、美元及人民幣計值。由於港幣與美元掛鈎，故本集團所面對美元之外匯風險極低。然而，人民幣波動可能對本集團之業務及表現造成影響。目前，本集團並無任何貨幣對沖政策，惟會密切注視人民幣匯率波動，並採取適當措施儘量減低匯率波動可能造成之任何不利影響。



Management Discussion and Analysis

管理層討論及分析

Contingent Liabilities

The Group has no material contingent liabilities save that a writ of summons dated 8 October 2004 was filed by Mr. Kwok Chin Wing, a former director of the Company, against the Company in respect of the loans due from two former subsidiaries of the Company for a sum of approximately HK\$44.5 million together with accrued interests thereof (the "Action").

The Company had already completed discovery of all documentary evidence and exchange of witness statement and was ready to proceed with the trial since early 2006. However, Mr. Kwok took out applications in July 2006 for substantial amendments to his Re-Re-Amended Statement of Claim and joinder of party to the Action, both of which were granted by the Court on 19 April 2007. The Action is now pending the filing of the witness statement by the newly joined defendant. Recently, Mr. Kwok indicated that further amendment to his statement of claim would be required. It is foreseeable that the trail of the Action would be further delayed.

Notwithstanding the contemplated amendments to the Re-Re-Amended Statement of Claim, the solicitors and counsel acting for the Company still hold good for their advice previously delivered to the Company. With the benefit of the advice of the solicitors and counsel acting for the Company, the directors of the Company formed the opinion that Mr. Kwok does not have a valid claim against the Company and therefore it is unlikely to have any material adverse financial impact on the Group.

或然負債

本集團並無重大或然負債，惟於二零零四年十月八日，本公司前董事郭展榮先生就本公司兩家前附屬公司所欠貸款約港幣44,500,000元連同應計利息向本公司發出傳訊令狀（「訴訟」）。

本公司已完成一切文件證據之透露及交換證人陳述書，並自二零零六年初已準備妥善就此宗訴訟進行審訊。然而，郭氏於二零零六年七月提出申請，要求大幅修改其二度修訂之申索陳述書及要求加入與訟方，有關申請已於二零零七年四月十九日獲法院批准。訴訟正等候新加入之與訟方提交證人陳述書。最近，郭氏表示將要进一步修訂其申索陳述書。預期訴訟之審訊將進一步推遲。

儘管擬對三度修訂之申索陳述書作出修改，代表本公司之律師及大律師仍堅守彼等先前給予本公司之意見。在徵詢代表本公司之律師及大律師之意見後，本公司董事認為，郭氏並無有效理據向本公司申索，故該訴訟應不會對本集團造成重大不利之財務影響。



Management Discussion and Analysis

管理層討論及分析

EMPLOYEES

As at 31 December 2008, the Group had 113 employees (31 December 2007: 8 employees), of which 82 were sales agents (31 December 2007: nil). The substantial increase in the number of staff during the year is attributable to the acquisition of C21 Group.

To attract, retain and motivate its employees, the Group has developed effective remuneration policies that are subject to review on regular basis. The Group's employees are remunerated with competitive packages which are in line with prevailing industry practice and individual performance. Furthermore, share option and performance-based bonus scheme are also in place to recognise the outstanding employees.

僱員

於二零零八年十二月三十一日，本集團僱用113名（二零零七年十二月三十一日：8名）僱員，其中82名為銷售代理（二零零七年十二月三十一日：無）。由於收購世紀21集團，年內員工人數大幅增加。

為吸引、挽留及激勵僱員，本集團已訂出有效之薪酬政策並予以定期檢討。本集團僱員之薪津方案極具吸引力，與當前業內慣例看齊且與個人表現掛鉤。此外，本集團亦設有購股權計劃及績效花紅計劃以獎勵傑出僱員。



Senior Management Profile

高級管理層簡歷

EXECUTIVE DIRECTORS

Mr. Ha Kee Choy, Eugene, aged 52, joined the Company as an executive director in July 2004 and is also appointed as the director of certain subsidiaries of the Company. Mr. Ha holds a Master's degree in business administration and is a fellow member of the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. Mr. Ha possesses over 20 years of experience in the finance and banking industry and acts as director of a number of private and listed companies in Hong Kong.

Ms. Ma Wai Man, Catherine, aged 43, joined the Company as an executive director in October 2007 and is also appointed as the director of certain subsidiaries of the Company. Ms. Ma is a graduate of City University of Hong Kong, a chartered secretary, a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Ms. Ma has extensive management experience in companies with diversified interests ranging from manufacturing, telecommunications to infrastructure and property investments. She has previously held executive directorship in a number of companies listed on local and overseas stock exchanges.

Mr. Ng Kai Man, aged 55, joined the Company as an executive director in July 2008 and is also appointed as the director of certain subsidiaries of the Company. Mr. Ng holds a master degree from the London School of Economics & Political Sciences, University of London in the United Kingdom. Mr. Ng had held senior positions in Mandarin Property Consultants Limited, The Chase Manhattan Bank, N.A., World Trade Group and The Bank of Canton. He possesses extensive experience in real estate industry and is the founder of Century 21 Hong Kong Limited.

執行董事

夏其才先生，現年五十二歲，於二零零四年七月加入本公司，擔任執行董事，另獲委任為本公司若干附屬公司之董事。夏先生持工商管理碩士學位，乃英國特許公認會計師公會及香港稅務學會資深會員。夏先生積累逾二十年之金融及銀行業經驗，並於香港若干私人及上市公司擔任董事。

馬慧敏女士，現年四十三歲，於二零零七年十月加入本公司，擔任執行董事，另獲委任為本公司若干附屬公司之董事。馬女士畢業於香港城市大學，為特許秘書，以及英國特許公認會計師公會資深會員及香港會計師公會會員。馬女士於多個行業均擁有豐富之管理經驗，包括製造、電訊以至基建及物業投資。彼曾於多間在本地及海外交易所上市之公司任職執行董事。

吳啟民先生，現年五十五歲，於二零零八年七月加入本公司，擔任執行董事，另獲委任為本公司若干附屬公司之董事。吳先生持有英國倫敦大學倫敦經濟及政治學院之碩士學位。吳先生曾於文華行地產顧問有限公司、美國大通銀行、世貿中心集團及廣東銀行擔任高級職位。彼於房地產行業擁有豐富經驗，並為世紀21香港有限公司之創辦人。



Senior Management Profile

高級管理層簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheng Yuk Wo, aged 48, joined the Company as an independent non-executive director in October 2007. He is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada. He is the proprietor of a certified public accountant practice in Hong Kong. Mr. Cheng holds a Master of Science (Economics) degree in Accounting and Finance and a Bachelor of Arts (Honours) degree in Accounting.

On 29 August 2008, Mr. Cheng resigned as a non-executive director of Henry Group Holdings Limited. Currently, Mr. Cheng is the independent non-executive director of Capital Strategic Investment Limited, Chia Tai Enterprises International Limited, Chong Hing Bank Limited, Goldbond Group Holdings Limited, HKC (Holdings) Limited and South China Land Limited, all being public companies listed in Hong Kong. Mr. Cheng was also an independent non-executive director of Jessica Publications Limited (now known as Honbridge Holdings Limited), which is a company listed on The Stock Exchange of Hong Kong Limited, in the past three years.

Mr. Chui Chi Yun, Robert, aged 52, joined the Company as an independent non-executive director in July 2004. Mr. Chui holds a Bachelor's degree in Commerce (major in Accounting) and is a practicing Certified Public Accountant in Hong Kong. Mr. Chui is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom.

Ms. Leung Sau Fan, Sylvia, aged 45, joined the Company as an independent non-executive director in February 2008. She holds a Bachelor degree from City University of Hong Kong and a Bachelor of Laws degree from University of London. She has over 10 years' experience in dealing with listing related and corporate finance areas. Ms. Leung is currently a director of an established firm of corporate finance advisers.

獨立非執行董事

鄭毓和先生，現年四十八歲，於二零零七年十月加入本公司，擔任獨立非執行董事。彼乃英國及威爾斯特許公認會計師公會、香港會計師公會資深會員及加拿大安大略省特許會計師公會會員。彼為一間香港執業會計師行之擁有人。鄭先生持有會計及財務經濟科學碩士學位及文學士榮譽學位(會計)。

於二零零八年八月二十九日，鄭先生辭任鎮科集團控股有限公司之非執行董事職位。鄭先生現時為資本策略投資有限公司、正大企業國際有限公司、創興銀行有限公司、金榜集團控股有限公司、香港建設(控股)有限公司及南華置地有限公司(該等公司均為香港之上市公司)之非執行董事。鄭先生於過去三年期間亦曾任Jessica Publications Limited(現稱為洪橋集團有限公司)之獨立非執行董事，該公司為在香港聯合交易所有限公司上市之公司。

崔志仁先生，現年五十二歲，於二零零四年七月加入本公司，擔任獨立非執行董事。崔先生持有商學士學位(主修會計)，並為香港執業會計師。崔先生乃香港會計師公會及英國特許公認會計師公會之資深會員。

梁秀芬女士，現年四十五歲，於二零零八年二月加入本公司，擔任獨立非執行董事。彼持有香港城市大學學士學位及倫敦大學法律學士學位。彼於上市相關及企業融資領域擁有逾十年經驗。梁女士目前於一間著名企業融資顧問公司擔任董事。

CORPORATE GOVERNANCE PRACTICE

The board of directors of the Company (the “Board”) considers that good corporate governance is essential for enhancing accountability and transparency of a company to the investing public and other stakeholders. Therefore, the Company commits to maintain high standard corporate governance practices and has complied with the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2008 except for the deviations described in this Corporate Governance Report.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as its own code of conduct regarding the directors’ securities transaction. Having made specific enquiry, all directors confirmed that they fully complied with the Model Code throughout the year.

BOARD OF DIRECTORS

The Board is vested with the key roles of formulating the Group’s corporate strategic directions and policies; monitoring the financial performance and internal control system of the Group and overseeing the performance of management, who is delegated with the responsibilities of executing the Board’s decision and in-charging day-to-day operation. In discharging its responsibilities, the Board meets regularly and acts in good faith, with due diligence and care.

The directors acknowledge their responsibility for preparing the financial statements of the Company.

On 31 January 2008, Mr. Lai Wing Leung, Peter, due to his own career and personal commitment, resigned as the independent non-executive director and member of the audit committee of the Company and Ms. Leung Sau Fan, Sylvia was appointed on 1 February 2008 to replace Mr. Lai. On 23 July 2008, Mr. Ng Kai Man was appointed as the executive director of the Company upon the completion of C21 Acquisition, details of which are disclosed under the heading “Property Agency — Material Acquisition of Subsidiaries” in the section “Management Discussion and Analysis”.

企業管治守則

本公司董事會（「董事會」）認為良好企業管治能提升公司對投資大眾及其他利益相關者之間責性及透明度。故此，本公司致力維持高水準之企業管治守則，並於截至二零零八年十二月三十一日止年度內一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四中企業管治常規守則（「企管守則」）所載之守則條文，惟此企業管治報告內討論之偏離事宜除外。

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為本公司董事進行證券交易之行為守則。經特定查詢後，全體董事確認於本年度已充分遵守標準守則。

董事會

董事會之主要角色為策劃本集團之企業策略方向及政策，監察本集團之財務表現及內部監控系統，並監察管理人員在執行獲董事會授予之職責及處理日常營運時之表現。執行其責任時，董事會會定期舉行會議，並秉誠行事、審慎盡責。

董事確認其編製本公司財務報表之責任。

於二零零八年一月三十一日，黎永良先生因本身事業及個人抱負而辭任本公司獨立非執行董事及審核委員會成員，而梁秀芬女士於二零零八年二月一日獲委任，以接替黎先生。於二零零八年七月二十三日，吳啟民先生於完成世紀21收購事項（詳情披露於「管理層討論及分析」中「物業代理—附屬公司之重大收購」一節）後獲委任為執行董事。

Corporate Governance Report

企業管治報告

The Board currently comprises three executive directors and three independent non-executive directors, the biographies of whose are set out on pages 13 to 14 of this annual report. All the directors are high caliber executives with diversified industry expertise and bring a wide range of skills and experience to the Group. The composition of the Board and their respective attendance in the Board meetings and other committee meetings during the year ended 31 December 2008 are as follows:

董事會現由三名執行董事及三名獨立非執行董事組成，其簡歷載於本年報第13頁至14頁。全體董事均為能幹之行政人員，具有不同行業專長並為本集團帶來各種技術與經驗。截至二零零八年十二月三十一日止年度，董事會之組成及各董事於董事會會議及其他委員會會議之相關出席率如下：

		No. of meetings attended/held 出席／舉行會議次數		
		Regular full board meetings 董事會全體 成員例會	Audit Committee meetings 審核委員會 會議	Remuneration Committee meeting 薪酬委員會 會議
<i>Executive directors</i>		<i>執行董事</i>		
Ha Kee Choy, Eugene	夏其才	4/4	—	1/1
Ma Wai Man, Catherine	馬慧敏	4/4	—	—
Ng Kai Man (appointed on 23 July 2008)	吳啟民 (於二零零八年 七月二十三日獲委任)	2/2	—	—
<i>Independent non-executive directors</i>		<i>獨立非執行董事</i>		
Cheng Yuk Wo	鄭毓和	4/4	2/2	1/1
Chui Chi Yun, Robert	崔志仁	4/4	2/2	1/1
Leung Sau Fan, Sylvia (appointed on 1 February 2008)	梁秀芬 (於二零零八年 二月一日獲委任)	4/4	2/2	—
Lai Wing Leung, Peter (resigned on 31 January 2008)	黎永良 (於二零零八年 一月三十一日辭任)	—	—	—

Chairman and Chief Executive Officer

Pursuant to Code A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

During the year ended 31 December 2008, there is no specific designation of chairman in the Board and no chief executive officer has been appointed. Nevertheless, Mr. Ha Kee Choy, Eugene focuses on the leadership role in the Board to ensure that the Board works effectively in discharging its responsibilities and that all key and appropriate issues are discussed by the Board in a timely manner whilst Mr. Ng Kai Man (and Ms. Ma Wai Man, Catherine prior to

主席及行政總裁

根據企管守則第A.2.1條，主席及行政總裁的角色應為獨立並且不應由同一人兼任。

截至二零零八年十二月三十一日止年度，並無具體指定董事會主席，亦無行政總裁獲委任。然而，夏其才先生專注於董事會上的領導角色，確保董事會於履行其職責時有效運作，以及董事會適時地討論一切關鍵和適當的事宜，而吳啟民先

the joining of Mr. Ng) takes up the responsibilities of overseeing the business and operations of the Group. The Board considers that the segregation of responsibilities among the Board members meets the requirements under the CG Code.

Non-executive Directors

None of the non-executive directors of the Company is appointed for specific term which is deviated from Code A.4.1 of the CG Code. However, as the directors are subject to the retirement by rotation provisions under the bye-laws of the Company, the Board considers that sufficient measures have been in place to ensure that the Company's corporate governance practices are no less exacting than the CG Code.

Audit Committee

The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. Chui Chi Yun, Robert (Committee Chairman), Mr. Cheng Yuk Wo and Ms. Leung Sau Fan, Sylvia (appointed on 1 February 2008). The main role and functions of the Audit Committee are to review the financial information of the Company, to oversee the Company's financial reporting system and internal control procedure and maintain relations with the auditors of the Company.

In year 2008, the Audit Committee held two meetings, both were attended by Mr. Chui Chi Yun, Robert, Mr. Cheng Yuk Wo and Ms. Leung Sau Fan, Sylvia. During the meetings, the annual results of the Group for the year ended 31 December 2007 was reviewed with the auditors of the Company, the report on the internal control system for year 2007 was evaluated and the interim results of the Group for the six months ended 30 June 2008 was discussed.

Remuneration Committee

The Remuneration Committee of the Company was set up with key responsibilities of recommending the policy and structure for remuneration of directors and senior management and determining the remuneration package of executive directors and senior management.

The Remuneration Committee composed of Mr. Ha Kee Choy, Eugene (Committee Chairman), Mr. Cheng Yuk Wo and Mr. Chui Chi Yun, Robert. The committee member met once in the year ended 31 December 2008 for discussing the remuneration package of the directors and senior management.

生(及馬慧敏女士(於吳先生加入前))則負責監督本集團之業務和運作。董事會認為董事會成員之職權劃分，乃符合企管守則的規定。

非執行董事

本公司之非執行董事並非按指定任期委任，與企管守則第A.4.1條有所偏離。然而，董事須根據本公司之公司細則輪席退任。因此，董事會認為已採取足夠措施以確保本公司之企業管治守則與企管守則同樣嚴謹。

審核委員會

審核委員會由三位本公司獨立非執行董事組成，分別為崔志仁先生(委員會主席)、鄭毓和先生及梁秀芬女士(於二零零八年二月一日獲委任)。審核委員會之主要角色及職能為審閱本公司之財務資料、監察本公司之財務匯報系統及內部監控程序，並與本公司核數師維持良好關係。

於二零零八年度，審核委員會舉行兩次會議，兩次均獲崔志仁先生、鄭毓和先生及梁秀芬女士出席。於該等會議上，審核委員會與本公司核數師審閱本集團截至二零零七年十二月三十一日止年度之年度業績、評價二零零七年度之內部監控系統報告，以及討論本集團截至二零零八年六月三十日止六個月之中期業績。

薪酬委員會

本公司薪酬委員會成立之主要職責為就董事及高級管理層之薪酬政策及架構提供建議，並釐定執行董事及高級管理層之薪酬組合。

薪酬委員會由夏其才先生(委員會主席)、鄭毓和先生及崔志仁先生組成。委員會成員於截至二零零八年十二月三十一日止年度舉行一次會議，討論董事及高級管理層之薪酬待遇。

Corporate Governance Report

企業管治報告

Nomination of Directors

The Company has not established a nomination committee. The Board as a whole is responsible for considering and approving the appointment of its members and will meet to discuss when nomination of new director(s) is received or when circumstances require. In considering the suitability of a candidate for directorship, the Board will take into account the candidate's qualification, experience, expertise and knowledge as well as the prevailing composition, structure and size of the Board and the requirements under the Listing Rules.

INTERNAL CONTROLS

The Board acknowledges that an effective internal control system which is designed to monitor and respond appropriately to significant risk, to safeguard assets, to provide reasonable assurance from fraud and errors and to ensure compliance of applicable law and regulations is essential for effective and efficient operations of a company. Furthermore, the internal control system is designed to manage rather than eliminate the risk of failure and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has in place an effective internal control system which encompasses sound control environment, appropriate segregation of duties, well-defined policies and procedures, close monitoring and is reviewed and enhanced by the management at regular intervals.

The Board, with the assistance of the management, has conducted a review on the effectiveness of the internal control system and, in particular, two key business cycles of a newly acquired business segment was reviewed for the year ended 31 December 2008. Based on the report on the findings which include recommendations for further improvement, the directors were satisfied that the Group has operated an effective internal control system during the year under review.

AUDITORS' REMUNERATION

During the year ended 31 December 2008, remuneration in respect of audit and non-audit services provided by the auditors of the Company to the Group are approximately HK\$730,000 (2007: HK\$450,000) and HK\$261,000 (2006: HK\$590,000) respectively.

董事提名

本公司並無成立提名委員會。於接獲新董事提名或於合適時機時，董事會全體成員負責並舉行會議商討及批准董事委任事項。於考慮董事候選人是否合適時，董事會會考慮其資格、經驗、專業技能、知識以及現行董事會之組合、架構與人數以及上市規則之規定。

內部監控

董事會確認，高效之內部監控系統乃公司能有效及高效率營運之關鍵。該系統之設計能監察並適切回應重大風險、保障資產、合理地保證避免欺詐及錯誤以及能確保遵守適用法律法規。此外，內部監控系統只能管理而非杜絕失誤風險，只能提供合理保證而非絕對能防範重大失實陳述或損失。

本集團已設立有效內部監控系統，包含健全監控環境、適當職務分工、清楚界定的政策和程序、嚴密監察，並且由管理層定期檢討及提升。

董事會在管理層協助下，對內部監控系統於截至二零零八年十二月三十一日止年度之效能進行檢討，尤其針對新近收購之業務分部之兩大業務周期。根據包含進一步改進之建議之調查報告，董事信納本集團於回顧年度內設有高效內部監控系統。

核數師酬金

截至二零零八年十二月三十一日止年度，本公司核數師提供審核及非審核服務予本集團之酬金分別約為港幣730,000元(二零零七年：港幣450,000元)及港幣261,000元(二零零七年：港幣590,000元)。

The directors present their annual report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in trading of toy, gift and premium products and securities trading and investments. During the year, the Group commenced its business in provision of property agency and related services by acquiring C21 Group, details of which are disclosed in the section "Connected Transaction" in this Directors' Report.

Details of the activities of the subsidiaries are set out in note 16 to the financial statements. An analysis of revenue and results by principal activities and geographical locations of the Group are set out in note 7 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 30.

The directors do not recommend the payment of a dividend for the year.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 26 to the financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 34 and note 27 to the financial statements respectively.

董事謹此提呈彼等之年度報告連同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年度之經審核財務報表。

主要業務

本公司乃一間投資控股公司，其附屬公司主要從事玩具、贈品及精品買賣以及證券買賣及投資。於本年度，本集團透過收購世紀21集團而開始經營提供物業代理及有關服務之業務，有關詳情披露於本董事報告「關連交易」一節。

各附屬公司之業務詳情載於財務報表附註16。按本集團主要業務及地區劃分之收益及業績分析載於財務報表附註7。

業績及分配

本集團截至二零零八年十二月三十一日止年度之業績載於第30頁之綜合收益表。

董事不建議派付本年度股息。

物業、廠房及設備

本集團之物業、廠房及設備於年內變動之詳情載於財務報表附註14。

股本

本公司股本於年內變動之詳情載於財務報表附註26。

儲備

本集團及本公司年內儲備之變動分別載於第34頁之綜合權益變動表及財務報表附註27。

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

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws (the "Bye-laws") or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS

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

Executive Directors

Mr. Ha Kee Choy, Eugene
Ms. Ma Wai Man, Catherine
Mr. Ng Kai Man (appointed on 23 July 2008)

Independent Non-executive Directors

Mr. Cheng Yuk Wo
Mr. Chui Chi Yun, Robert
Ms. Leung Sau Fan, Sylvia (appointed on 1 February 2008)
Mr. Lai Wing Leung, Peter (resigned on 31 January 2008)

In accordance with Bye-law 102(B) of the Bye-laws, Mr. Ng Kai Man, who was appointed by the Board after the annual general meeting held by the Company in year 2008, shall hold office until the next annual general meeting and, being eligible, offer himself for re-election. The Directors retiring by rotation in accordance with Bye-law 99 of the Bye-laws are Mr. Chui Chi Yun, Robert and Ms. Leung Sau Fan, Sylvia. Mr. Chui Chi Yun, Robert will, being eligible, offer himself for re-election at the forthcoming annual general meeting whilst Ms. Leung Sau Fan, Sylvia has informed the Board of her intention of not seeking re-election in order to devote more time and effort to her own career.

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於年內並無購買、出售或贖回本公司任何上市證券。

優先購買權

本公司細則(「公司細則」)或百慕達法例均無有關優先購買權之條款，規定本公司須按比例向現有股東發售新股份。

董事

本公司年內及至本報告日期止之董事如下：

執行董事

夏其才先生
馬慧敏女士
吳啟民先生(於二零零八年七月二十三日獲委任)

獨立非執行董事

鄭毓和先生
崔志仁先生
梁秀芬女士(於二零零八年二月一日獲委任)
黎永良先生(於二零零八年一月三十一日辭任)

根據公司細則第102(B)條，吳啟民先生(彼於本公司二零零八年度股東週年大會舉行過後獲委任)之任期至下屆股東週年大會止，彼符合資格並願膺選連任。按照公司細則第99條，輪值退任之董事為崔志仁先生及梁秀芬女士。崔志仁先生符合資格並將於應屆股東週年大會上膺選連任，而梁秀芬女士已通知董事會，由於擬投入更多時間和努力於其本身事業，故無意尋求膺選連任。

The directors proposed for re-election at the forthcoming annual general meeting do not have any service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

The non-executive directors are subject to retirement by rotation in accordance with the Bye-laws.

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and considers all of the independent non-executive directors are independent.

DIRECTORS' INTEREST IN SECURITIES

As at 31 December 2008, the interests and short positions of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) were as follows:

Long positions in the ordinary shares of HK\$0.125 each of the Company (the "Shares")

Name of Directors 董事姓名	Capacity 身份	Number of underlying Shares 相關股份數目	Approximate percentage of shareholding 概約股權百分比
Ng Kai Man ("Mr. Ng")	Beneficial owner	945,454,545 (notes 1 & 2)	75.54%
吳啟民 (「吳先生」)	實益擁有人	(附註1及2)	

Notes:

- Being the number of Shares issuable to Mr. Ng pursuant to a convertible note issued by the Company to Mr. Ng. Details of the convertible note are disclosed in note 24(b) to the financial statements; and
- Following the Share Consolidation (as described in note 38(a) to the financial statements) and the completion of the first tranche of the Share Placing (as described in note 38(b) to the financial statements), the number of shares issuable pursuant to the convertible note held by Mr. Ng was adjusted to 95,168,374.

擬於應屆股東週年大會膺選連任之董事概無訂有本公司於一年內不作賠償(法定賠償除外)即不可終止之任何服務合約。

根據公司細則，各非執行董事須輪值告退。

本公司已收到各獨立非執行董事根據香港聯合交易所有限公司證券上市規則(「上市規則」)第3.13條發出之週年獨立性確認函，並認為各獨立非執行董事皆屬獨立人士。

董事之證券權益

於二零零八年十二月三十一日，本公司董事、行政總裁及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中之權益及淡倉如下：

於本公司每股面值港幣0.125元之普通股(「股份」)之好倉

Name of Directors 董事姓名	Capacity 身份	Number of underlying Shares 相關股份數目	Approximate percentage of shareholding 概約股權百分比
Ng Kai Man ("Mr. Ng")	Beneficial owner	945,454,545 (notes 1 & 2)	75.54%
吳啟民 (「吳先生」)	實益擁有人	(附註1及2)	

附註：

- 指根據本公司向吳先生發行之可換股票據，可發行予吳先生之股份數目。可換股票據之詳情披露於財務報表附註24(b)；及
- 於股份合併(於財務報表附註38(a)描述)及完成首批股份配售(於財務報表附註38(b)描述)後，根據吳先生持有之可換股票據可予發行之股份數目已調整至95,168,374股股份。

Directors' Report

董事報告

Save as disclosed above, as at 31 December 2008, none of the directors or chief executive of the Company or any of their associates had any interests or short positions in the shares, underlying share and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section "Connected Transaction" of this Directors' Report, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 33 to the financial statements and the section "Connected Transaction" of this Directors' Report, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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、行政總裁或彼等各自之聯繫人士於本公司或其任何相聯法團之股份、相關股份及債權證中，概無擁有須記錄在本公司根據證券及期貨條例第352條所置存之登記冊或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則而另行知會本公司及香港聯合交易所有限公司（「聯交所」）之任何權益或淡倉。

購買股份或債權證之安排

除本董事報告「關連交易」一節所披露者外，於本年度任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債權證而獲益。

董事之重大合約權益

除財務報表附註33及本董事報告「關連交易」一節所披露者外，本公司或其任何附屬公司概無訂立任何於年終或年內任何時間仍然有效，且本公司董事直接或間接擁有重大利益之重大合約。

DIRECTORS' INTEREST IN COMPETING BUSINESS

董事於競爭業務之權益

Interests of the directors in competing businesses to the Group as at 31 December 2008 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were set out as below:—

於二零零八年十二月三十一日，董事於本集團之競爭業務中，須根據上市規則第8.10條披露之權益載列如下：

Name of Director 董事姓名	Name of entity 實體名稱	Nature of competing business 競爭業務之性質	Nature of interest 權益性質
Ng Kai Man 吳啟民	Century 21 Best Mortgage Limited 世紀21按揭專門店有限公司	provision of agency services for mortgage financing 為按揭融資提供代理服務	director and shareholder 董事及股東
	Century 21 Singapore Holdings Pte Limited	provision of franchise and property agency services in Singapore 於新加坡提供特許經營及物業代理服務	director and shareholder 董事及股東
	Century 21 Real Estate of Taiwan Ltd. 泛太不動產仲介經紀股份有限公司	provision of franchise and property agency services in Taiwan 於台灣提供特許經營及物業代理服務	director and shareholder 董事及股東

Save as disclosed above, none of the directors was interested in any business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

除上文披露者外，概無董事於可或應會與本集團業務直接或間接競爭之任何業務(除本集團之業務外)中擁有權益。

CONNECTED TRANSACTION

On 30 April 2008, the Company together with its wholly-owned subsidiary, Kingbox Investments Limited ("Kingbox"), entered into an agreement to acquire from Mr. Ng the equity interests in Consecutive Profits Limited, Pacific Pointer Limited, Real Clever Profits Limited, Century 21 Hong Kong Limited and Century 21 Limited (collectively, "C21 Group"), at a consideration of HK\$430 million ("C21 Acquisition"). The consideration was satisfied (i) as to HK\$200 million in cash; (ii) as to HK\$100 million by Kingbox issuing a promissory note; and (iii) as to HK\$130 million by the Company issuing a convertible note. Details of the transaction are set out in the circular of the Company dated 28 June 2008 and the terms of the promissory note and convertible note are set out in note 23 and note 24(b) to the financial statement respectively.

C21 Acquisition constituted a very substantial acquisition for the Company. For the reason that Mr. Ng is a brother of a director of a subsidiary of the Company, C21 Acquisition also constituted a connected transaction for the Company under the Listing Rules and was approved by the independent shareholders of the Company in a special general meeting held on 14 July 2008.

Completion of C21 Acquisition took place on 23 July 2008, upon which C21 Group becomes a wholly-owned sub-group of the Company, which is specialised in provision of property agency and related services. On the same date, Mr. Ng was appointed as the executive director of the Company to oversee the business and operation of the Group.

As at 31 December 2008, the principal amount of the convertible note has not been converted into Shares and remained as HK\$130 million.

關連交易

於二零零八年四月三十日，本公司及其全資附屬公司Kingbox Investments Limited（「Kingbox」）訂立協議，以代價港幣430,000,000元向吳先生購入Consecutive Profits Limited、Pacific Pointer Limited、Real Clever Profits Limited、世紀21香港有限公司及世紀21有限公司（統稱「世紀21集團」）之股權（「世紀21收購事項」）。代價透過(i)支付現金港幣200,000,000元；(ii) Kingbox發行承兌票據支付港幣100,000,000元；及(iii)本公司發行可換股票據支付港幣130,000,000元。有關交易之詳情載於本公司日期為二零零八年六月二十八日之通函，而承兌票據和可換股票據之條款則分別載於財務報表附註23及附註24(b)。

世紀21收購事項構成本公司之非常重大收購事項。由於吳先生為本公司一間附屬公司董事之胞兄，故根據上市規則，世紀21收購事項亦構成本公司之關連交易，並已於二零零八年七月十四日舉行之股東特別大會上獲得本公司之獨立股東批准。

世紀21收購事項於二零零八年七月二十三日完成，致使世紀21集團成為本公司之全資附屬集團，專門提供物業代理及有關服務。同日，吳先生獲委任為本公司執行董事，以監察本集團之業務及營運。

於二零零八年十二月三十一日，可換股票據之本金額並未兌換為股份，金額仍然為港幣130,000,000元。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2008, the interests and short positions of those persons (other than the directors or chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the Shares

Name of shareholders 股東姓名	Capacity 身份	Number of Shares held 持有股份數目	Approximate percentage of shareholding 概約股權百分比
Advance Tech Limited	Beneficial owner 實益擁有人	115,579,200 (note 2) (附註2)	9.23%
Macau Prime Management Group Limited	Interest of controlled corporation 受控制法團之權益	115,579,200 (notes 1 & 2) (附註1及2)	9.23%
ITC Properties Group Limited 德祥地產集團有限公司	Interest of controlled corporation 受控制法團之權益	115,579,200 (notes 1 & 2) (附註1及2)	9.23%

Notes:

- Advance Tech Limited is a company wholly-owned by Macau Prime Management Group Limited, the entire share capital of which is held by ITC Properties Group Limited. Therefore, both Macau Prime Management Group Limited and ITC Properties Group Limited are deemed to be interested in 115,579,200 Shares held by Advance Tech Limited; and
- Upon the Share Consolidation (as described in note 38(a) to the financial statements) became effective, 115,579,200 Shares were consolidated into 5,778,960 consolidated shares.

主要股東

於二零零八年十二月三十一日，按本公司根據證券及期貨條例第336條存置之名冊記錄，以下人士（本公司董事或行政總裁除外）於本公司之股份及相關股份之權益及淡倉如下：

於股份之好倉

附註：

- Advance Tech Limited乃由Macau Prime Management Group Limited（其全部已發行股本由德祥地產集團有限公司持有）持有。因此，Macau Prime Management Group Limited及德祥地產集團有限公司均被視為於Advance Tech Limited所持之115,579,200股股份中擁有權益；及
- 於股份合併（於財務報表附註38(a)描述）生效後，115,579,200股股份合併為5,778,960股合併股份。

Directors' Report

董事報告

Save as disclosed above, as at 31 December 2008, the Company has not been notified of any interests or short positions in the shares or underlying shares of the Company representing five percent or more in the issued share capital of the Company and recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTIONS

Particulars of the share option scheme of the Company are set out in note 28 to the financial statements. There were no outstanding share options at 1 January 2008 and 31 December 2008 and no share options were granted, exercised, cancelled or lapsed during the year ended 31 December 2008.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases of the Group attributable to the largest supplier and the five largest suppliers combined are 57.1% and 89.4% respectively.

The percentage of turnover of the Group attributable to the largest customer and the five largest customers combined are 27.3% and 71.3% respectively.

None of the directors, their associates or shareholders (which to the knowledge of the directors own more than 5% of the Company's share capital) had any interest in the five major suppliers or customers of the Group.

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 the Company has maintained sufficient public float as required under the Listing Rules.

POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 38 to the financial statements.

除上文所披露者外，於二零零八年十二月三十一日，本公司並無獲通知有任何人士於本公司股份或相關股份中擁有相當於本公司已發行股本5%或以上之權益或淡倉而記錄於本公司根據證券及期貨條例第336條須存置之登記冊。

購股權

本公司之購股權計劃詳情載於財務報表附註28。於二零零八年一月一日及二零零八年十二月三十一日，並無尚未行使之購股權，於截至二零零八年十二月三十一日止年度亦無購股權已獲授出、行使、註銷或失效。

主要客戶及供應商

本集團最大供應商及五大供應商分別共佔本集團採購額57.1%及89.4%。

本集團最大客戶及五大客戶分別共佔本集團營業額27.3%及71.3%。

各董事、彼等之聯繫人士或就董事所知擁有本公司股本5%以上之股東，概無在本集團五大供應商或五大客戶中擁有任何權益。

充足公眾持股量

根據於本報告日期本公司獲得之公開資料及董事所知，本公司一直維持上市規則規定之充足公眾持股量。

結算日後事項

結算日後發生之重大事項詳情載於財務報表附註38。

AUDITORS

Moores Rowland Mazars were appointed as auditors of the Company in January 2007 to fill the casual vacancy following the resignation of Deloitte Touche Tohmatsu. Moores Rowland Mazars have changed their name to Moores Rowland on 1 June 2007 and combined their practice with Grant Thornton.

A resolution will be submitted at the forthcoming annual general meeting of the Company to re-appoint Grant Thornton as auditors of the Company.

On behalf of the Board

Ng Kai Man

Executive Director

Hong Kong, 22 April 2009

核數師

摩斯倫•馬賽會計師事務所於二零零七年一月獲委任為本公司核數師，以填補德勤•關黃陳方會計師行辭任後所產生之臨時空缺。摩斯倫•馬賽會計師事務所於二零零七年六月一日改名為摩斯倫會計師事務所並將其業務併入均富會計師行。

應屆股東週年大會上將提呈一項決議案，續聘均富會計師行為本公司核數師。

代表董事會

執行董事

吳啟民

香港，二零零九年四月二十二日



Independent Auditors' Report

獨立核數師報告



Member of Grant Thornton International Ltd

To the members of 21 Holdings Limited
(formerly known as GFT Holdings Limited)
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of 21 Holdings Limited (formerly known as GFT Holdings Limited) (the "Company") set out on pages 30 to 119, 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 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, 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.

致21控股有限公司
(前稱真樂發控股有限公司)
(於百慕達註冊成立之有限公司)
全體股東

本核數師已完成審核載於第30頁至第119頁之21控股有限公司(前稱真樂發控股有限公司)(「貴公司」)之綜合財務報表，其中包括於二零零八年十二月三十一日之綜合及公司資產負債表，以及截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，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的責任

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

核數師之責任

本核數師之責任是根據審核工作之結果對該等財務報表發表意見，並按照百慕達一九八一年公司法第90條僅向整體股東報告本核數師之意見，而不作其他用途。本核數師概不會就本報告內容對任何其他人士負責或承擔任何責任。

Independent Auditors' Report

獨立核數師報告

AUDITORS' RESPONSIBILITY (Continued)

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 of 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.

Grant Thornton

Certified Public Accountants
13th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

22 April 2009

核數師之責任 (續)

本核數師按照香港會計師公會頒佈之香港核數準則進行審核工作。該等準則要求本核數師在策劃及進行審核工作時須遵守道德規範，使本核數師能就該等財務報表是否不存有重大錯誤陳述作合理之確定。

審核涉及執程序以取得與財務報表所載金額及披露事項有關之審核憑證。所選程序須視乎本核數師之判斷，包括評估財務報表因欺詐或錯誤引起重大錯誤陳述之風險。在評估該等風險時，本核數師將考慮與公司編製及真實而公平地呈列財務報表有關之內部監控，以因應情況設計適當審核程序，但並非為就公司內部監控是否有效表達意見。審核亦包括評價董事所採用之會計政策之恰當性及所作會計估算之合理性，並就財務報表之整體呈列方式作出評估。

本核數師相信，本核數師所獲得之審核憑證，是充分和恰當地為本核數師的審核意見提供基礎。

意見

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

均富會計師行

執業會計師
香港
皇后大道中15號
置地廣場
告羅士打大廈13樓

二零零九年四月二十二日

Consolidated Income Statement

綜合收益表

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

		Notes 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Revenue	收益	5	119,586	132,987
Cost of sales	銷售成本		(108,072)	(129,977)
Gross profit	毛利		11,514	3,010
Other income	其他收入	6	2,093	2,061
Gain on disposal of subsidiaries	出售附屬公司收益	30	—	20,413
Distribution costs	分銷成本		(6,762)	(3,379)
Administrative expenses	行政開支		(26,176)	(21,985)
Loss on assignment of an amount due from a subsidiary upon disposal	出售附屬公司時轉讓 應收款項之虧損		—	(68,559)
Provision for impairment loss on goodwill	商譽之減值虧損撥備		(173,960)	(4,201)
Provision for impairment loss on investment properties	投資物業之減值虧損撥備		(3,656)	—
Other operating expenses	其他經營開支		(4,464)	(1,219)
Finance costs	財務費用	8	(4,526)	(940)
Loss before income tax	除所得稅前虧損	9	(205,937)	(74,799)
Income tax credit/(expense)	所得稅抵免/(開支)	10	77	(171)
Loss for the year	本年度虧損		(205,860)	(74,970)
Attributable to:	應佔：			
Equity holders of the Company	本公司股權持有人	11	(205,860)	(73,579)
Minority interests	少數股東權益		—	(1,391)
Loss for the year	本年度虧損		(205,860)	(74,970)
			HK\$	HK\$
			港幣元	港幣元
				(restated)
				(經重列)
Loss per share for loss attributable to the equity holders of the Company during the year	本公司股權持有人 應佔本年度虧損 之每股虧損	12		
Basic	基本		(3.29)	(3.30)
Diluted	攤薄		N/A不適用	N/A不適用

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2008 於二零零八年十二月三十一日

	Notes 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	533	155
Investment properties	15	14,482	—
Goodwill	17	256,000	—
		271,015	155
Current assets			
Trade and other receivables	18	27,008	15,546
Financial assets at fair value through profit or loss	19	—	11,339
Bank balances and cash	20	11,888	235,437
Tax recoverable		—	231
		38,896	262,553
Current liabilities			
Trade and other payables	21	31,149	15,074
Amount due to a director	22	862	—
Provision for tax		4,095	—
		36,106	15,074
Net current assets		2,790	247,479
Total assets less current liabilities		273,805	247,634
Non-current liabilities			
Promissory note	23	100,000	—
Convertible notes	24	117,352	—
		217,352	—
Net assets		56,453	247,634

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2008 於二零零八年十二月三十一日

			2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益			
Share capital	股本	26	156,456	156,456
Reserves	儲備		(100,003)	91,178
Total equity	權益總額		56,453	247,634

On behalf of the Board

代表董事會

Ha Kee Choy, Eugene

夏其才

Director

董事

Ng Kai Man

吳啟民

Director

董事

Balance Sheet

資產負債表

As at 31 December 2008 於二零零八年十二月三十一日

			2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
ASSETS AND LIABILITIES	資產及負債			
Non-current asset	非流動資產			
Interest in subsidiaries	附屬公司權益	16	1	1
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	16	170,733	242,361
Other receivables	其他應收款項	18	226	627
Bank balances and cash	銀行結餘及現金	20	5,105	19,307
			176,064	262,295
Current liability	流動負債			
Other payables	其他應付款項	21	2,046	1,745
Net current assets	流動資產淨值		174,018	260,550
Total assets less current liability	資產總額減流動負債		174,019	260,551
Non-current liability	非流動負債			
Convertible notes	可換股票據	24	117,352	—
Net assets	資產淨值		56,667	260,551
EQUITY	權益			
Share capital	股本	26	156,456	156,456
Reserves	儲備	27	(99,789)	104,095
Total equity	權益總額		56,667	260,551

On behalf of the Board

代表董事會

Ha Kee Choy, Eugene

夏其才
Director
董事

Ng Kai Man

吳啟民
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

Equity attributable to equity holders of the Company 本公司股權持有人應佔權益

		Share capital	Share premium*	Capital reserve*	Share options reserve*	Convertible	Translation reserve*	Accumulated losses*	Sub-total	Minority interest	Total equity
						Share notes equity reserve*					
		股本	股份溢價*	資本儲備*	購股權儲備*	可換股票據 權益儲備*	匯兌儲備*	累計虧損*	小計	權益	權益總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2007	於二零零七年一月一日	19,536	48,848	2,099	—	—	3,109	(5,440)	68,152	1,462	69,614
Released on disposal of subsidiaries	出售附屬公司時撥回	—	—	—	—	—	(3,109)	—	(3,109)	(71)	(3,180)
Loss for the year	本年度虧損	—	—	—	—	—	—	(73,579)	(73,579)	(1,391)	(74,970)
Total recognised income and expenses for the year	本年度已確認收支總額	—	—	—	—	—	(3,109)	(73,579)	(76,688)	(1,462)	(78,150)
Issue of shares upon placement of shares	因配售股份而發行股份	10,250	32,710	—	—	—	—	—	42,960	—	42,960
Equity settled share-based payment transactions	以權益股份支付交易	—	—	—	2,282	—	—	—	2,282	—	2,282
Issue of shares upon exercise of share options	因行使購股權而發行股份	828	6,086	—	(2,282)	—	—	—	4,632	—	4,632
Issue of the 2009 Convertible Notes (Note 24)	發行二零零九年可換股票據(附註24)	—	—	—	—	4,361	—	—	4,361	—	4,361
Issue of shares upon conversion of the 2009 Convertible Notes	因兌換二零零九年可換股票據而發行股份	8,500	26,032	—	—	(4,361)	—	—	30,171	—	30,171
Rights issue	供股	117,342	61,017	—	—	—	—	—	178,359	—	178,359
Share issue expense	股份發行費用	—	(6,595)	—	—	—	—	—	(6,595)	—	(6,595)
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日	156,456	168,098	2,099	—	—	—	(79,019)	247,634	—	247,634
Loss for the year	本年度虧損	—	—	—	—	—	—	(205,860)	(205,860)	—	(205,860)
Total recognised income and expenses for the year	本年度已確認收支總額	—	—	—	—	—	—	(205,860)	(205,860)	—	(205,860)
Issue of the 2011 Convertible Notes (Note 24)	發行二零一一年可換股票據(附註24)	—	—	—	—	14,679	—	—	14,679	—	14,679
At 31 December 2008	於二零零八年十二月三十一日	156,456	168,098	2,099	—	14,679	—	(284,879)	56,453	—	56,453

* These reserve accounts comprise the Group's reserves of HK\$100,003,000 in deficit (2007: HK\$91,178,000 in surplus) in the consolidated balance sheet.

* 該等儲備賬包括本集團在綜合資產負債表之虧絀港幣100,003,000元(二零零七年: 盈餘港幣91,178,000元)。

Consolidated Cash Flow Statement

綜合現金流量表

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

	Notes 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Cash flows from operating activities	經營活動所得之現金流量		
Loss before income tax	除所得稅前虧損	(205,937)	(74,799)
Adjustments for:	就下列各項調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	617	1,901
Provision for impairment loss on trade receivables	應收賬款之減值虧損撥備	1,685	—
Provision for impairment loss on goodwill	商譽之減值虧損撥備	173,960	4,201
Provision for impairment loss on investment properties	投資物業之減值虧損撥備	3,656	—
Loss on assignment of an amount due from a subsidiary upon disposal	出售附屬公司時轉讓應收款項之虧損	—	68,559
Equity settled share-based transactions	以權益股份支付交易	—	2,282
Loss on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益賬之財務資產之虧損	4,464	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	21	62
Gain on disposal of subsidiaries	出售附屬公司收益	—	(20,413)
Amortisation of prepaid lease payments	預付租賃款項攤銷	—	63
Interest expenses	利息支出	4,526	940
Interest income	利息收入	(1,990)	(1,470)
Operating loss before working capital changes	營運資金變動前之經營虧損	(18,998)	(18,674)
Increase in inventories	存貨增加	—	(2,289)
Decrease/(Increase) in financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產減少/(增加)	6,875	(11,339)
Decrease in trade and other receivables	應收賬款及其他應收款項減少	3,406	3,285
Increase in amount due to a director	應付董事款項增加	862	—
(Decrease)/Increase in trade and other payables	應付賬款及其他應付款項(減少)/增加	(4,202)	1,082
Cash used in operations	經營業務所動用現金	(12,057)	(27,935)
Income taxes refund	已退所得稅	231	114
Interest paid	已付利息	(10)	(314)
Net cash used in operating activities	經營活動所動用之現金淨額	(11,836)	(28,135)

Consolidated Cash Flow Statement

綜合現金流量表

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

	Notes 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Cash flows from investing activities	投資活動所得之現金流量		
Interest received	已收利息	1,990	1,470
Purchase of property, plant and equipment	購買物業、廠房及設備	(15,961)	(44)
Deposit paid for acquisition of property, plant and equipment	購買物業、廠房及設備之已付訂金	—	(2,657)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	收購附屬公司，扣除已購現金及現金等值	29	(197,742)
Net cash outflow from disposal of subsidiaries	出售附屬公司時產生之現金流出淨額	30	(4,279)
Net cash used in investing activities	投資活動所動用之現金淨額	(211,713)	(5,510)
Cash flows from financing activities	融資活動所得之現金流量		
Net proceeds from issue of new shares	發行新股份所得款項淨額	—	221,319
Issue of shares on exercise of share options	因行使購股權而發行股份	—	4,632
Proceeds from issue of convertible notes	發行可換股票據所得款項	—	34,000
Share issue expenses	股份發行費用	—	(6,595)
Proceeds from new interest-bearing borrowings	新增付息借貸所得款項	—	9,200
Interest element paid on obligations under finance leases	已付融資租賃債務之利息部分	—	(94)
Repayment of obligations under finance leases	償還融資租賃債務	—	(587)
Net cash from financing activities	融資活動所得之現金淨額	—	261,875
Net (decrease)/increase in cash and cash equivalents	現金及現金等值之(減少)/增加淨額	(223,549)	228,230
Cash and cash equivalents at beginning of year	年初之現金及現金等值	235,437	7,207
Cash and cash equivalents at end of year, represented by bank balances and cash	年終之現金及現金等值相當於銀行結餘及現金	11,888	235,437

Notes to the Financial Statements

財務報表附註

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

1. GENERAL INFORMATION

21 Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda and its principal place of business is 10/F, 88 Gloucester Road, Wanchai, Hong Kong.

Pursuant to a special resolution passed by the shareholders of the Company on 11 February 2009, the Company’s name was changed from “GFT Holdings Limited” to “21 Holdings Limited” with effect from 24 February 2009.

The principal activities of the Company and its subsidiaries (the “Group”) are trading of toy, gift and premiums products, securities trading and investments and provision of property agency and related services.

These financial statements on pages 30 to 119 have been prepared in accordance Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations (“Int”) issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The financial statements for the year ended 31 December 2008 were approved for issue by the board of directors on 22 April 2009.

1. 一般資料

21控股有限公司(「本公司」)為一家於百慕達註冊成立之有限公司，其股份於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Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda，而其主要營業地點為香港灣仔告士打道88號10樓。

根據本公司股東於二零零九年二月十一日通過之特別決議案，本集團名稱由「真樂發控股有限公司」更改為「21控股有限公司」，自二零零九年二月二十四日起生效。

本公司及其附屬公司(「本集團」)之主要業務為玩具、禮品及贈品的買賣、證券買賣和投資及提供物業代理和有關服務。

第30至第119頁之此等財務報表已按照香港財務報告準則(「香港財務報告準則」)而編製，該綜合詞彙包括香港會計師公會(「香港會計師公會」)頒佈之所有適用之個別香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋(「詮釋」)。財務報表也包括香港公司條例及聯交所證券上市規則(「上市規則」)之適用披露規定。

截至二零零八年十二月三十一日止年度之財務報表已於二零零九年四月二十二日獲董事會批准刊發。

Notes to the Financial Statements

財務報表附註

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

2. ADOPTION OF NEW OR AMENDED HKFRSs

In the current year, the Group has adopted and applied all the new standards, amendments and interpretations (the "New HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2008.

The adoption of the New HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

At the date of authorisation of these financial statements, the following new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32, HKAS 39 & HKFRS 7 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKAS 39 (Amendment)	Eligible Hedge Items ²
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate ¹
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ²
HKFRS 2 (Amendment)	Share-based Payment — Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) — Int 2 (Amendment)	Members' Shares in Co-operative Entities and Similar Instruments ¹
HK(IFRIC) — Int 9 and HKAS 39 (Amendments)	Reassessment of Embedded Derivatives ⁵
HK(IFRIC) — Int 13	Customer Loyalty Programmes ³
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation ⁴
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners ²
HK(IFRIC) — Int 18	Transfer of Assets from Customers ⁶
Various	Annual Improvements to HKFRS 2008 ⁷

2. 採納新訂或經修訂香港財務報告準則

於本年度，本集團已採納及應用由香港會計師公會頒佈，並對本集團於二零零八年一月一日起開始之年度期間之財務報表相關和有效之所有新訂準則、修訂及詮釋（「新訂香港財務報告準則」）。

採納新訂香港財務報告準則對本期間及過往期間之業績和財務狀況之編製及呈報方式並無重大影響。因此，毋須作出前期調整。

於此等財務報表獲批准當日，下列新訂及經修訂香港財務報告準則已經刊發但尚未生效，本集團亦無提早採納。

香港會計準則第1號（經修改）	財務報表之呈列 ¹
香港會計準則第23號（經修改）	借貸成本 ¹
香港會計準則第27號（經修改）	綜合及獨立財務報表 ²
香港會計準則第32號、香港會計準則第39號及香港財務報告準則第7號（修訂本）	可認沽金融工具及清盤時產生的責任 ¹
香港會計準則第39號（修訂本）	合資格對沖項目 ²
香港財務報告準則第1號及香港會計準則第27號（修訂本）	於附屬公司、共同控制實體或聯營公司的投資成本 ¹
香港財務報告準則第1號（經修改）	首次採納香港財務報告準則 ²
香港財務報告準則第2號（修訂本）	以股份為基礎之付款——歸屬條件和註銷 ¹
香港財務報告準則第3號（經修改）	業務合併 ²
香港財務報告準則第7號（修訂本）	改進有關金融工具之披露 ¹
香港財務報告準則第8號	經營分部 ¹
香港（國際財務報告詮釋委員會）— 詮釋第2號（修訂本）	成員於共同營運實體及類似工具之份額 ¹
香港（國際財務報告詮釋委員會）— 詮釋第9號及香港會計準則第39號（修訂本）	重新評估嵌入式衍生工具 ⁵
香港（國際財務報告詮釋委員會）— 詮釋第13號	客戶忠誠度計劃 ³
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 ¹
香港（國際財務報告詮釋委員會）— 詮釋第16號	海外業務淨投資的對沖 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第17號	向擁有人分派非現金資產 ²
香港（國際財務報告詮釋委員會）— 詮釋第18號	自客戶轉讓資產 ⁶
眾多	二零零八年香港財務報告準則之年度改善項目 ⁷

Notes to the Financial Statements

財務報表附註

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

2. ADOPTION OF NEW OR AMENDED HKFRSs

(Continued)

- 1 Effective for annual periods beginning on or after 1 January 2009
- 2 Effective for annual periods beginning on or after 1 July 2009
- 3 Effective for annual periods beginning on or after 1 July 2008
- 4 Effective for annual periods beginning on or after 1 October 2008
- 5 Effective for annual periods ending on or after 30 June 2009
- 6 Effective for transfers of assets from customers received on or after 1 July 2009
- 7 Generally effective for annual periods beginning on or after 1 January 2009 unless otherwise stated in the specific HKFRS

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement.

Among these new standards and interpretations, HKAS 1 (Revised) "Presentation of Financial Statements" is expected to materially change the presentation of the Group's financial statements. The amendments affect the presentation of owner changes in equity and introduce a statement of comprehensive income. The Group will have the option of presenting items of income and expenses and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The amendment does not affect the financial position or results of the Group but will give rise to additional disclosures.

In addition, HKFRS 8 "Operating Segments" may result in new or amended disclosures. The directors of the Company are in the process of identifying reportable operating segments as defined in HKFRS 8.

2. 採納新訂或經修訂香港財務報告準則 (續)

- 1 於二零零九年一月一日或之後開始之年度期間有效
- 2 於二零零九年七月一日或之後開始之年度期間有效
- 3 於二零零八年七月一日或之後開始之年度期間有效
- 4 於二零零八年十月一日或之後開始之年度期間有效
- 5 於二零零九年六月三十日或之後完結之年度期間有效
- 6 於二零零九年七月一日或之後自客戶收取之轉讓資產有效
- 7 除特定香港財務報告準則另有指明外，一般於二零零九年一月一日或之後開始之年度期間有效

本公司董事預期所有公告將於公告生效日期後開始之首個期間被本集團採納為會計政策。

於該等新訂準則及詮釋中，香港會計準則第1號(經修改)「財務報表之呈列」預期會與本集團財務報表之呈列產生重大改變。有關修訂影響擁有者權益變動之呈列及引入全面收入報表。本集團可選擇以單一綜合利潤表方式(連同小計項目)或以兩份獨立報表(先呈列獨立利潤表，然後呈列綜合利潤表)呈列收入及開支項目及其他綜合收入之組成部分。有關修訂不會對本集團之財務狀況或業績有影響，但將會令披露事項增加。

此外，香港財務報告準則第8號「經營分部」或會導致新增或經修訂披露事宜。本公司董事現正辨別香港財務報告準則第8號所界定之可呈報營運分部。

Notes to the Financial Statements

財務報表附註

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

2. ADOPTION OF NEW OR AMENDED HKFRSs

(Continued)

The directors of the Company are currently assessing the impact of other new and amended HKFRSs upon initial application. So far, the directors of the Company have preliminarily concluded that the initial application of these HKFRSs is unlikely to have a significant impact on the Group's results and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (see note 3.3 below) made up to 31 December each year.

2. 採納新訂或經修訂香港財務報告準則 (續)

本公司董事現正評估其他新訂或經修訂香港財務報告準則於首次應用時之影響，迄今為止，本公司董事得出初步結論，首次應用該等香港財務報告準則不會對本集團之業績及財務狀況構成任何重大影響。

3. 主要會計政策概要

3.1 編製基準

編製此等財務報表所採用之重大會計政策概列如下。除另有指明外，該等政策將於所有呈列年度內貫徹應用。

除按公平值計入損益賬之財務資產按公平值列賬外，財務報表乃根據歷史成本法編製，計量基準於下列會計政策內充分說明。

務須注意，編製財務報表時會採用會計估計及假設。儘管此等估計乃基於管理層對現時事件和行動之最佳理解及判斷作出，惟實際結果最終可能與此等估計不同。涉及高度判斷或複雜性之範圍或假設和估計對財務報表而言屬重大之範圍，於附註4內披露。

3.2 綜合基準

綜合財務報表包括本公司及其附屬公司(參見附註3.3)截至每年十二月三十一日止之財務報表。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

Business combinations (other than for combining entities under common control) are accounted for by applying the purchase method. This involves the estimation of fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the Company's balance sheet, subsidiaries are carried at cost less any impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the balance sheet date.

Minority interest represents the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Group and are not the Group's financial liabilities.

3. 主要會計政策概要 (續)

3.3 附屬公司

附屬公司為本集團有權控制其財務及營運政策的實體，藉此從其業務中獲取利益。在評估本集團是否控制另一實體時，會考慮目前可行使或可兌換之潛在投票權之存在及影響。附屬公司在控制權轉移至本集團當日綜合入賬，在控制權終止之日起停止綜合入賬。

業務合併(不包括合併受共同控制之實體)乃採用收購法入賬，當中涉及估計於收購日期附屬公司之所有可辨認資產及負債(包括附屬公司之或然負債)之公平值，不論該等資產及負債在收購前是否已在附屬公司之財務報表入賬。附屬公司之資產及負債於初步確認時按公平值列入綜合資產負債表，而根據本集團之會計政策，公平值亦用作其後計量之基準。

集團內公司間之交易、結餘及交易之未變現收益於編製綜合財務報表時予以對銷。除非該項交易有證據證明轉讓資產出現減值，否則未變現虧損亦予以對銷。

於本公司之資產負債表中，附屬公司按成本值減去減值虧損列賬。附屬公司之業績由本公司按結算日之已收及應收股息列賬。

少數股東權益指並非由本集團擁有之股本權益應佔附屬公司損益及資產淨值之部分，亦非本集團財務負債。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Subsidiaries (Continued)

Minority interest presents in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the Company. Profit or loss attributable to the minority interests are presented separately in the consolidated income statement as an allocation of the Group's results. Where losses applicable to the minority exceeds the minority interests in the subsidiary's equity, the excess and further losses applicable to the minority are allocated against the minority interest to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. Otherwise, the losses are charged against the Group's interests. If the subsidiary subsequently reports profits, such profits are allocated to the minority interest only after the minority's share of losses previously absorbed by the Group has been recovered.

3.4 Foreign currency translation

The financial statements are presented in Hong Kong dollars (HK\$), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the balance sheet date retranslation of monetary assets and liabilities are recognised in the income statement.

3. 主要會計政策概要 (續)

3.3 附屬公司 (續)

少數股東權益列作綜合資產負債表之權益項下，與本公司股權持有人應佔權益分開。少數股東權益應佔損益另於綜合收益表列作本集團業績之分配。如適用於少數股東之虧損超出附屬公司權益中之少數股東權益，則有關差額及適用於少數股東之其他虧損會分配至少數股東權益，惟以少數股東具約束性責任及能作出額外投資以彌補虧損為限。否則，有關虧損須於本集團之權益扣除。倘有關附屬公司其後錄得溢利，則須於收回本集團過往所承受之應佔虧損後，方可分配至少數股東權益。

3.4 外幣換算

財務報表以港幣呈列，而港幣亦為本公司之功能貨幣。

於綜合實體之個別財務報表內，外幣交易按交易當日之匯率換算為個別實體之功能貨幣。於結算日，外幣計值的貨幣資產及負債均按結算日的適用外匯匯率換算。因結算該等交易及因於結算日重新換算貨幣資產和負債而產生的匯兌盈虧，均於收益表確認。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Foreign currency translation (Continued)

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the balance sheet date. Income and expenses have been converted into Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been dealt with separately in the translation reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 have been treated as assets and liabilities of the foreign operation and translated into Hong Kong dollars at the closing rates.

3.5 Revenue recognition

Revenue comprises the fair value for the sale of goods and rendering of services, net of rebates and discounts. 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 as follows:

Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

3. 主要會計政策概要 (續)

3.4 外幣換算 (續)

按公平值入賬及以外幣結算之非貨幣項目按釐定公平值當日之適用匯率換算，並作為部分公平值收益或虧損而呈報。以外幣及按過往成本計算之非貨幣項目不進行重新換算。

於綜合財務報表內，原本以本集團之呈列貨幣以外之貨幣呈列之海外業務所有個別財務報表已轉換為港幣。資產及負債已按結算日之收報匯率換算為港幣。收入及開支已按交易當日之現行匯率或呈報期之平均匯率換算為港幣，前提是匯率並無大幅波動。在此項程序中產生之任何差額已於權益之匯兌儲備分開列賬。收購海外業務所產生的商譽及公平值調整，於二零零五年一月一日或之前已被視作海外業務之資產及負債，並按結算日匯率換算為港幣。

3.5 收益確認

收益包括銷售貨品及提供服務而獲得之公平值，並須扣減回佣及折扣。收益之經濟利益將流入本集團，且能可靠計算收益及成本(如適用)時確認如下：

銷售貨物於向客戶轉讓擁有權之重要風險及回報時確認，通常指付運貨物及客戶接受貨物時。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Revenue recognition (Continued)

Property agency commission and service income is recognised in the accounting period in which the services are rendered. This is usually taken as the time when the relevant agreement becomes unconditional or irrevocable.

Franchise income is recognised on an accrual basis in accordance with the terms of the relevant franchise agreement and when the Group's entitlement to payment has been established.

3.6 Goodwill

Set out below are the accounting policies on goodwill arising on acquisition of subsidiaries.

Goodwill represents the excess of the cost of a business combination or an investment over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The cost of the business combination is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, plus any costs directly attributable to the business combination.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 3.9).

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 subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

3. 主要會計政策概要 (續)

3.5 收益確認 (續)

物業代理佣金及服務收入於提供服務之期間確認，通常是相關協議成為無條件或不可撤回之時。

特許經營權收入按照相關特許協議之條款於本集團獲取款項之權利確立時及以應計基準確認。

3.6 商譽

下列為計算收購附屬公司所產生的商譽之會計政策。

商譽指業務合併或投資之成本超過本集團所佔被收購方之可識別資產、負債及或然負債之公平淨值。業務合併之成本按本集團於交易當日所給予之資產、所產生或承擔之負債以及所發行之股本工具之公平總值計量，另加有關業務合併時所直接產生之任何成本計量。

商譽按成本減累計減值虧損列賬。商譽分配予現金產生單位，並每年作減值測試 (參見附註3.9)。

若本集團於被收購方之可識別資產、負債及或然負債所佔公平淨值之權益高於業務合併之成本，任何超逾部分即時確認於損益中。

其後出售附屬公司時，釐定出售之收益或虧損款額時包括已資本化商譽之應佔金額。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要 (續)

3.7 Property, plant and equipment

3.7 物業、廠房及設備

Property, plant and equipment, including land held under operating leases and buildings thereon, (where the fair value of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease), are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

物業、廠房及設備包括根據經營租賃持有之土地及建於其上之樓宇(倘於租賃開始時未能分開計量土地及樓宇之租賃權益之公平值，及並非顯然地根據經營租賃持有樓宇)按成本減累計折舊及累計減值虧損列賬。資產成本包括其購買價及將資產達致其營運狀況及地點作其擬定用途之任何直接應佔成本。

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, using the straight-line method, at the following rates per annum:

物業、廠房及設備採用直線法按其估計使用年期計算折舊，以撇銷其成本，年率如下：

Leasehold land and buildings	Over the shorter of the term of the prepaid land lease or 50 years
Leasehold improvements	Over the shorter of the term of the prepaid land lease or 5 years
Plant and machinery	20%
Furniture, fixtures and equipment	20%
Motor vehicles	20%

租賃土地及樓宇	預付土地租賃之年期或50年，以較短者為準
租賃物業裝修	預付土地租賃之年期或5年，以較短者為準
廠房及機器	20%
傢具、裝置及設備	20%
汽車	20%

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

資產之剩餘價值、折舊方法及使用年期於每個結算日進行檢討及調整(如適用)。

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income statement.

廢棄或出售所得的收益或虧損，按為銷售所得款項與資產賬面值的差額釐定，並於收益表確認。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Property, plant and equipment (Continued)

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

3.8 Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided so as to write off the cost of investment property using the straight-line method over their expected useful lives of 50 years or over the lease term, if shorter.

For a transfer of property, plant and equipment carried at cost less accumulated depreciation and accumulated impairment losses to investment properties, there are no changes to the carrying amount of the property transferred and the cost of that property for measurement and disclosure purposes.

Gains or losses arising from the sale of an investment property are included in the profit or loss for the period in which they arise.

3. 主要會計政策概要 (續)

3.7 物業、廠房及設備 (續)

如其後開支有頗大可能為本集團帶來未來經濟利益及有關項目之成本能可靠地計算，則計入資產之賬面值或確認為獨立資產(按合適者而定)。所有其他成本(例如維修及保養)於產生之財政期間在收益表扣除。

3.8 投資物業

投資物業是為賺取租金收入及／或為資本增值而以租賃權益擁有或持有之土地及／或樓宇，當中包括目前尚未確定未來用途之所持土地。

於初步確認時，投資物業以成本值(包括任何直接應佔開支)計量。經初步確認後，投資物業以成本值減累計折舊及任何累計減值虧損呈列。折舊乃使用直線法提撥，於彼等之預期使用年期或50年或租期(以較短期為準)內撇銷投資物業之成本。

對於按成本減累計折舊及累計減值虧損列賬之物業、廠房及設備轉撥至投資物業之情況，該轉撥物業之賬面值及該物業就計量和披露目的而言之成本不會改變。

出售投資物業產生之盈虧於產生該等盈虧之期間計入損益。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Impairment of non-financial assets

Goodwill arising on an acquisition of subsidiary, property, plant and equipment, investment properties measured under the cost model and interest in subsidiaries are subject to impairment testing.

Goodwill with an indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

3. 主要會計政策概要 (續)

3.9 非財務資產的減值

收購附屬公司而產生之商譽、物業、廠房及設備、根據成本模型計量之投資物業及於附屬公司之權益須進行減值測試。

無論是否有任何減值跡象，具無限使用年期或尚未可供使用之商譽至少每年須進行減值測試。所有其他資產於有任何跡象顯示可能不能收回賬面金額時進行減值測試。

當資產之賬面金額高於其可收回金額時，高出金額作為減值虧損即時支銷。可收回金額為公平值(反映市場情況減去銷售成本)與使用價值中之較高者。評估使用價值時，以除稅前之折扣率計算估計未來現金流量之現值，而該折扣率須反映當時市場對金錢時間值之評估及該項資產之特有風險。

就評估減值而言，若一項資產所產生之現金流入基本上不獨立於其他資產所產生之現金流入，則以能獨立產生現金流入之最小資產組別(即現金產生單位)釐定可收回金額。因此，部分資產將個別進行減值測試，部分則在現金產生單位層次進行測試。商譽尤其須分配至預期可從相關業務合併之協同效應中獲益並且代表本集團內為內部管理目的而監控最低層次的商譽之現金產生單位。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Impairment of non-financial assets (Continued)

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods (including impairment losses recognised in an interim period). In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss had been recognised.

3.10 Leases

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.

3. 主要會計政策概要 (續)

3.9 非財務資產的減值 (續)

就已獲分配商譽之現金產生單位確認之減值虧損，首先計入商譽之賬面金額。除資產賬面值將不會調減至低於其個別公平值減銷售成本或使用價值（如可釐定）外，任何剩餘減值虧損按比例自該現金產生單位中之其他資產扣除。

商譽之減值虧損不可於其後之期間撥回，包括於中期確認之減值虧損。倘用以釐定資產可收回金額之估計已出現有利變動，其他資產之減值虧損予以撥回，惟資產之賬面值不得超過倘並無確認減值而原應釐定之賬面值（經扣除折舊或攤銷）。

3.10 租賃

倘本集團釐定一項安排（不論由一宗交易或一系列交易組成）附有權利可於協定期間內使用一項特定資產或多項資產以換取一項或多項付款，則該安排為屬於或包含一項租約。該決定乃根據對有關安排之實質評估而作出，而不論有關安排是否採用租約之法定形式。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Leases (Continued)

(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, with the following exceptions.

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon, at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease (see note 3.7). For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Operating lease charges as the lessee

Where the Group has the right to use the assets held under operating leases, payments made under the leases are charged to the income statement on a straight-line basis over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rental are charged to the income statement in the accounting period in which they are incurred.

3. 主要會計政策概要 (續)

3.10 租賃 (續)

(i) 本集團獲租賃資產之分類

對於本集團以租賃持有之資產，倘租賃使所有權的絕大部分風險和回報轉移至本集團，有關資產劃歸為以融資租賃持有。倘租賃不會使所有權的絕大部分風險和回報轉移至本集團，則劃歸為經營租賃，但下列情況除外。

- 以經營租賃持作自用，但無法在租賃開始時將其公平值與建於其上之建築物的公平值分開計量的土地，按以融資租賃持有方式入賬；但明顯地以經營租賃(參見附註3.7)持有之樓宇除外。就此而言，租賃的開始時間指本集團首次訂立租賃時，或自從前承租人接收樓宇時。

(ii) 作為承租人之經營租賃費用

倘本集團擁有根據經營租賃持有之資產使用權，則按照租賃支付之款項按直線法於租期內自收益表扣除，惟倘出現其他基準更能代表租賃資產產生之利益模式除外。所獲租賃減免在收益表確認為已付淨租金總額一部分。或然租金於其產生之會計期間計入收益表。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries are set out below.

The Group's financial assets other than hedging instruments are classified into the following categories: financial assets at fair value through profit or loss and loans and receivables.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each balance sheet date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

3. 主要會計政策概要 (續)

3.11 財務資產

本集團就附屬公司投資以外之財務資產之會計政策載於下文。

本集團之財務資產(對沖工具除外)分為下列類別:按公平值計入損益賬之財務資產以及貸款及應收款項。

管理層視乎購入財務資產之目的於初步確認時釐定其財務資產分類,並在允許及適當情況下,於各報告日期重新評估此劃分。

所有財務資產只會在本集團成為有關工具合約條文之訂約方時,方予確認。循正規途徑購買之財務資產於交易日確認。初步確認財務資產時乃按公平值計量,若投資並非按公平值計入損益賬,則需加上按直接應佔交易成本。

當從投資收取現金流量之權利屆滿或轉讓或擁有權之絕大部分風險與回報已轉讓時,則解除財務資產確認。

於各結算日會對財務資產進行審閱,以評估是否有任何客觀減值證據。如有出現任何上述證據,則根據財務資產分類釐定及確認減值虧損。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要 (續)

3.11 Financial assets (Continued)

3.11 財務資產 (續)

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

(i) 按公平值計入損益賬之財務資產

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

按公平值計入損益賬之財務資產包括持作買賣之財務資產及於初步確認時指定為按公平值計入損益賬之財務資產。

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

倘若購入資產之目的是於短期內出售或作為一併管理之可識別金融工具組合其中一部分並且具有近期短線獲利模式之證據，則列為持作買賣之財務資產。除非衍生工具(包括個別嵌入式衍生工具)指定作為有效對沖工具或財務擔保合約，否則亦列為持作買賣。

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

倘一份合約含有一項或以上嵌入式衍生工具，則整份混合合約可指定為按公平值計入損益賬之財務資產，惟嵌入式衍生工具並無導致現金流量出現重大變動，或明確禁止分列嵌入式衍生工具則除外。

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

倘符合以下準則，則可於初步確認時指定財務資產為按公平值計入損益賬：

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or

- 有關指定能消除或大大減低因按照不同基準計量有關資產或確認其盈虧而出現不一致處理情況；或

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial assets (Continued)

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

- the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or
- the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in income statement. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any dividend or interest earned on these financial assets. Interest income is recognised on a time-proportion basis using effective interest method.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

3. 主要會計政策概要 (續)

3.11 財務資產 (續)

(i) 按公平值計入損益賬之財務資產 (續)

- 根據列明之風險管理策略，該等資產為一組受管理而其表現乃按公平值基準評估之財務資產其中一部分，而有關該組財務資產之資料均按該基準而內部提供予主要管理人員；或
- 有關財務資產包含需要分別記賬之嵌入式衍生工具。

經初步確認後，包括在這個類別之財務資產按公平值計量，而公平值之變動則於收益表內確認。公平值參照活躍市場交易或採用估值方法(如不存在活躍市場)釐定。此等財務資產之公平值收益或虧損不計算所賺取之任何股息或利息。利息收入使用實際利率法按時間比例基準確認。

(ii) 貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款之非衍生財務資產，且並無在活躍市場報價。貸款及應收款項其後採用實際利率法計算之攤銷成本，減任何減值虧損列賬。攤銷成本經計及任何收購折讓或溢價後計算，並包括屬於實際利率及交易成本組成部分之各項費用。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策概要 (續)

3.11 Financial assets (Continued)

3.11 財務資產 (續)

Impairment of financial assets

財務資產之減值

At each balance sheet date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

於各結算日，財務資產(按公平值計入損益賬之財務資產除外)均被評估其是否有任何減值之客觀證據。

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

證明個別財務資產已出現減值的客觀證據包括集團察覺到有關以下虧損一項或多項事件的可觀察數據：

- 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;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

- 負債人陷入嚴重財政困難；
- 違約，例如拖欠利息及未能償還本金；
- 負債人有可能陷入破產或其他財務重組；
- 技術、市場、經濟或法律環境產生之重大改變對負債人帶來負面影響；及
- 股本工具投資之公平值大幅及長期下跌至其成本以下。

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the Group and, national or local economic conditions that correlate with defaults on the assets in the Group.

有關某一組財務資產之虧損事項包括顯示該組財務資產之估計未來現金流量出現可計量跌幅之可觀察數據。該等可觀察數據包括但不限於本集團債務人之付款狀況，以及與本集團內資產拖欠情況有關連之國家或當地經濟狀況出現逆轉。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

3. 主要會計政策概要 (續)

3.11 財務資產 (續)

財務資產之減值 (續)

若任何該等證據存在，則根據以下方式計量及確認減值虧損：

按攤銷成本列賬之財務資產

倘有客觀證據表明按攤銷成本列賬之貸款及應收款項或持至到期投資出現減值虧損，則虧損金額按資產之賬面值與估計未來現金流量(不包括未產生之未來信貸虧損)按財務資產之原本實際利率(即初步確認時計算之實際利率)貼現之現值兩者之差額計算。虧損金額於減值出現期間之損益中確認。

倘其後減值虧損金額減少，而有關減幅可客觀地與確認減值後發生之事件聯繫，則撥回過往確認之減值虧損，惟不得導致財務資產賬面值超過如無確認減值下於撥回減值日之攤銷成本。撥回金額於撥回發生期間在損益中確認。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Financial assets (Continued)

Financial assets carried at amortised cost (Continued)

Impairment loss of financial assets other than financial assets at fair value through profit or loss and trade receivables that are stated at amortised cost, are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable 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.

3.12 Accounting for income taxes

Income tax comprises current and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

3. 主要會計政策概要 (續)

3.11 財務資產 (續)

按攤銷成本列賬之財務資產 (續)

就財務資產(按公平值計入損益賬之財務資產及按攤銷成本列賬之應收賬款除外)而言,減值虧損乃直接與相應資產撇銷。倘應收賬款被認為有可能不能收回但機會不大,則存疑應收款項之減值虧損使用撥備賬記賬。當本集團信納不大可能收回應收賬款,則被認為屬不可收回之金額直接自應收賬款撇銷,而於撥備賬內就有關應收款項持有之任何金額予以撥回。其後收回過往自撥備賬扣除之金額,則於撥備賬撥回。撥備賬之其他變動及其後收回過往直接撇銷之金額均於損益確認。

3.12 所得稅會計法

所得稅包括當期及遞延稅項。

當期所得稅資產及/或負債包括該等於結算日尚未支付有關當期或過往申報期間向財務機構承擔或財務機構提供申索之責任。該等責任根據適用於有關財政期間之稅率及稅法,按本年度應課稅溢利計算。當期稅項資產或負債之一切變動均作為稅項開支之部分,於收益表內確認。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Accounting for income taxes (Continued)

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

3. 主要會計政策概要 (續)

3.12 所得稅會計法 (續)

遞延稅項乃採用負債法按暫時差額計算。有關計算涉及將財務報表中資產及負債之賬面值與其各自稅基進行比較。一般情況下，所有應稅暫時差額產生之遞延稅項負債均予確認。所有可扣稅暫時差額、可供結轉稅項虧損及其他未用稅項抵免產生之遞延稅項資產，只會頗有可能存在應課稅溢利用作抵消該等可扣稅暫時差額、未用稅項虧損及未用稅項抵免之情況下，才予以確認。

倘商譽或首次確認交易（業務合併除外）中之資產及負債所產生之暫時差額並不影響應課稅利潤或會計溢利或虧損，則不會就此確認遞延稅項資產及負債。

於附屬公司之投資所產生之應課稅暫時差額須確認遞延稅項負債，惟倘本集團可以控制撥回暫時差額之時間及暫時差額不會在可見將來撥回者除外。

遞延稅項不計算折讓，並按預期於負債清償或資產變現期間預期適用之稅率計算，惟稅率必須於結算日已頒佈或實質上已制定。

遞延稅項資產或負債之變動於收益表內確認，惟倘若該等項目直接在權益中扣除或計入，則於權益中處理。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of cash flow statement presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

3.14 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

3.15 Retirement benefit costs and short-term employee benefits

Retirement benefits to employees are provided through a defined contribution plan.

3. 主要會計政策概要 (續)

3.13 現金及現金等值

現金及現金等值包括銀行存款及手頭現金、活期銀行存款及原到期日為三個月或以內並可隨時兌換成已知數額現金而且毋須承受重大價值變動風險之短期高流動性投資。就現金流量表呈列而言，現金及現金等值包括須應要求償還及構成本集團現金管理組成部分之銀行透支。

3.14 股本

普通股乃列作權益。股本乃採用已發行股份之面值釐定。

發行股份產生之任何交易成本均自股份溢價內扣減(扣除任何相關所得稅利益)，惟交易成本必須為該項股權交易直接應佔之遞增成本。

3.15 退休福利成本及短期僱員福利

退休福利乃透過界定供款計劃提供予僱員。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Retirement benefit costs and short-term employee benefits (Continued)

Defined contribution plan

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

3.16 Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

3. 主要會計政策概要 (續)

3.15 退休福利成本及短期僱員福利 (續)

界定供款計劃

本集團根據香港強制性公積金計劃條例，為全體符合資格參與強制性公積金計劃（「強積金計劃」）之僱員設有一個界定供款之強積金計劃。供款按僱員基本薪金之百分比作出，並按照強積金計劃之規則於應付時在收益表扣除。強積金計劃之資產與本集團資產分開持有，存放於獨立管理之基金內。本集團之僱主供款於注入強積金計劃時即時全數歸屬於僱員所有。

短期僱員福利

僱員可享有之年假在應計予僱員時確認。因僱員於截至結算日前提供之服務可享有之年假估計負債會提撥準備。

不能累積之補假如病假及產假，於休假時方予確認。

3.16 以股份支付之僱員補償

本集團設立以股權結算的福利計劃，作為僱員的部分報酬。

本集團授出之任何以股份支付補償以換取僱員所提供之所有服務乃按照其公平值計量。此乃參照所獲得之購股權而間接釐定。彼等之價值於授出日期評估，但並不包括任何非市場歸屬情況之影響。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 Share-based employee compensation (Continued)

All share-based compensation is ultimately recognised as an expense in income statement unless it qualifies for recognition as asset, with a corresponding increase in equity (share options reserve). If vesting periods or other vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally vested.

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

Share-based payment transactions in which the Company grants share options to subsidiaries' employees are accounted for as an increase in value of investments in subsidiaries in the Company's balance sheet which is eliminated on consolidation.

3. 主要會計政策概要 (續)

3.16 以股份支付之僱員補償 (續)

除非符合確認為資產之資格，否則所有以股份支付補償最終均於收益表確認為開支，並相應增加權益(購股權儲備)。倘歸屬期或其他歸屬條件適用，則根據預期歸屬購股權數目之可得最佳估計，於歸屬期內確認開支。非市場歸屬條件包括於預期待予行使之購股權數目之假設。倘有任何跡象顯示預期歸屬之購股權數目與過往之估計不同，則於期後修訂估計。倘最終獲行使之購股權較原先估計為少，毋須對過往期間已確認之開支進行調整。

購股權獲行使時，過往於購股權儲備確認之金額將轉撥至股份溢價。倘購股權被放棄或於到期日尚未獲行使，過往於購股權儲備確認之金額將轉撥至累計損益。

與本公司授予其附屬公司僱員購股權有關之以股份支付交易於本公司資產負債表內作為於附屬公司之投資價值增加入賬，並於綜合賬目時撇銷。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Financial liabilities

The Group's financial liabilities include trade and other payables, amount due to a director, promissory note and convertible notes.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in the income statement.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the income statement.

Amount due to a director, trade and other payables and promissory note

Amount due to a director, trade and other payables and promissory note are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3. 主要會計政策概要 (續)

3.17 財務負債

本集團之財務負債包括應付賬款及其他應付款項、應付董事款項、承兌票據及可換股票據。

財務負債在本集團成為工具合約條文的訂約方時確認。所有與利息相關之支出均於收益表中確認為開支。

財務負債於有關負債承擔被解除或註銷或屆滿時撤銷確認。

倘一項現有財務負債被相同借款人按基本上不同之條款提供之其他債項取代，或現有負債條款被重大修改，該取代或修改視作撤銷確認原有負債及確認一項新負債，且在收益表確認相關賬面值之差額。

應付董事款項、應付賬款及其他應付款項及承兌票據

應付董事款項、應付賬款及其他應付款項及承兌票據初步按公平值確認，其後使用實際利率法按攤銷成本計量。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Financial liabilities (Continued)

Convertible notes that contain an equity component

Convertible notes 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.

Convertible notes issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate for similar non-convertible debts. The difference between the proceeds of the issue of the convertible note and the fair value assigned to the liability component, representing the call option for conversion of the note into equity, is included in equity as convertible notes equity reserve.

The liability component is subsequently carried at amortised cost using the effective interest method. The equity component will remain in equity until conversion or redemption of the note.

When the note is converted, the convertible notes equity reserve and the carrying value 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 note is redeemed, the convertible notes equity reserve is released directly to accumulated profits/losses.

3. 主要會計政策概要 (續)

3.17 財務負債 (續)

附有股本部分之可換股票據

倘於轉換時將予發行之股份數目及將收取代價之價值當時並無改變，則持有人可選擇轉換為權益股本之可換股票據作為附有負債部分及股本部分之複合金融工具列賬。

本公司發行之可換股票據包括金融負債及股本部分兩個部分，並於初步確認時分別分類為負債及股本部分。於初步確認時，負債部分之公平值使用類似非可換股債務之現行市場利率釐定。發行可換股票據之所得款項與指定為負債部分之公平值兩者之差額（即把票據轉換為權益之認購期權）作為可換股票據權益儲備計入權益內。

負債部分其後按使用實際利率法計算之攤銷成本列賬。股本部分將保持在權益內，直至轉換或贖回票據為止。

倘票據獲轉換，可換股票據權益儲備及負債部分之賬面值於轉換時撥入股本及股份溢價，作為已發行股份之代價。倘票據被贖回，則可換股票據權益儲備直接撥入累計溢利／虧損。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation 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.

All provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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 uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

3. 主要會計政策概要 (續)

3.18 撥備、或然負債及或然資產

倘本集團因過往事件而須承擔現有責任(法定或推定)，而履行該責任時有可能涉及經濟利益流出，並能可靠地估計所須承擔之金額，則須就此作出撥備。凡金錢時間值乃具重大影響，須按履行該責任預計所需開支之現值作為撥備列賬。

所有撥備均須於每個結算日作出檢討，並作出調整以反映當前之最佳估計。

倘若有關債務可能不會導致經濟利益流出，或未能可靠地估計該責任之金額，有關責任會披露為或然負債，除非經濟利益流出之可能性極低。存在與否純粹視乎日後會否發生一項或多項不確定事件而可能產生之債務亦披露為或然負債，除非經濟利益流出之可能性極低。

或然負債於將購買價分配至透過業務合併購入的資產及負債之過程中確認。該等負債於收購當日初步按公平值計量，其後則按於上述相關撥備中將予確認之金額與初步確認之金額減任何累計攤銷(如適用)兩者之較高者計量。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.19 Segment reporting

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

In respect of business segment reporting, unallocated costs include corporate expenses and other expenses that cannot be allocated on a reasonable basis to the reportable segments. Segment assets consist primarily of intangible assets, property, plant and equipment, receivables and operating cash and mainly exclude corporate assets and investment properties. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings.

Capital expenditure comprises additions to intangible assets and property, plant and equipment including additions resulting from acquisitions through purchases of subsidiaries.

In respect of geographical segment reporting, revenue is based on the country in which the customer is located and total assets and capital expenditure are where the assets are located.

3. 主要會計政策概要 (續)

3.19 分部呈報

根據本集團內部財務呈報，本集團已釐定以業務分部作為主要呈報形式，而地域分部以次要呈報方式呈列。

就業務分部呈報而言，未分配成本包括未能按合理基準分配至呈報分部之企業開支及其他開支。分部資產主要包括無形資產、物業、廠房及設備、應收款項及營運現金，主要不包括營運資產及投資物業。分部負債包括營運負債，但不包括稅項及若干企業借貸等項目。

資本開支包括添置無形資產以及物業、廠房及設備，當中計入因收購附屬公司所產生之增加部分。

有關地域分部呈報，收益根據客戶所在之國家劃分，而資產總額及資本開支根據資產之所在地劃分。

Notes to the Financial Statements

財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.20 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;
- (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.

3. 主要會計政策概要 (續)

3.20 關連人士

就此等財務報表而言，下列任何一方被視為本集團之關連人士：

- (i) 該人士有能力直接或間接透過一個或多個中介方控制本集團，或可對本集團的財務及經營決策行使重大影響力，或對本集團握有共同控制能力；
- (ii) 本集團及該人士受到共同控制；
- (iii) 該人士屬本集團的聯營公司或本集團為合資公司中的合資方；
- (iv) 該人士屬本集團或本集團母公司的主要管理人員的成員，或該人士的近親家屬成員，或受該人士控制、共同控制或重大影響的實體；
- (v) 該人士屬(i)所指的近親家屬成員或受該人士控制、共同控制或重大影響的實體；或
- (vi) 該方為提供福利予本集團或與集團任何關聯實體之僱員的僱用後福利計劃。

近親家屬成員指預期其家屬成員可影響該名人士與實體進行買賣或於買賣時受其影響之人士。

Notes to the Financial Statements

財務報表附註

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

If the actual growth rate had been higher or the pre-tax discounted rate lower than management's estimates, the Group would not be able to reverse any impairment losses that arose on goodwill.

Depreciation of property, plant and equipment and investment properties

The Group depreciates the property, plant and equipment and investment properties in accordance with the accounting policies stated in note 3.7 and note 3.8 respectively. The estimated useful lives reflect the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of these assets.

4. 關鍵會計估計及判斷

估計及判斷會不斷評估，並以過往經驗及其他因素為基礎，包括預期日後出現在有關情況下相信屬合理之事件。

本集團會對未來作出估計及假設。嚴格而言，所產生之會計估計甚少與有關之實際結果相同。有重大風險會對下個財政年度之資產與負債之賬面值造成大幅調整之估計及假設討論如下：

商譽之估計減值

本集團每年根據附註3.6所述之會計政策對商譽進行減值測試，以釐定其有否蒙受任何減值。現金產生單位之可收回金額已根據使用價值之計算結果而釐定。該等計算須對有關情況進行估計。

若實際增長率高於管理層估計，或稅前折現率低於管理層估計，則本集團不能撥回於商譽產生之任何減值虧損。

物業、廠房及設備以及投資物業之折舊

本集團分別根據附註3.7及附註3.8所述之會計政策對物業、廠房及設備以及投資物業計算折舊。估計使用年期為董事估計本集團擬透過使用該等資產取得未來經濟利益之期間。

Notes to the Financial Statements

財務報表附註

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Estimated impairment of trade and other receivables

The policy for the impairment of trade and other receivables of the Group is based on, where appropriate, the evaluation and ageing analysis of accounts. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history for each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision for impairment may be required.

Valuation of convertible notes

The directors use their judgement in selecting an appropriate valuation technique for the Group's convertible notes which are not quoted in the active market. Valuation techniques commonly used by market practitioners are applied. The fair value of convertible notes is estimated by independent professional valuer based on actual transactions of the financial instruments in the market or transactions of similar financial instruments which generally represent the best estimate of the market value. Details of the key inputs into the model are disclosed in note 24. The fair value of convertible notes varies with different variables of certain subjective assumptions. Any change in these variables so adopted may materially affect the estimation of the fair value of convertible notes.

4. 關鍵會計估計及判斷 (續)

應收賬款及其他應收款項之估算減值

本集團對應收賬款及其他應收款項之減值政策乃根據(如適用)評估及賬齡分析而制訂。在估計該等應收款項之最終可變現數額時，需要作出大量判斷，包括各債權人現時之信譽及過往付款紀錄。倘本集團債權人的財務狀況轉差，削弱其付款能力，則可能需要額外的減值撥備。

可換股票據之估值

董事於挑選合適估值技術替並無活躍市場報價之本集團可換股票據估值時作出判斷。本集團採用業界人士常用之估值技術。獨立專業估值師根據市場上實際金融工具交易或類似金融工具交易估計可換股票據之公平值，該等交易通常代表市值之最佳估計。該模型之主要輸入數據詳情於附註24披露。可換股票據之公平值因涉及若干主觀假設之變數而不同。所採用之變數如有變化，可能對可換股票據之估計公平值產生重大影響。

Notes to the Financial Statements

財務報表附註

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

5. REVENUE

Revenue, which is also the Group's turnover, represents the invoiced value of goods supplied and income from provision of services. Revenue recognised during the year is as follows:

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Franchise income	特許經營權收入	1,977	—
Property agency commission and service income	物業代理佣金及服務收入	13,738	—
Sale of goods	銷售貨品	103,871	132,987
		119,586	132,987

5. 收益

收益(亦即本集團之營業額)指供應貨品之發票值及來自提供服務之收入。年內,已確認收益如下:

6. OTHER INCOME

Interest income on financial assets not at fair value through profit and loss 非按公平值計入損益賬之財務資產之利息收入
Sundry income 雜項收入

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Interest income on financial assets not at fair value through profit and loss	非按公平值計入損益賬之財務資產之利息收入	1,990	1,631
Sundry income	雜項收入	103	430
		2,093	2,061

6. 其他收入

7. SEGMENT INFORMATION

Primary reporting format — business segments

The Group is organised into three main business segments:

Business Segment	Nature of business activities
1. Toy products trading and manufacturing#	Sourcing, manufacturing and distribution of toy, gift and premium products
2. Securities trading and investments	Trading and investing of marketable securities
3. Property agency*	Provision of property agency and related services
#	Toy products manufacturing business had been ceased since June 2007
*	Property agency segment commences in July 2008

7. 分部資料

主要呈報格式 — 業務分部

本集團分為三個主要業務分部:

業務分部	業務活動之性質
1. 玩具產品買賣及製造#	玩具、禮品及贈品之採購、製造及分銷
2. 證券買賣及投資	有市場價值之證券之買賣及投資
3. 物業代理*	提供物業代理及有關服務
#	玩具產品製造業務自二零零七年六月起已經終止
*	物業代理分部於二零零八年七月開始

Notes to the Financial Statements

財務報表附註

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

7. SEGMENT INFORMATION (Continued)

7. 分部資料 (續)

Primary reporting format — business segments

主要呈報格式 — 業務分部 (續)

(Continued)

2008

二零零八年

		Toy products trading 玩具產品 買賣 HK\$'000 港幣千元	Securities trading and investments 證券買賣 及投資 HK\$'000 港幣千元	Property agency 物業代理 HK\$'000 港幣千元	Group 本集團 HK\$'000 港幣千元
Revenue	收益				
External sales	外部銷售	103,871	—	15,715	119,586
Segment results	分部業績	(8,274)	(3,695)	(176,932)	(188,901)
Unallocated operating income and expenses	未分配經營收入及開支				(12,510)
Finance costs	財務費用				(4,526)
Loss before income tax	除所得稅前虧損				(205,937)
Income tax credit	所得稅抵免				77
Loss for the year	本年度虧損				(205,860)
Assets	資產				
Segment assets	分部資產	13,389	6	276,521	289,916
Unallocated assets	未分配資產				19,995
Total assets	資產總額				309,911
Liabilities	負債				
Segment liabilities	分部負債	11,329	—	17,292	28,621
Unallocated liabilities	未分配負債				224,837
Total liabilities	負債總額				253,458
Other information	其他資料				
Capital expenditure	資本開支				
Business segments	業務分部	2	—	582	584
Unallocated items	未分配項目				18,570
Depreciation	折舊				
Business segments	業務分部	103	—	76	179
Unallocated items	未分配項目				438
Provision for impairment loss on goodwill	商譽之減值虧損撥備	—	—	173,960	173,960
Provision for impairment loss on trade receivables	應收賬款之減值虧損撥備	1,509	—	176	1,685
Provision for impairment loss on investment properties	投資物業之減值虧損撥備				3,656

Notes to the Financial Statements

財務報表附註

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

7. SEGMENT INFORMATION (Continued)

7. 分部資料 (續)

Primary reporting format — business segments

主要呈報格式 — 業務分部 (續)

(Continued)

2007

二零零七年

		Toy products trading and manufacturing 玩具產品 買賣及製造 HK\$'000 港幣千元	Securities trading and investments 證券買賣 及投資 HK\$'000 港幣千元	Property agency 物業代理 HK\$'000 港幣千元	Group 本集團 HK\$'000 港幣千元
Revenue	收益				
External sales	外部銷售	132,987	—	—	132,987
Segment results	分部業績	(14,343)	(746)	—	(15,089)
Unallocated operating income and expenses	未分配經營收入及開支				(10,624)
Loss on assignment of an amount due from a subsidiary upon disposal	出售附屬公司時轉讓 應收款項之虧損				(68,559)
Gain on disposal of subsidiaries	出售附屬公司收益				20,413
Finance costs	財務費用				(940)
Loss before income tax	除所得稅前虧損				(74,799)
Income tax expense	所得稅開支				(171)
Loss for the year	本年度虧損				(74,970)
Assets	資產				
Segment assets	分部資產	15,606	26,574	—	42,180
Unallocated assets	未分配資產				220,528
Total assets	資產總額				262,708
Liabilities	負債				
Segment liabilities	分部負債	13,269	—	—	13,269
Unallocated liabilities	未分配負債				1,805
Total liabilities	負債總額				15,074
Other information	其他資料				
Capital expenditure	資本開支				
Business segments	業務分部	12	—	—	12
Unallocated items	未分配項目				32
Depreciation	折舊				
Business segments	業務分部	1,878	—	—	1,878
Unallocated items	未分配項目				23
Amortisation on prepaid lease payments	預付租賃款項之攤銷	63	—	—	63
Provision for impairment loss on goodwill	商譽之減值虧損撥備	4,201	—	—	4,201
Other significant non-cash expenses	其他重大非現金開支	2,344	1,218	—	3,562

Notes to the Financial Statements

財務報表附註

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

7. SEGMENT INFORMATION (Continued)

Secondary reporting format — geographical segments

The following table provides an analysis of the Group's sales by location of customers, irrespective of the origin of the goods and services.

Revenue by geographical markets:

7. 分部資料 (續)

次要分部格式 — 地區分部

下表提供本集團按客戶地區分析之銷售額 (不考慮貨品和服務之來源地)。

收益按地區市場：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Canada	加拿大	—	7,589
Europe	歐洲	32,603	2,376
Hong Kong	香港	17,023	11,081
Japan	日本	51,716	84,570
The People's Republic of China ("PRC")	中華人民共和國(「中國」)	4,404	22,043
Singapore	新加坡	1,175	1,631
Taiwan	台灣	887	2,304
USA	美國	11,745	1,393
Others	其他	33	—
		119,586	132,987

Notes to the Financial Statements

財務報表附註

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

7. SEGMENT INFORMATION (Continued)

Secondary reporting format — geographical segments (Continued)

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

7. 分部資料 (續)

次要分部格式 — 地區分部 (續)

下列為分部資產，以及物業、廠房及設備及投資物業增添部分之賬面值分析，乃按資產所處地區而分析。

		Total assets 資產總額		Capital expenditure 資本開支	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Canada	加拿大	—	313	—	—
Europe	歐洲	101	325	—	—
Hong Kong	香港	299,774	235,175	19,154	44
Japan	日本	1,374	3,189	—	—
PRC	中國	6,123	1,568	—	—
Singapore	新加坡	227	19,646	—	—
Taiwan	台灣	62	1,104	—	—
USA	美國	2,205	1,388	—	—
Others	其他	45	—	—	—
		309,911	262,708	19,154	44

8. FINANCE COSTS

8. 財務費用

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Interest charges on:	利息支出於：		
Bank loans and other borrowings wholly repayable within five years	五年內應悉數償還之銀行貸款及其他借貸	10	314
Finance charges on obligations under finance leases	融資租賃債務之財務費用	—	94
Convertible notes	可換股票據	3,185	532
Promissory note	承兌票據	1,331	—
Total interest expenses on financial liabilities not at fair value through profit or loss	並非按公平值計入損益賬之財務負債之利息開支總額	4,526	940

Notes to the Financial Statements

財務報表附註

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

9. LOSS BEFORE INCOME TAX

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

9. 除所得稅前虧損

除所得稅前虧損經扣除／(計入)下列各項：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Staff costs (include directors' emoluments)	員工成本(包括董事酬金)		
Salaries, wages and other benefits	薪金、工資及其他福利	9,405	9,144
Share-based payment in respect of share options granted	就授出之購股權以股份為基礎之付款	—	1,369
Contribution to defined contribution plans	定額供款計劃之供款	353	135
		9,758	10,648
Operating lease payments for premises	物業經營租賃款項	2,086	185
Cost of inventories recognised as expense	確認為開支之存貨成本	99,535	127,924
Auditors' remuneration	核數師酬金		
Current year	本年度	730	475
Underprovision in prior year	上年度撥備不足	16	—
Depreciation on property, plant and equipment ¹	物業、廠房及設備之折舊 ¹	617	1,901
Amortisation on prepaid lease payments	預付租賃款項之攤銷	—	63
Provision for impairment loss on trade receivables ¹	應收賬款之減值虧損撥備 ¹	1,685	—
Loss on change in fair value of financial assets at fair value through profit or loss ²	按公平值計入損益賬之財務資產之公平值變動虧損 ²	—	1,218
Loss on disposal of financial assets at fair value through profit or loss ²	出售按公平值計入損益賬之財務資產之虧損 ²	4,464	—
Net exchange (gain)/loss	匯兌(收益)／虧損淨額	(81)	1,834
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	21	62

¹ Expensed in administrative expenses

² Expensed in other operating expenses

¹ 於行政開支內支銷

² 於其他經營開支內支銷

Notes to the Financial Statements

財務報表附註

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

10. INCOME TAX (CREDIT)/EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the year.

10. 所得稅(抵免)/開支

香港利得稅撥備乃按本年度之估計應課稅溢利以稅率16.5%(二零零七年: 17.5%)計算。

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Current tax — Hong Kong (Over)/Underprovision in respect of prior years	本年度稅項 — 香港 過往年度撥備(超額)/不足	(77)	171
Reconciliation between tax expense and accounting loss at applicable tax rates:	稅項開支與按適用稅率計劃之會計虧損之對 賬:		
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Loss before income tax	除所得稅前虧損	(205,937)	(74,799)
Tax at Hong Kong profits tax rate of 16.5% (2007: 17.5%)	稅項按香港利得稅率16.5% (二零零七年: 17.5%)	(33,979)	(13,090)
Tax effect of non-deductible expenses	不可扣減支出之稅務影響	31,807	12,150
Tax effect of non-taxable revenue	毋須課稅收益之稅務影響	(160)	(420)
Tax effect of unused tax losses not recognised	未使用未確認稅務虧損之稅務影響	2,470	1,344
Tax effect of unrecognised temporary differences	未確認暫時差異之稅務影響	(138)	16
(Over)/Underprovision in prior years	過往年度撥備(超額)/不足	(77)	171
Income tax (credit)/expense	所得稅(抵免)/開支	(77)	171

The Hong Kong SAR Government enacted a reduction in the profits tax rate from 17.5% to 16.5% with effect from the year of assessment 2008/2009. Accordingly, the relevant current and deferred tax liabilities have been calculated using the new tax rate of 16.5%.

香港特別行政區政府已頒佈利得稅率由17.5%調低至16.5%，自二零零八/二零零九課稅年度起生效。因此，相關即期及遞延稅項負債已使用新稅率16.5%計算。

Notes to the Financial Statements

財務報表附註

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

11. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the consolidated loss attributable to the equity holders of the Company of HK\$205,860,000 (2007: HK\$73,579,000), a loss of HK\$218,563,000 (2007: HK\$64,230,000) has been dealt with in the financial statements of the Company.

12. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

Loss

Loss attributable to equity holders of the Company for the purpose of basic loss per share

Number of shares

Weighted average number of ordinary shares for the purpose of basic loss per share

用以計算每股基本虧損之
本公司股權持有人應佔虧損

用以計算每股基本虧損之
普通股加權平均數

11. 本公司股權持有人應佔虧損

本公司股權持有人應佔綜合虧損港幣205,860,000元(二零零七年:港幣73,579,000元)中,虧損港幣218,563,000元(二零零七年:港幣64,230,000元)已於本公司之財務報表中處理。

12. 每股虧損

每股基本虧損乃根據以下數據計算:

虧損

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
-----------------------------------	-----------------------------------

(205,860) (73,579)

股份數目

2008 二零零八年 '000 千股	2007 二零零七年 '000 千股 (As restated) (經重列)
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62,582 22,302

Notes to the Financial Statements

財務報表附註

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

12. LOSS PER SHARE (Continued)

Note:

The weighted average number of shares for the purpose of basic loss per share in 2008 and 2007 were adjusted to reflect the following events:

- i) share consolidation of every five shares of HK\$0.025 each of the Company into one share of HK\$0.125 each with effect from 15 July 2008 (Note 26(g)); and
- ii) share consolidation of every twenty shares of HK\$0.125 each of the Company into one share of HK\$2.50 each, which became effective on 12 February 2009 (Note 38(a)).

Diluted loss per share for the years ended 31 December 2008 and 2007 have not been presented because the impact of the exercise of share options and conversion of convertible notes were anti-dilutive.

12. 每股虧損 (續)

附註：

用以計算二零零八年及二零零七年每股基本虧損之加權平均股數已調整下列事項之影響：

- i) 本公司每五股每股面值港幣0.025元之股份合併成為一股面值港幣0.125元之股份，自二零零八年七月十五日起生效（附註26(g)）；及
- ii) 本公司每二十股每股面值港幣0.125元之股份合併成為一股面值港幣2.50元之股份，自二零零九年二月十二日起生效（附註38(a)）。

由於行使購股權及兌換可換股票據之影響為反攤薄，故並無呈列截至二零零八年及二零零七年十二月三十一日止年度之每股攤薄虧損。

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

13.1 Directors' emoluments

13. 董事酬金及五名最高酬金人士

13.1 董事酬金

	Directors' fees	Salaries, allowances and benefits in kinds	Retirement scheme contribution	Total
	董事袍金	薪金、津貼及實物福利	退休金計劃供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元
2008				
二零零八年				
Executive directors:	執行董事：			
Ha Kee Choy, Eugene	夏其才	200	—	200
Ma Wai Man, Catherine	馬慧敏	—	1,820	1,832
Ng Kai Man (appointed on 23 July 2008)	吳啟民 (於二零零八年七月二十三日獲委任)	—	—	—
Non-executive directors:	非執行董事：			
Cheng Yuk Wo	鄭毓和	100	—	100
Chui Chi Yun, Robert	崔志仁	125	—	125
Leung Sau Fan, Sylvia (appointed on 1 February 2008)	梁秀芬 (於二零零八年二月一日獲委任)	92	—	92
Lai Wing Leung, Peter (resigned on 31 January 2008)	黎永良 (於二零零八年一月三十一日辭任)	15	—	15
		532	1,820	2,364

Notes to the Financial Statements

財務報表附註

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

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

13. 董事酬金及五名最高酬金人士 (續)

13.1 Directors' emoluments (Continued)

13.1 董事酬金 (續)

		Salaries, allowances and benefits in kinds 薪金、津貼及 實物福利 HK\$'000 港幣千元	Retirement scheme contribution 退休金 計劃供款 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
2007	二零零七年			
Executive directors:	執行董事：			
Ha Kee Choy, Eugene	夏其才	200	—	200
Leung Wai Ho (resigned on 1 October 2007)	梁蔚豪 (於二零零七年 十月一日辭任)	—	300	306
Wong Chung Shun (resigned on 1 October 2007)	黃仲遜 (於二零零七年 十月一日辭任)	—	270	276
Ma Wai Man, Catherine (appointed on 1 October 2007)	馬慧敏 (於二零零七年 十月一日獲委任)	—	455	458
Non-executive directors:	非執行董事：			
Chui Chi Yun, Robert	崔志仁	120	—	120
Lam Kwok Cheong (resigned on 12 October 2007)	林國昌 (於二零零七年 十月十二日辭任)	100	—	100
Lai Wing Leung, Peter	黎永良	120	—	120
Cheng Yuk Wo (appointed on 1 October 2007)	鄭毓和 (於二零零七年 十月一日獲委任)	25	—	25
		565	1,025	1,605

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2008 and 2007.

No emolument was paid by the Group to the directors or any of the five highest paid individual as an inducement to join or upon joining the Group, or as compensation for loss of office.

截至二零零八年及二零零七年十二月三十一日止年度內概無董事作出放棄或同意放棄任何酬金之安排。

本集團並無向董事或任何五名最高酬金人士支付任何酬金，作為加入本集團或加入本集團後之獎勵或作為離職補償。

Notes to the Financial Statements

財務報表附註

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

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

13. 董事酬金及五名最高酬金人士 (續)

13.2 Five highest paid individuals

13.2 五名最高酬金人士

The five individuals whose emoluments were the highest in the Group for the year included one (2007: one) director whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2007: four) individuals during the year are as follows:

於本年度，本集團五名最高酬金人士包括一名(二零零七年：一名)董事，其酬金詳情已載於上文呈列之分析。年內應付其餘四名(二零零七年：四名)人士之酬金如下：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Salaries, allowances and benefits in kinds	薪金、津貼及實物福利	1,830	1,687
Retirement schemes contributions	退休金計劃供款	52	40
Share-based payments	以股份支付之款項	—	1,369
		1,882	3,096

The emoluments fell within the following bands:

酬金屬於下列範圍：

		Number of individuals 人數	
		2008 二零零八年	2007 二零零七年
Emolument bands	酬金範圍		
Nil — HK\$1,000,000	零至港幣1,000,000元	4	4

Notes to the Financial Statements

財務報表附註

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

14. PROPERTY, PLANT AND EQUIPMENT — THE GROUP 14. 物業、廠房及設備 — 本集團

		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment 傢俱、 裝置及 設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 總計
		租賃土地及 樓宇 HK\$'000 港幣千元	租賃 物業裝修 HK\$'000 港幣千元	廠房及 機器 HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
COST	成本							
At 1 January 2007	於二零零七年一月一日	39,406	53	20,438	2,231	489	34	62,651
Additions	增購	—	—	—	44	—	—	44
Disposals	出售	—	(53)	—	(246)	—	—	(299)
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	(39,406)	—	(20,438)	(1,816)	(71)	(34)	(61,765)
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日	—	—	—	213	418	—	631
Additions	增購	18,570	43	—	5	—	—	18,618
Addition through acquisition of subsidiaries (note 29)	透過收購附屬公司增加(附註29)	—	392	—	74	70	—	536
Transfer to investment properties upon change of use (note 15)	改變用途後轉撥至投資物業 (附註15)	(18,570)	—	—	—	—	—	(18,570)
Disposals	出售	—	(26)	—	—	—	—	(26)
At 31 December 2008	於二零零八年十二月三十一日	—	409	—	292	488	—	1,189
DEPRECIATION	折舊							
At 1 January 2007	於二零零七年一月一日	1,414	36	7,383	969	298	—	10,100
Charge for the year	本年度折舊	268	4	1,364	175	90	—	1,901
Disposals	出售	—	(40)	—	(195)	—	—	(235)
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	(1,682)	—	(8,747)	(821)	(40)	—	(11,290)
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日	—	—	—	128	348	—	476
Charge for the year	本年度折舊	432	38	—	51	96	—	617
Transfer to investment properties upon change of use (note 15)	改變用途後轉撥至投資物業 (附註15)	(432)	—	—	—	—	—	(432)
Disposals	出售	—	(5)	—	—	—	—	(5)
At 31 December 2008	於二零零八年十二月三十一日	—	33	—	179	444	—	656
NET CARRYING AMOUNT	賬面淨值							
At 31 December 2008	於二零零八年十二月三十一日	—	376	—	113	44	—	533
At 31 December 2007	於二零零七年十二月三十一日	—	—	—	85	70	—	155

Notes to the Financial Statements

財務報表附註

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

15. INVESTMENT PROPERTIES - THE GROUP

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the cost model and are classified and accounted for as investment properties.

15. 投資物業 — 本集團

本集團所有為賺取租金或為資本增值目的以經營租賃持有之物業權益，均使用成本模型計算，並且列作及入賬為投資物業。

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
COST	成本		
At 1 January	於一月一日	—	—
Transfer from property, plant and equipment upon change of use (note 14)	由物業、廠房及設備 改變用途後轉撥(附註14)	18,570	—
At 31 December	於十二月三十一日	18,570	—
DEPRECIATION AND IMPAIRMENT	折舊及減值		
At 1 January	於一月一日	—	—
Transfer from property, plant and equipment upon change of use (note 14)	由物業、廠房及設備 改變用途後轉撥(附註14)	432	—
Impairment losses recognised	已確認減值虧損	3,656	—
At 31 December	於十二月三十一日	4,088	—
NET CARRYING AMOUNT	賬面淨值		
At 31 December	於十二月三十一日	14,482	—

All investment properties are situated in Hong Kong and held under medium term lease. The fair value of the investment properties as at 31 December 2008 was approximately HK\$14,482,000 (2007: HK\$Nil). The fair value was determined by the directors by reference to recent market price of similar properties. No valuation has been performed by independent professional qualified valuers. Therefore, impairment losses of HK\$3,656,000 (2007: HK\$Nil) has been identified and recognised in the consolidated income statement.

所有投資物業均位於香港及以中期租賃持有。投資物業於二零零八年十二月三十一日之公平值約為港幣14,482,000元(二零零七年：港幣零元)。有關公平值乃董事經參照同類物業近期市價而釐定。有關估值並非由獨立專業合資格估值師進行。因此，已識辨及於綜合收益表確認減值虧損港幣3,656,000元(二零零七年：港幣零元)。

Notes to the Financial Statements

財務報表附註

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

16. INTEREST IN AND AMOUNTS DUE FROM SUBSIDIARIES — THE COMPANY

16. 於附屬公司之權益及應收附屬公司款項 — 本公司

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Unlisted shares, at cost	非上市股份，按成本	1	1
Equity share-based payment in subsidiaries	以權益股份為基礎之付款予附屬公司	3,215	3,215
		3,216	3,216
Less: Impairment losses	減：減值虧損	(3,215)	(3,215)
		1	1

In accordance with HKFRS 2 Share-based payment, share-based payment transactions in which an entity receives services from its employees as consideration for equity instruments of the entity are accounted for as equity-settled transactions (see note 3.16). The Company recognises the grant of equity instruments to its subsidiaries' employees and eligible participants amounted to HK\$Nil (2007: HK\$2,282,000) as capital contributions to its subsidiaries.

Amounts due from subsidiaries were previously disclosed in the trade and other receivables. They are currently reclassified and disclosed in the face of balance sheet to conform to the current year presentation. The amounts due are unsecured, interest-free and repayable on demand.

按照香港財務報告準則第2號「以股份支付」，在以股份支付交易中，如果實體獲僱員提供服務並以該實體之股本權益工具作為對價，有關交易按以權益結算交易入賬（參見附註3.16）。本公司已就授予附屬公司僱員及合資格參與者之股本權益工具港幣零元（二零零七年：港幣2,282,000元）確認為向其附屬公司作出資本出資。

應收附屬公司款項早前已於應收賬款及其他應收款項披露。該等項目現時於資產負債表重新分類及獨立披露，以符合本年度之呈列方式。此款項為無抵押、免息及須於要求時償還。

Notes to the Financial Statements

財務報表附註

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

16. INTEREST IN AND AMOUNTS DUE FROM SUBSIDIARIES — THE COMPANY (Continued)

16. 於附屬公司之權益及應收附屬公司款項 — 本公司 (續)

Particulars of the principal subsidiaries at 31 December 2008 are as follows:

主要附屬公司於二零零八年十二月三十一日之詳情如下：

Name of company 公司名稱	Place/country of incorporation/ operation 註冊成立/ 經營地點/國家	Particulars of issued capital 已發行股本詳情	Percentage of issued capital held by the Company 本公司持有已發行股本百分比	Principal activities 主要業務
Century 21 Hong Kong Limited 世紀21香港有限公司	Hong Kong 香港	3,880,000 ordinary shares of HK\$1 each 3,880,000股每股面值港幣1元之普通股	100%	Provision of franchise, property agency and related services in Hong Kong and Macau 在香港及澳門提供特許經營權、物業代理及有關服務
Century 21 Property Agency Limited 世紀21物業有限公司	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股每股面值港幣1元之普通股	100%	Provision of property agency and related services in Hong Kong 在香港提供物業代理及有關服務
Century 21 Surveyors Limited 世紀21測量行有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值港幣1元之普通股	100%	Provision of property project consulting, property agency and related services 在香港提供物業項目諮詢、物業代理及有關服務
Jet Fame Limited 梓豐有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值港幣1元之普通股	100%	Trading of toy, gift and premium products 玩具、贈品及精品產品買賣
Kennex Investments Limited 建俊投資有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值港幣1元之普通股	100%	Property holding 持有物業

Notes to the Financial Statements

財務報表附註

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

16. INTEREST IN AND AMOUNTS DUE FROM SUBSIDIARIES — THE COMPANY (Continued)

16. 於附屬公司之權益及應收附屬公司款項 — 本公司(續)

Name of company 公司名稱	Place/country of incorporation/ operation 註冊成立/ 經營地點/國家	Particulars of issued capital 已發行股本詳情	Percentage of issued capital held by the Company 本公司持有已發行股本百分比	Principal activities 主要業務
Kingbox Investments Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	100%#	Investment holding 投資控股
Prosper Overseas Limited 興旺海外有限公司	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股每股面值 港幣1元之普通股	100%#	Investment holding 投資控股
Smart Arrow Limited 駿銜有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 港幣1元之普通股	100%	Security trading and investment 證券買賣及投資
Wiz Investments Limited 慧師投資有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 港幣1元之普通股	100%#	Security trading and investment 證券買賣及投資
Wiz Limited 慧師有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 港幣1元之普通股	100%#	Provision of management services to the Group 向本集團提供管理服務
Yanyan Force Limited 欣科有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值 港幣1元之普通股	60%	Trading of toy, gift and premium products 玩具、贈品及精品產品 買賣

Issued capital held directly by the Company

本公司直接持有已發行股本

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表列出之本公司附屬公司，董事認為其對本年度業績具有主要影響或構成本集團資產淨值主要部分。董事認為，提供其他附屬公司之詳情將導致篇幅過於冗長。

Notes to the Financial Statements

財務報表附註

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

17. GOODWILL — THE GROUP

The main changes in the carrying amounts of goodwill result from the acquisition of Consecutive Profits Limited, Pacific Pointer Limited, Real Clever Profits Limited, Century 21 Hong Kong Limited, Century 21 Limited and their subsidiaries (collectively, "C21 Group") as detailed in note 29 to the financial statements, and the impairment provided for the year.

17. 商譽 — 本集團

商譽賬面值之主要變動產生自收購 Consecutive Profits Limited、Pacific Pointer Limited、Real Clever Profits Limited、世紀21香港有限公司、世紀21有限公司及彼等之附屬公司(統稱「世紀21集團」)(詳情載於財務報表附註29)及本年度計提減值。

		HK\$'000 港幣千元
COST	成本	
At 1 January 2007	於二零零七年一月一日	5,337
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	(1,136)
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日	4,201
Acquisition of subsidiaries (note 29)	收購附屬公司(附註29)	429,960
At 31 December 2008	於二零零八年十二月三十一日	434,161
IMPAIRMENT	減值	
At 1 January 2007	於二零零七年一月一日	1,136
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	(1,136)
Provided for the year	本年度撥備	4,201
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日	4,201
Provided for the year	本年度撥備	173,960
At 31 December 2008	於二零零八年十二月三十一日	178,161
NET CARRYING AMOUNT	賬面淨值	
At 31 December 2008	於二零零八年十二月三十一日	256,000
At 31 December 2007	於二零零七年十二月三十一日	—

Notes to the Financial Statements

財務報表附註

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

17. GOODWILL — THE GROUP (Continued)

Goodwill is allocated to the Group's cash generating units ("CGU") identified according to business segment. The entire amount of goodwill as at 31 December 2008 has been allocated to the property agency segment. The entire amount of goodwill as at 31 December 2007 was allocated to the toy products trading segment located in Hong Kong and has been fully impaired in 2007.

Property agency

The carrying amount of goodwill has been allocated to the CGU for impairment testing. The recoverable amount of the property agency CGU was based on its value-in-use and was determined with the assistance of BMI Appraisals Limited, an independent professional qualified valuer. These calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and at a discount rate of 6.27%. Cash flows for the five-year period were extrapolated using a 5% to 20% growth rate in considering the economic conditions of the market. Cash flows beyond the five-year period are assumed to remain constant. The estimated growth rates used are comparable to the growth rate for the industry.

The carrying amount of the unit was determined to be higher than its recoverable amount and an impairment loss of HK\$173,960,000 was recognised. The impairment loss was allocated fully to goodwill and is presented on the face of consolidated income statement.

The values assigned to the key assumptions represent management's assessment of future trends in the property market and are based on both external and internal sources (historical data).

17. 商譽 — 本集團 (續)

商譽乃分配至根據業務分部而確認之現金產生單位(「現金產生單位」)。於二零零八年十二月三十一日，商譽之全部金額已被分配至物業代理分部。於二零零七年十二月三十一日，商譽之全部金額已被分配至香港之玩具產品買賣分部，並已於二零零七年全面減值。

物業代理

商譽之賬面值已分配予現金產生單位以進行減值測試。物業代理現金產生單位之可收回金額按使用價值釐定，並已在中和邦盟評估有限公司(獨立專業合資格估值師)協助下釐定。該等計算方法以管理層所批准之五年期財政預算及6.27%之貼現率釐定之現金流量預測作為基準。五年期間之現金流量以5%至20%增長率推定，乃考慮到市場的經濟環境。五年期間後之現金流量假設保持穩定。所採用之估計增長率與行業之增長率相若。

就單位釐定之賬面值高於其可收回金額，並已確認減值虧損港幣173,960,000元。減值虧損已全部分配予商譽及列示於綜合收益表內。

用於主要假設的價值為管理層對物業市場未來趨勢之評估，乃根據內外來源(歷史數據)釐定。

Notes to the Financial Statements

財務報表附註

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

17. GOODWILL — THE GROUP (Continued)

Toy products trading

The recoverable amount of the toy products trading CGU was based on its value-in-use calculation and an impairment loss of HK\$4,201,000 was recognised in 2007. These calculations used cash flow projections based on financial budgets approved by management covering a five-year period, and at a discount rate of 7.8%. Cash flows for the five-year period were extrapolated using a 4% growth rate in considering the economic conditions of the market.

18. TRADE AND OTHER RECEIVABLES — THE GROUP AND THE COMPANY

17. 商譽 — 本集團 (續)

玩具產品買賣

玩具產品買賣現金產生單位之可收回金額按使用價值釐定，並已於二零零七年確認減值虧損港幣4,201,000元。該等計算方法以管理層所批准之五年期財政預算及7.8%之貼現率釐定之現金流量預測作為基準。五年期間之現金流量以4%增長率推定，乃考慮到市場的經濟環境。

18. 應收賬款及其他應收款項 — 本集團及本公司

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Trade receivables	應收賬款				
From third parties	來自第三方	20,513	8,895	—	—
Less: provision for impairment of receivables	減：應收款項減值撥備	(2,101)	—	—	—
		18,412	8,895	—	—
Other receivables	其他應收款項				
Deposits, prepayments and other receivables	按金、預付款及其他應收款項	8,596	6,651	226	627
		27,008	15,546	226	627

The directors of the Group considered that the fair values of trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

本集團董事認為，應收賬款及其他應收款項之公平值與彼等之賬面值並無重大差異，原因是該等金額於訂立後短期內到期。

Notes to the Financial Statements

財務報表附註

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

18. TRADE AND OTHER RECEIVABLES — THE GROUP AND THE COMPANY (Continued)

For the toy products trading segment, the Group allows an average credit period ranging from 30 to 90 days to its trade customers. For property agency segment, the customers are obliged to settle the amounts upon completion of the relevant agreements and no general credit facilities are available. Based on the invoice dates and relevant agreements, the ageing analysis of trade receivables (net of impairment losses for bad and doubtful debts) as of the balance sheet date is as follows:

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
0 to 30 days	0至30日	7,533	6,391
31 to 60 days	31至60日	2,422	983
61 to 90 days	61至90日	797	535
Over 90 days	90日以上	7,660	986
		18,412	8,895

The movement in the provision for impairment of trade receivables is as follows:

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
At 1 January	於一月一日	—	1,451
Addition through acquisition of subsidiaries	透過收購附屬公司增加	416	—
Impairment loss charged to income statement	於收益表扣除之減值虧損	1,685	—
Amounts written off	撇銷金額	—	(899)
Eliminated on disposal of a subsidiary	出售附屬公司時抵銷	—	(552)
At 31 December	於十二月三十一日	2,101	—

18. 應收賬款及其他應收款項 — 本集團及本公司 (續)

就玩具產品買賣分部而言，本集團向其貿易客戶給予平均介乎三十至九十日之信貸期。就物業代理分部而言，客戶有責任於完成相關協議後即時結算款項，並無獲提供一般信貸安排。根據發票日及相關協議，應收賬款（扣除呆壞賬之減值虧損）於結算日之賬齡分析如下：

應收賬款減值撥備之變動如下：



Notes to the Financial Statements

財務報表附註

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

18. TRADE AND OTHER RECEIVABLES — THE GROUP AND THE COMPANY (Continued)

At each balance sheet date, the Group reviews trade receivables for evidence of impairment on both an individual and collective basis. As at 31 December 2008, impairment loss of HK\$1,685,000 has been recognised (2007: HK\$Nil). The impaired trade receivables are due from customers experiencing financial difficulties that were in default or delinquency of payments.

The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables, whether determined on an individual or collective basis.

The ageing analysis of the Group's trade receivables that were past due as at the balance sheet date but not impaired, based on due date is as follows:

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
1 to 90 days past due	逾期1至90日	2,745	1,837
91 to 180 days past due	逾期91至180日	1,442	294
Over 180 days past due	逾期180日以上	583	368
		4,770	2,499

As at 31 December 2008, trade receivables of HK\$13,642,000 (2007: HK\$6,396,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

18. 應收賬款及其他應收款項 — 本集團及本公司 (續)

於各個結算日，本集團同時按個別及綜合基準檢討應收賬款之減值證據。於二零零八年十二月三十一日，已確認減值虧損港幣1,685,000元（二零零七年：港幣零元）。應收賬款減值之原因為客戶遭受財政困難，故此違約或拖欠付款。

無論就個別或集體基準而言，本集團並無就已減值之應收賬款持有抵押品作擔保或其他信貸保證。

本集團於結算日已逾期但並未減值之應收賬款按到期日分類之賬齡分析如下：

於二零零八年十二月三十一日，既未逾期亦未減值之應收賬款為港幣13,642,000元（二零零七年：港幣6,396,000元）。該等款項涉及多名客戶，而該等客戶最近並沒有拖欠還款的記錄。

Notes to the Financial Statements

財務報表附註

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

18. TRADE AND OTHER RECEIVABLES — THE GROUP AND THE COMPANY (Continued)

Trade receivables that were past due but not impaired related to a large number of diversified customers that had a good track record of credit with the Group. Based on past credit history, management believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS — THE GROUP

Held for trading, at market value	持作買賣，市場價
Equity securities listed in Hong Kong	在香港上市之股票
Derivative financial instruments	衍生金融工具
Equity linked investments	股本掛鈎投資

The Group's held for trading investments were disposed of during the year.

As at 31 December 2007, the fair value of the Group's held for trading investments were determined at their open market value.

18. 應收賬款及其他應收款項 — 本集團及本公司 (續)

涉及已逾期但未減值應收賬款之多名客戶於本集團擁有良好的信貸記錄。根據過往信貸記錄，管理層相信由於信貸質素並無重大改變及仍然認為可全數收回結餘，因此毋須為該等結餘作減值撥備。本集團並無就已逾期但未減值之應收賬款持有任何抵押品。

19. 按公平值計入損益賬之財務資產 — 本集團

	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
—	—	7,308
—	—	4,031
—	—	11,339

本集團之持作買賣投資已於年內出售。

於二零零七年十二月三十一日，本集團之持作買賣投資乃按彼等之公開市值釐定公平值。

Notes to the Financial Statements

財務報表附註

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

20. BANK BALANCES AND CASH — THE GROUP AND THE COMPANY

20. 銀行結餘及現金 — 本集團及本公司

	Group 本集團		Company 本公司	
	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Cash at bank and in hand	7,038	6,270	255	2,912
Short-term bank deposits	4,850	229,167	4,850	16,395
	11,888	235,437	5,105	19,307

The short-term bank deposits earn interest ranging from 0.05% to 2.85% (2007: 1.35% to 3.95%) per annum. They have maturity of 1 to 14 days and are eligible for immediate cancellation without receiving any interest for the last deposit period.

短期銀行存款賺取介乎每年0.05%至2.85%（二零零七年：1.35%至3.95%）之利息。彼等之到期日為1至14日及可經放棄最後一個存款期之利息而即時取消。

The directors of the Group considered that the fair value of the short-term bank deposits is not materially different from its carrying amount because of the short maturity period on its inception.

本集團董事認為，短期銀行存款之公平值與其賬面值並無重大差異，原因是該等金額於訂立後短期內到期。

21. TRADE AND OTHER PAYABLES — THE GROUP AND THE COMPANY

21. 應付賬款及其他應付款項 — 本集團及本公司

	Group 本集團		Company 本公司	
	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Trade payables	11,891	3,900	—	—
Other payables				
Accrued charges and other creditors	19,258	11,174	2,046	1,745
	31,149	15,074	2,046	1,745

Notes to the Financial Statements

財務報表附註

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

21. TRADE AND OTHER PAYABLES — THE GROUP AND THE COMPANY (Continued)

For toy products trading segment, the Group was granted by its suppliers credit periods ranging from 30 to 60 days. For property agency segment, the commission payable was due for settlement only upon the receipt of corresponding agency fees received from customers. The ageing analysis of trade payables were as follows:

0 to 30 days	0至30日
31 to 60 days	31至60日
61 to 90 days	61至90日
Over 90 days	90日以上

All amounts are short-term and hence the carrying values of trade payables, accrued charges and other creditors are approximate their fair values.

At 31 December 2008, accrued charges and other creditors include an amount due to a minority shareholder of a subsidiary, who is also a family member of an executive director of the Company, amounted to HK\$6,401,000 (2007: HK\$4,418,000).

22. AMOUNT DUE TO A DIRECTOR — THE GROUP

The amount due is unsecured, interest-free and repayable on demand. The carrying amount approximates its fair value.

21. 應付賬款及其他應付款項 — 本集團及本公司 (續)

就玩具產品買賣分部而言，本集團獲其供應商給予介乎三十至六十日之信貸期。就物業代理分部而言，應付佣金須於收取客戶相應代理費後即時結算。應付賬款之賬齡分析如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
		2,413	3,392
		1,734	508
		490	—
		7,254	—
		11,891	3,900

所有金額均為短期，故應付賬款、應計費用及其他應付賬款之賬面值與彼等之公平值相若。

於二零零八年十二月三十一日，應計費用及其他應付款項包括應付一間附屬公司一名少數股東之款項港幣6,401,000元（二零零七年：港幣4,418,000元），該股東亦是本公司一名執行董事之家屬成員。

22. 應付一名董事款項 — 本集團

該項到期款項為無抵押、免息及須於要求時償還，其賬面值與其公平值相若。

Notes to the Financial Statements

財務報表附註

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

23. PROMISSORY NOTE — THE GROUP

The promissory note was issued to Mr. Ng Kai Man (“Mr. Ng”), an executive director of the Group, as part of the consideration for the acquisition of C21 Group during the year (note 29). The amount is unsecured, bears interest at 3% per annum and is wholly repayable on 23 January 2010. The carrying amount of the promissory note approximates its fair value.

23. 承兌票據 — 本集團

承兌票據乃發行予本集團執行董事吳啟民先生(「吳先生」)，作為年內收購世紀21集團之部分代價(附註29)。該項款項為無抵押、按3%年利率計息及須於二零一零年一月二十三日悉數償還。承兌票據之賬面值與其公平值相若。

24. CONVERTIBLE NOTES — THE GROUP AND THE COMPANY

The carrying values of the liability and equity component of the convertible notes of the Group and the Company are as follows:

24. 可換股票據 — 本集團及本公司

本集團及本公司可換股票據之負債及權益部分之賬面值如下：

Liability component

負債部分

		2009 Convertible Notes 二零零九年 可換股票據 (note 24(a)) (附註24(a)) HK\$'000 港幣千元	2011 Convertible Notes 二零一一年 可換股票據 (note 24(b)) (附註24(b)) HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 January 2007	於二零零七年一月一日	—	—	—
Net carrying amounts on initial recognition	初步確認時賬面淨值	29,639	—	29,639
Imputed interest expenses	估算之利息開支	532	—	532
Exercise of conversion rights	行使兌換權	(30,171)	—	(30,171)
Net carrying amounts at 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日賬面淨值	—	—	—
Net carrying amounts on initial recognition	初步確認時賬面淨值	—	115,321	115,321
Imputed interest expenses	估算之利息開支	—	3,185	3,185
Interest on convertible notes accrued	可換股票據應計利息	—	(1,154)	(1,154)
Net carrying amounts at 31 December 2008	於二零零八年十二月三十一日賬面淨值	—	117,352	117,352

Notes to the Financial Statements

財務報表附註

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

24. CONVERTIBLE NOTES — THE GROUP AND THE COMPANY (Continued)

Equity component

		權益部分		
		2009	2011	Total
		Convertible	Convertible	
		Notes	Notes	
		二零零九年	二零一一年	
		可換股票據	可換股票據	總計
		(note 24(a))	(note 24(b))	
		(附註24(a))	(附註24(b))	
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At 1 January 2007	於二零零七年一月一日	—	—	—
Net carrying amounts on initial recognition	初步確認時賬面淨值	4,361	—	4,361
Exercise of conversion rights	行使兌換權	(4,361)	—	(4,361)
Net carrying amounts at 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日賬面淨值	—	—	—
Net carrying amounts on initial recognition	初步確認時賬面淨值	—	14,679	14,679
Net carrying amounts at 31 December 2008	於二零零八年十二月三十一日賬面淨值	—	14,679	14,679

24(a) 2009 Convertible Notes

On 23 July 2007, the Company issued convertible notes with aggregate principal amount of HK\$34,000,000 (the "2009 Convertible Notes"), which were non-interest bearing and would mature on 23 July 2009. The 2009 Convertible Notes were convertible into shares of the Company at conversion price of HK\$0.10 per share (subject to anti-dilutive adjustments). Unless previously redeemed or converted, the Company would redeem the 2009 Convertible Notes on their maturity date at 105% of the outstanding principal amount.

24(a) 二零零九年可換股票據

於二零零七年七月二十三日，本公司發行本金總額港幣34,000,000元之可換股票據（「二零零九年可換股票據」），乃免息及於二零零九年七月二十三日到期。二零零九年可換股票據可按兌換價每股股份港幣0.10元（可作反攤薄調整）兌換成本公司股份。除非先前已獲贖回或兌換，本公司將於該等票據之到期日按未償還本金額之105%贖回二零零九年可換股票據。

Notes to the Financial Statements

財務報表附註

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

24. CONVERTIBLE NOTES — THE GROUP AND THE COMPANY (Continued)

24(a) 2009 Convertible Notes (Continued)

The fair value of the liability component, included in the 2009 Convertible Notes, was calculated using a market interest rate for an equivalent non-convertible note. The residual amount representing the value of the equity conversion component, is included in shareholders' equity in convertible notes equity reserve.

During the year ended 31 December 2007, all the 2009 Convertible Notes were converted into ordinary shares of the Company. Total number of ordinary shares of HK\$0.025 each converted was approximately 340,000,000 (note 26).

Interest expenses on the 2009 Convertible Notes are calculated using the effective interest method by applying the effective interest rate of 9.75% to the adjusted liability component.

24(b) 2011 Convertible Notes

On 23 July 2008 (the "Date of Issue"), the Company issued HK\$130,000,000 3-years 2% convertible notes (the "2011 Convertible Notes") at 100% of principal amount to Mr. Ng as part of the consideration for the acquisition of C21 Group (note 29).

24. 可換股票據 — 本集團及本公司 (續)

24(a) 二零零九年可換股票據 (續)

在二零零九年可換股票據內計入之負債部分之公平值乃按同等非可換股票據之市場利率計算。相當於權益兌換部分之價值的剩餘金額乃計入可換股票據權益儲備內之股東權益。

截至二零零七年十二月三十一日止年度，所有二零零九年可換股票據已兌換成本公司之普通股每股面值港幣0.025元。獲轉換之普通股總數約為340,000,000股(附註26)。

二零零九年可換股票據之利息開支乃使用實際利率法，對經調整負債部分採用實際利率9.75%計算。

24(b) 二零一一年可換股票據

於二零零八年七月二十三日(「發行日期」)，本公司按100%本金額向吳先生發行港幣130,000,000元之三年期2%可換股票據(「二零一一年可換股票據」)，作為收購世紀21集團之部分代價(附註29)。

Notes to the Financial Statements

財務報表附註

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

24. CONVERTIBLE NOTES — THE GROUP AND THE COMPANY (Continued)

24(b) 2011 Convertible Notes (Continued)

At the option of the noteholders, the noteholders have the right, subject to restrictions stated below, to convert in whole or any part of the outstanding principal amount of the 2011 Convertible Notes into ordinary shares of the Company of HK\$0.125 each at any time from the 15th day after the Date of Issue up to and including the date which is 15 days prior to the maturity date at the initial conversion price of HK\$0.1375 per share. The conversion price is subject to adjustment on the occurrence of dilutive or concentrative event. Following the Capital Reorganisation and the Share Placing as disclosed in note 38(a) and 38(b) respectively, the conversion price was adjusted to HK\$1.366 per ordinary share of HK\$0.01 each with effect from 31 March 2009. Unless previously converted, the Company will redeem the 2011 Convertible Notes at its principal amount outstanding on 23 July 2011.

The noteholders of the 2011 Convertible Notes shall not exercise any conversion right attaching to the 2011 Convertible Notes or to such an extent that results or will result in (i) the noteholder and parties acting in concert with it (within the meaning under the Hong Kong Code on Takeovers and Mergers) beneficially holding more than 29% (or such percentage as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) of the then enlarged issued share capital of the Company at the relevant date of conversion of the 2011 Convertible Notes; or (ii) the Company in breach of any provision of the Listing Rules, including the requirement to maintain the prescribed minimum percentage (currently being 25%) of the issued share capital of the Company held by the public (as defined in the Listing Rules), unless prior approval or waiver has been obtained from the Stock Exchange.

24. 可換股票據 — 本集團及本公司 (續)

24(b) 二零一一年可換股票據 (續)

按票據持有人之選擇，票據持有人有權(在下列限制所規限下)於發行日期後15日起至到期日前15日(包括當日)止，隨時將二零一一年可換股票據之全部或任何部分未償還本金額按初步兌換價每股港幣0.1375元兌換為本公司之普通股每股面值港幣0.125元。兌換價可於發生攤薄或合併事件下調整。於附註38(a)及38(b)分別披露之股本重組及股份配售後，兌換價已調整至每股面值港幣0.01元之普通股為港幣1.366元，自二零零九年三月三十一日起生效。除非先前已經兌換，否則本公司將於二零一一年七月二十三日按其本金額贖回二零一一年可換股票據。

倘行使二零一一年可換股票據附帶之換股權致使或將致使(i)二零一一年可換股票據持有人及其一致行動人士(具有香港公司收購及合併守則所賦予之涵義)實益擁有相關二零一一年可換股票據兌換日期當時之經擴大本公司已發行股本超過29%(或香港公司收購及合併守則不時規定將觸發強制性全面收購建議之有關百分比)以上權益；或(ii)本公司違反上市規則任何條文，包括維持公眾人士(定義見上市規則)持有本公司已發行股本之指定最低百分比(現時為25%)規定，除非取得聯交所事先批准或豁免，否則二零一一年可換股票據持有人不得行使任何兌換權利或達該程度之權利。

Notes to the Financial Statements

財務報表附註

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

24. CONVERTIBLE NOTES — THE GROUP AND THE COMPANY (Continued)

24(b) 2011 Convertible Notes (Continued)

Further details of the principal terms and conditions regarding the issue of the 2011 Convertible Notes have been set out in the circular of the Company dated 28 June 2008.

The fair value of the liability component of the 2011 Convertible Notes was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, which also approximates to the fair value of the equity conversion component, is included in shareholders' equity in convertible notes equity reserve.

Interest expense on the 2011 Convertible Notes is calculated using the effective interest method by applying the effective interest rate of 6.25% to the liability component.

During the year ended 31 December 2008, no 2011 Convertible Notes were converted into ordinary shares of the Company.

25. DEFERRED TAXATION

As at 31 December 2008, the Group has unused tax losses of HK\$42,732,000 (2007: HK\$27,763,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams.

24. 可換股票據 — 本集團及本公司 (續)

24(b) 二零一一年可換股票據 (續)

有關發行二零一一年可換股票據之主要條款及條件，進一步詳情載於本公司日期為二零零八年六月二十八日之通函。

在二零一一年可換股票據負債部分之公平值乃按同等非可換股票據之市場利率計算。近乎於權益兌換部分公平價值的剩餘金額乃計入可換股票據權益儲備內之股東權益。

二零一一年可換股票據之利息開支乃使用實際利率法，對負債部分採用實際利率6.25%計算。

截至二零零八年十二月三十一日止年度，概無二零一一年可換股票據已獲兌換為本公司普通股。

25. 遞延稅項

於二零零八年十二月三十一日，本集團可供抵銷將來溢利之未使用稅項虧損為港幣42,732,000元（二零零七年：港幣27,763,000元），該等稅項虧損可無限期地結轉。由於難以估計將來溢利來源，故並無就該等稅項虧損確認遞延稅項資產。

Notes to the Financial Statements

財務報表附註

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

26. SHARE CAPITAL — THE GROUP AND THE COMPANY 26. 股本 — 本集團及本公司

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 港幣千元
Authorised:	法定：		
Ordinary shares	普通股		
At 1 January 2007, at HK\$0.01 each	於二零零七年一月一日， 每股面值港幣0.01元	50,000,000	500,000
Share consolidation of 5 ordinary shares of HK\$0.01 each into 2 ordinary shares of HK\$0.025 each (note a)	五股每股面值港幣0.01元之普通股合併為兩股每股面值港幣0.025元之普通股(附註a)	(30,000,000)	—
At 31 December 2007 and 1 January 2008, at HK\$0.025 each	於二零零七年十二月三十一日及二零零八年一月一日， 每股面值港幣0.025元	20,000,000	500,000
Share consolidation of 5 ordinary shares of HK\$0.025 each into 1 ordinary share of HK\$0.125 each (note g)	五股每股面值港幣0.025元之普通股合併為一股每股面值港幣0.125元之普通股(附註g)	(16,000,000)	—
At 31 December 2008, at HK\$0.125 each	於二零零八年十二月三十一日， 每股面值港幣0.125元	4,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares	普通股		
At 1 January 2007, at HK\$0.01 each	於二零零七年一月一日， 每股面值港幣0.01元	1,953,682	19,536
Share consolidation of 5 ordinary shares of HK\$0.01 each into 2 ordinary shares of HK\$0.025 each (note a)	五股每股面值港幣0.01元之普通股合併為兩股每股面值港幣0.025元之普通股(附註a)	(1,172,210)	—
Issue of shares upon placing of shares (note b and c)	因配售股份而發行股份(附註b及c)	410,000	10,250
Issue of shares upon exercise of share options (note d)	因行使購股權而發行股份(附註d)	33,085	828
Issue of shares upon conversion of the 2009 Convertible Notes (note e)	因兌換二零零九年可換股票據而發行股份(附註e)	340,000	8,500
Rights issue (note f)	供股(附註f)	4,693,673	117,342
At 31 December 2007 and 1 January 2008, at HK\$0.025 each	於二零零七年十二月三十一日及二零零八年一月一日， 每股面值港幣0.025元	6,258,230	156,456
Share consolidation of 5 ordinary shares of HK\$0.025 each into 1 ordinary share of HK\$0.125 each (note g)	五股每股面值港幣0.025元之普通股合併為一股每股面值港幣0.125元之普通股(附註g)	(5,006,584)	—
At 31 December 2008, at HK\$0.125 each	於二零零八年 十二月三十一日， 每股面值港幣0.125元	1,251,646	156,456

Notes to the Financial Statements

財務報表附註

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

26. SHARE CAPITAL — THE GROUP AND THE COMPANY (Continued)

Notes:

- a. Pursuant to an ordinary resolution passed in a special general meeting of the Company on 5 March 2007, every 5 issued and unissued shares of HK\$0.01 each in the capital of the Company were consolidated into 2 shares of HK\$0.025 each (the "Shares") with effect from 6 March 2007.
- b. Pursuant to a placing agreement dated 24 January 2007 (as amended by a supplemental agreement dated 9 February 2007), 220,000,000 Shares and 120,000,000 Shares were issued and allotted at a consideration of HK\$0.10 per Share on 14 March 2007 and 11 April 2007 respectively.
- c. Pursuant to a placing and subscription agreement dated 14 August 2007, the placing agent agreed to place 70,000,000 Shares held by Charm Management Limited ("Charm") at a placing price of HK\$0.128 per Share and the Company agreed to allot and issue 70,000,000 Shares to Charm at a subscription price of HK\$0.128 per Share. On 20 August 2007, 70,000,000 Shares were issued and allotted to Charm at a consideration of HK\$0.128 per Share.
- d. During the year ended 31 December 2007, 33,084,960 Shares were issued and allotted at the exercise price of HK\$0.14 per Share pursuant to the options granted under the share option scheme of the Company.
- e. On 23 July 2007, the Company issued the 2009 Convertible Notes with aggregate principal amount of HK\$34,000,000, details of which is disclosed in note 24(a). Holders of the 2009 Convertible Notes with principal amounts of HK\$10,000,000 and HK\$24,000,000 exercised their conversion rights on 9 August 2007 and 15 November 2007 respectively. Accordingly, a total of 340,000,000 Shares were issued and allotted in 2007.
- f. An ordinary resolution was passed in a special general meeting of the Company on 23 November 2007 to approve a rights issue on the basis of three rights shares for every one Share held by the shareholders on the register of members on 23 November 2007 at a subscription price of HK\$0.038 per rights share (the "Rights Issue"). The Rights Issue became unconditional on 12 December 2007 and 4,693,672,800 Shares were issued and allotted on 13 December 2007 for a total cash consideration, before share issue expenses, of approximately HK\$178,360,000.

26. 股本 — 本集團及本公司 (續)

附註：

- a. 根據於二零零七年三月五日之本公司股東特別大會上通過之普通決議案，本公司股本中每五股每股面值港幣0.01元之已發行及未發行股份合併為兩股每股面值港幣0.025元之股份（「股份」），於二零零七年三月六日生效。
- b. 根據二零零七年一月二十四日之配售協議（經二零零七年二月九日之補充協議所修訂），於二零零七年三月十四日及二零零七年四月十一日分別按每股港幣0.10元之代價發行及配發220,000,000股股份及120,000,000股股份。
- c. 根據二零零七年八月十四日之配售及認購協議，配售代理同意按配售價每股港幣0.128元配售Charm Management Limited（「Charm」）所持有之70,000,000股股份，及本公司同意按認購價每股港幣0.128元向Charm配發及發行70,000,000股股份。於二零零七年八月二十日，按每股港幣0.128元之代價向Charm發行及配發70,000,000股股份。
- d. 截至二零零七年十二月三十一日止年度，根據本公司購股權計劃已授出之購股權，按每股港幣0.14元之行使價發行及配發33,084,960股股份。
- e. 於二零零七年七月二十三日，本公司發行本金總額港幣34,000,000元之二零零九年可換股票據，有關詳情披露於附註24(a)。於二零零七年八月九日及二零零七年十一月十五日，分別擁有本金額港幣10,000,000元及港幣24,000,000元之二零零九年可換股票據持有人行使彼等之兌換權。因此，於二零零七年合共發行及配發340,000,000股股份。
- f. 於二零零七年十一月二十三日之本公司股東特別大會上，一項普通決議案獲得通過，以批准按認購價每股供股股份港幣0.038元進行供股，基準為於二零零七年十一月二十三日名列股東名冊之股東每持有一股股份獲發三股供股股份（「供股」）。供股於二零零七年十二月十二日成為無條件，並於二零零七年十二月十三日發行及配發4,693,672,800股股份，扣除股份發行費用前之總現金代價約為港幣178,360,000元。

Notes to the Financial Statements

財務報表附註

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

26. SHARE CAPITAL — THE GROUP AND THE COMPANY (Continued)

Notes: (Continued)

- g. Pursuant to an ordinary resolution passed in a special general meeting of the Company on 14 July 2008, every 5 issued and unissued Shares in the capital of the Company were consolidated into 1 share of HK\$0.125 each with effect from 15 July 2008.

All the shares issued during the years ended 31 December 2008 and 2007 rank pari passu in all respects with the then existing shares of the Company.

26. 股本 — 本集團及本公司 (續)

附註：(續)

- g. 根據本公司於二零零八年七月十四日之股東特別大會上通過之普通決議案，本公司股本中每五股已發行及未發行股份合併為一股每股面值港幣0.125元之股份，自二零零八年七月十五日起生效。

截至二零零八年及二零零七年十二月三十一日止年度內發行之所有股份在各方面與本公司當時現有股份享有同等地位。

27. RESERVES — THE COMPANY

27. 儲備 — 本公司

		Share premium	Convertible notes equity reserve	Share options reserve	Accumulated losses	Total
		實繳溢餘	可換股票據權益儲備	購股權儲備	累計虧損	總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2007	於二零零七年一月一日	48,848	49,948	—	(49,721)	49,075
Issue of shares upon placement of shares	因配售股份而發行股份	32,710	—	—	—	32,710
Equity settled share-based payment transactions	以權益股份支付交易	—	—	2,282	—	2,282
Issue of shares upon exercise of share options	因行使購股權而發行股份	6,086	—	(2,282)	—	3,804
Issue of the 2009 Convertible Notes	發行二零零九年可換股票據	—	—	4,361	—	4,361
Issue of shares upon conversion of the 2009 Convertible Notes	因兌換二零零九年可換股票據而發行股份	26,032	—	(4,361)	—	21,671
Rights issue	供股	61,017	—	—	—	61,017
Share issue expense	股份發行費用	(6,595)	—	—	—	(6,595)
Loss for the year	本年度虧損	—	—	—	(64,230)	(64,230)
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日	168,098	49,948	—	(113,951)	104,095
Issue of the 2011 Convertible Notes	發行二零一一年可換股票據	—	—	14,679	—	14,679
Loss for the year	本年度虧損	—	—	—	(218,563)	(218,563)
At 31 December 2008	於二零零八年十二月三十一日	168,098	49,948	14,679	(332,514)	(99,789)

Notes to the Financial Statements

財務報表附註

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

27. RESERVES — THE COMPANY (Continued)

Note:

The contribution surplus represented reduction in issued share capital pursuant to a capital restructuring in 2004. Under the Company Law of Bermuda, the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- a. it is, or would after the payment be, unable to pay its liabilities as they become due; or
- b. 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

28. SHARE OPTIONS

Pursuant to the resolution passed at a special general meeting held on 17 September 2004, the Company adopted a new share option scheme (the "Scheme"). The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The eligible participants of the Scheme include the Company's or its subsidiaries' executive directors, non-executive directors and employees, and any business consultants, agents, financial or legal advisers and any other persons who the board of director consider, at its sole discretion, will contribute or have contributed to the Group.

The grant of share options should be accepted within 30 days from the date of the grant, at a consideration of HK\$1, being payable by the grantee upon the acceptance of grant. The options may be exercised at any time within the period commencing from the date of grant of the options and expiring on the date determined by the directors, but in any event such exercise period shall not exceed a period of ten years commencing on the date the relevant option is deemed to be granted.

27. 儲備 — 本公司 (續)

附註：

實繳盈餘乃指根據於二零零四年進行之股本重組而經削減之已發行股本。根據百慕達公司法，本公司之實繳盈餘可供分派。然而，本公司在以下情況不可宣派或派發股息，或以實繳盈餘作分派：

- a. 本公司現時或於分派後將無法償還到期負債；或
- b. 本公司資產之可變現價值在分派後將會少於其負債及其已發行股本和股份溢價總額。

28. 購股權

根據於二零零四年九月十七日舉行之股東特別大會上通過之決議案，本公司採納一項新購股權計劃（「該計劃」）。本公司設立該計劃，以激勵並獎勵對本集團經營成果有貢獻之合資格參與者。該計劃之合資格參與者包括本公司或其附屬公司之執行董事、非執行董事及僱員，及任何事務顧問、代理人、財務或法律顧問及任何董事會全權酌情認為對本集團將有貢獻或已作出貢獻之其他人士。

授出之購股權應自授出日起30天內接納，代價為港幣1元，由承授人於接納時支付。購股權可自授出購股權之日起至董事釐定之日止期間內隨時行使，惟該行使期間在任何情況下不得超逾被視為獲授相關購股權之日起計十年。

Notes to the Financial Statements

財務報表附註

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

28. SHARE OPTIONS (Continued)

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

Pursuant to the Scheme, the maximum number of shares in the Company in respect of which options may be granted when aggregated with any other share option scheme of the Company is not permitted to exceed 10% of the issued share capital of the Company as at the date of adoption of the Scheme. Subject to the issue of a circular and the approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the board may refresh the limit at any time to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in general meeting. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time.

No option may be granted to any person if the total number of shares of the Company already issued and issuable to him under all the options granted to him in any 12 month period up to and including the date of grant exceeding 1% of total number of shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting. Such participant and his associates (as defined in the Listing Rules) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

At 31 December 2008, there were no outstanding share options and there were no additional share options granted during year ended 31 December 2008.

28. 購股權 (續)

購股權之行使價由董事釐定，惟不得低於以下之較高者：(i)授出日期(必須為營業日)在聯交所每日報價表呈列之股份收市價；(ii)授出日期對上五個營業日在聯交所每日報價表呈列之股份平均收市價；及(iii)本公司股份之面值。

根據該計劃，可授出之購股權連同本公司任何其他購股權計劃可能授出者所涉及本公司股份最高數目不得超過本公司於該計劃採納日期已發行股本10%。在遵守刊發通函及本公司股東於股東大會批准及／或上市規則不時指定之其他規定下，董事會可隨時更新有關限額至本公司股東於股東大會批准日期之已發行股份總數10%。無論上文載有任何規定，根據該計劃及本公司任何其他購股權計劃已授出但有待行使之所有尚未行使購股權獲行使時可予發行之股份，於任何時間均不得超過不時已發行股份30%。

倘於截至及包括授出日期止任何12個月期間，根據授予任何人士之所有購股權已經及可予發行之本公司股份總數超過於授出日期已發行股份總數1%，則不得再向有關人士授出購股權。進一步授出超過該1%限額之購股權，須待本公司刊發通函及股東於股東大會批准(有關參與人士及其聯繫人士(定義見上市規則)須放棄投票)及／或遵守上市規則不時指定之其他規定所限。倘授予主要股東或獨立非執行董事之購股權超過本公司股本之0.1%或價值超過港幣5,000,000元，必須獲得本公司股東事先批准。

於二零零八年十二月三十一日，概無尚未行使之購股權及截至二零零八年十二月三十一日止年度內亦無授出額外購股權。

Notes to the Financial Statements

財務報表附註

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

28. SHARE OPTIONS (Continued)

(a) Movements in share options in 2007

The following table discloses movement of the Company's share options during the year ended 31 December 2007:

	Date of grant	Exercise period	Exercise price	Number of share options			
				At 1 January 2007	Granted during the year	Exercised during the year	At 31 December 2007
	授出日期	行使期間	行使價 (note) (附註) HK\$ 港幣	於二零零七年一月一日	年內授出 (note) (附註)	年內行使	於二零零七年十二月三十一日
Employees	13 January 2007	13 January 2007 to 12 January 2009	0.140	—	19,850,976	(19,850,976)	—
僱員	二零零七年一月十三日	二零零七年一月十三日至二零零九年一月十二日					
Others	13 January 2007	13 January 2007 to 12 January 2009	0.140	—	13,233,984	(13,233,984)	—
其他	二零零七年一月十三日	二零零七年一月十三日至二零零九年一月十二日					
				—	33,084,960	(33,084,960)	—
Weighted average exercise prices (HK\$)				N/A不適用	0.140	0.140	N/A不適用
加權平均行使價(港幣元)							

Notes:

The exercise price and number of share options granted in 2007 were adjusted to reflect the share consolidation of every five shares of HK\$0.01 each of the Company into two shares of HK\$0.025 each which became effective on 6 March 2007.

At 31 December 2007, there was no weighted average remaining contractual life of the Company's share options.

28. 購股權 (續)

(a) 購股權於二零零七年之變動

下表披露截至二零零七年十二月三十一日止年度內本公司購股權之變動：

附註：

於二零零七年授出之購股權之行使價及數目已予調整，以反映於二零零七年三月六日生效之股份合併，以每五股每股面值港幣0.01元之股份合併為兩股每股面值港幣0.025元之股份。

於二零零七年十二月三十一日，本公司之購股權並無加權平均剩餘合約期限。

Notes to the Financial Statements

財務報表附註

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

28. SHARE OPTIONS (Continued)

(b) Share options exercised in 2007

All share options granted in 2007 were immediately exercisable and exercised at the exercise price of HK\$0.140 per share. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$0.191 per share.

(c) Fair value of share options granted in 2007 and assumptions

In 2007, the fair value of the share options granted was HK\$0.069. The estimate of the fair value of the share options granted is measured based on Black-Scholes pricing model. The inputs into the model were as follows:

Closing price of the shares at the date of grant	HK\$0.1450
Exercise price	HK\$0.1400
Expected volatility	78.55%
Risk-free interest rate	7.75% per annum
Option life	2 years
Expected dividend yield	0.00%

The expected volatility was determined by using the historical volatility of the share price of the Company over the previous one year.

The Black-Scholes pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

28. 購股權 (續)

(b) 於二零零七年行使之購股權

所有於二零零七年已授出的購股權已可隨即按行使價每股港幣0.140元行使並已獲行使。緊接購股權獲行使當日，前本公司股份之加權平均收市價為每股港幣0.191元。

(c) 於二零零七年授出之購股權之公平值及假設

於二零零七年，授出之購股權之公平值為港幣0.069元。所授出之購股權的估計公平值乃採用柏力克—舒爾斯定價模式估算，而該模式之輸入數據如下：

授出日期股份之收市價	港幣0.1450元
行使價	港幣0.1400元
預期波幅	78.55%
無風險利率	每年7.75%
購股權年限	2年
預期股息率	0.00%

預期波幅乃以本公司股價於前一年之歷史波幅而釐定。

柏力克—舒爾斯定價模式已予採用，以估計購股權之公平值。用作計算購股權之公平值的變數及假設乃基於董事之最佳估計。購股權的價值亦因若干主觀假設之不同變數而異。

Notes to the Financial Statements

財務報表附註

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

29. BUSINESS COMBINATION

On 23 July 2008, the Group acquired 100% of the equity interest of C21 Group for a total consideration of HK\$430,000,000 (the "Consideration"). C21 Group is engaged in the provision of property agency and related services. The transaction had been accounted for using the purchase method of accounting.

Details of the net assets acquired and goodwill are as follows:

		HK\$'000 港幣千元
Purchase consideration:	購買代價：	
Cash paid	已付現金	200,000
Issue of promissory note (note 23)	發行承兌票據(附註23)	100,000
Issue of the 2011 Convertible Notes, at fair value (note 24)	發行二零一一年可換股票據， 按公平值(附註24)	130,000
Total purchase consideration	總購買代價	430,000
Fair value of net assets acquired	已收購資產淨值之公平值	(40)
Goodwill (note 17)	商譽(附註17)	429,960

The goodwill is attributable to the high profitability of the acquired business and the significant synergies expected to arise after the Group's acquisition of C21 Group.

29. 業務合併

於二零零八年七月二十三日，本集團收購世紀21集團100%股本權益，總代價為港幣430,000,000元(「該代價」)。世紀21集團從事提供物業代理及有關服務。有關交易已以購買會計法入賬。

已購入資產淨值及商譽詳情如下：

商譽乃因為獲收購之業務享有高盈利能力，以及本集團收購世紀21集團後預期產生之重大協同效應。

Notes to the Financial Statements

財務報表附註

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

29. BUSINESS COMBINATION (Continued)

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

		Acquiree's carrying amount	Fair value
		獲收購方之賬面值	公平值
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Property, plant and equipment	物業、廠房及設備	536	536
Trade and other receivables	應收賬款及其他應收款項	19,210	19,210
Cash and cash equivalents	現金及現金等值	2,258	2,258
Trade and other payables	應付賬款及其他應付款項	(17,792)	(17,792)
Provision for tax	稅項撥備	(4,172)	(4,172)
Net assets acquired	已收購資產淨值	40	40
Purchase consideration settled in cash	以現金結算之購買代價		200,000
Cash and cash equivalents in subsidiaries acquired	已收購附屬公司之現金及現金等值		(2,258)
Cash outflow on acquisition	收購時產生之現金流出		197,742

C21 Group contributed revenue of HK\$15.7 million and loss of HK\$3 million (exclude provision for impairment loss on goodwill) to the Group for the period between the date of acquisition and balance sheet date. Had the combination taken place at 1 January 2008, the revenue and the loss of the Group for the year ended 31 December 2008 would have been HK\$149.4 million and HK\$209.2 million respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2008, nor are they intended to be a projection of future results.

There were no acquisitions in the year ended 31 December 2007.

29. 業務合併 (續)

收購產生之資產及負債如下：

	Acquiree's carrying amount	Fair value
	獲收購方之賬面值	公平值
	HK\$'000	HK\$'000
	港幣千元	港幣千元
Property, plant and equipment	536	536
Trade and other receivables	19,210	19,210
Cash and cash equivalents	2,258	2,258
Trade and other payables	(17,792)	(17,792)
Provision for tax	(4,172)	(4,172)
Net assets acquired	40	40
Purchase consideration settled in cash		200,000
Cash and cash equivalents in subsidiaries acquired		(2,258)
Cash outflow on acquisition		197,742

於收購日期至結算日之期間，世紀21集團為本集團貢獻收益港幣15,700,000元及虧損（不包括商譽之減值虧損撥備）港幣3,000,000元。倘若收購於二零零八年一月一日已經進行，本集團截至二零零八年十二月三十一日止年度之收益及虧損應分別為港幣149,400,000元及港幣209,200,000元。該等備考資產僅供說明，未必顯示倘有關收購於二零零八年一月一日已經完成之情況下，本集團應實際達致之收益及經營業績，亦無意作為未來業績之預測。

截至二零零七年十二月三十一日止年度內，並無進行收購。



Notes to the Financial Statements

財務報表附註

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

30. DISPOSAL OF SUBSIDIARIES IN 2007

In 2007, the Group disposed of its entire interests in (i) Good Prosper Trading Limited and its subsidiaries (the "GPTL Group"); (ii) GFT Holding Limited and its subsidiaries (the "GFT Holding Group"); (iii) Capital Prosper Limited; and (iv) Prosper Services Limited. The details of assets and liabilities disposed of, total consideration and an analysis of the net inflow of cash and cash equivalents in respect of the disposals of the above subsidiaries are summarised as follows:

30. 於二零零七年出售附屬公司

於二零零七年，本集團出售其於(i) Good Prosper Trading Limited及其附屬公司(「GPTL集團」)；(ii) GFT Holding Limited及其附屬公司(「GFT Holding集團」)；(iii) Capital Prosper Limited；及(iv) Prosper Services Limited之全部權益。有關出售上述附屬公司之已出售資產及負債、總代價以及現金及現金等值流入淨額分析之詳情概述如下：

		GPTL Group	GFT Holding Group	Capital Prosper Limited	Prosper Services Limited	Total
		GPTL集團	GFT Holding 集團			總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		(Note i)	(Note ii)	(Note iii)	(Note iv)	
		(附註i)	(附註ii)	(附註iii)	(附註iv)	
Net liabilities disposed of by the Group:	本集團所出售之 負債淨額：					
Property, plant and equipment	物業、廠房及設備	12,970	50,477	—	—	63,447
Prepaid lease payments	預付租賃款項	5,561	3,375	—	—	8,936
Club debenture	會所會籍	—	220	—	—	220
Inventories	存貨	—	9,463	—	—	9,463
Trade and other receivables	應收賬款及其他應收款項	—	34,215	—	28	34,243
Bank balances and cash	銀行結餘及現金	69	6,815	—	103	6,987
Bank loans	銀行貸款	—	(18,000)	—	—	(18,000)
Obligations under finance leases	融資租賃債務	—	(3,027)	—	—	(3,027)
Trade and other payables	應付賬款及其他應付款項	—	(29,140)	—	(19)	(29,159)
Amount due to group companies	應付集團公司款項	(17,309)	(67,248)	—	—	(84,557)
Amount due to related companies	應付關連公司款項	(2,096)	(877)	(25)	(157)	(3,155)
Tax payable	應付稅項	—	(319)	—	—	(319)
		(805)	(14,046)	(25)	(45)	(14,921)
Minority interests	少數股東權益	—	(71)	—	—	(71)
Translation reserve	匯兌儲備	(1,859)	(1,250)	—	—	(3,109)
Attributable goodwill	應佔商譽	396	—	—	—	396
		(2,268)	(15,367)	(25)	(45)	(17,705)
Gain on disposal	出售收益	4,976	15,367	25	45	20,413
Total consideration satisfied by cash	由現金支付之總代價	2,708	—	—	—	2,708
Cash consideration	現金代價	2,708	—	—	—	2,708
Bank balances and cash disposed of	所出售之銀行結餘及現金	(69)	(6,815)	—	(103)	(6,987)
Cash inflow/(outflow) on disposal	出售時產生之現金 流入／(流出)	2,639	(6,815)	—	(103)	(4,279)

Notes to the Financial Statements

財務報表附註

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

30. DISPOSAL OF SUBSIDIARIES IN 2007 (Continued)

Note:

- (i) The Company entered into an agreement in November 2006 to dispose of its entire equity interest in and the amount due from GPTL Group to the Group (the "Debt") to an independent third party, Sky Hawk International Limited ("Sky Hawk") for an aggregate consideration of HK\$20 million. The principal assets of GPTL Group are the land use rights in respect of parcels of adjacent lands situated at Boluo, Huizhou and the infrastructure erected thereon. HK\$2 million was paid by Sky Hawk upon signing of the agreement and the balance was to be settled on completion.

Pursuant to the deed of assignment dated 28 June 2007, the Group assigned the Debt to Sky Hawk. GPTL became indebted to Sky Hawk in amount of approximately HK\$17 million.

Pursuant to the supplemental agreement dated 28 June 2007, Sky Hawk paid a further sum of HK\$2 million and delivered to the Company a promissory note with a principal amount of HK\$16 million which was interest free, due on 31 December 2007 and secured by the entire issued share capital of GPTL. Sky Hawk fully settled the amount before the balance sheet date.

- (ii) On 16 April 2007, the Company entered into an agreement with Innovative Sonic International Limited ("Innovative Sonic"), a company beneficially owned by Mr. Leung Wai Ho and Mr. Wong Chung Shun, former directors and substantial shareholders of the Company. Pursuant to the agreement, the Company agreed to sell and Innovative Sonic agreed to purchase the entire equity interest of and the amount from GFT Holding Group (the "Loan") at an aggregate consideration of HK\$2. GFT Holding Group engages in toy manufacturing and toy trading.

Pursuant to the deed of assignment dated 28 June 2007, the Group assigned the Loan to Innovative Sonic. Great Force Technology Limited, a subsidiary of GFT Holding Limited became indebted to Innovative Sonic in amount of approximately HK\$68.6 million.

- (iii) On 28 December 2007, the Group disposed of its entire interest in Capital Prosper Limited, which was inactive, to independent third parties for an aggregate consideration of HK\$2.

- (iv) On 28 December 2007, the Group disposed of its entire interest in Prosper Services Limited, which was principally engaged in the provision of management services to the Group, to independent third parties for an aggregate consideration of HK\$2.

30. 於二零零七年出售附屬公司 (續)

附註：

- (i) 本公司於二零零六年十一月訂立協議，出售其於GPTL集團之全部權益及應收GPTL集團予本集團之款項（「負債」）予獨立第三方Sky Hawk International Limited（「Sky Hawk」），總代價為港幣20,000,000元。GPTL集團之主要資產為多幅位於惠州市博羅縣之相連土地之土地使用權及建於該等土地之基礎設施。其中港幣2,000,000元已於訂立該協議時由Sky Hawk支付，餘款須於完成時償還。

根據日期為二零零七年六月二十八日之轉讓契據，本集團將負債轉讓予Sky Hawk。GPTL結欠Sky Hawk之債務款額約為港幣17,000,000元。

根據二零零七年六月二十八日之補充協議，Sky Hawk進一步支付港幣2,000,000元及向本公司交付本金額為港幣16,000,000元之承兌票據，該份承兌票據免息、於二零零七年十二月三十一日到期並以GPTL全部已發行股本作抵押。Sky Hawk已於結算日前全數支付有關款項。

- (ii) 於二零零七年四月十六日，本公司與Innovative Sonic International Limited（「Innovative Sonic」）訂立協議，該公司由本公司前董事及主要股東梁蔚豪先生及黃仲遜先生實益擁有。根據協議，本公司同意出售及Innovative Sonic同意購買GFT Holding集團全部權益及應收該公司之款項（「貸款」），總代價港幣2元。GFT Holding集團從事玩具製造及玩具買賣。

根據日期為二零零七年六月二十八日之轉讓契據，本集團已向Innovative Sonic轉讓貸款。GFT Holding Limited之附屬公司Great Force Technology Limited結欠Innovative Sonic之債務款額約為港幣68,600,000元。

- (iii) 於二零零七年十二月二十八日，本集團按總代價港幣2元出售其於Capital Prosper Limited之全部權益予獨立第三方，該公司暫無業務。

- (iv) 於二零零七年十二月二十八日，本集團按總代價港幣2元出售其於Prosper Services Limited之全部權益予獨立第三方，該公司主要從事向本集團提供管理服務。

Notes to the Financial Statements

財務報表附註

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the board of directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels.

31.1 Categories of financial assets and liabilities

The carrying amounts presented in the balance sheets relate to the following categories of financial assets and financial liabilities.

31. 金融風險管理目標及政策

本集團因日常營運過程及其投資活動中透過使用金融工具而面對金融風險。金融風險包括市場風險(包括貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。

金融風險管理主要在本集團總部協調，並與董事會緊密合作。管理金融風險之整體目的集中於保障本集團短期至中期之現金流量，減低其承受於金融市場之風險。長期金融投資管理於可接受風險水平內以產生持久回報。

31.1 財務資產及負債類別

資產負債表呈報之賬面值與下列財務資產及金融負債類別有關。

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Financial assets	財務資產				
Loans and receivables:	貸款及應收款項：				
Trade and other receivables	應收賬款及其他應收款項	24,294	12,889	—	1
Amounts due from subsidiaries	應收附屬公司款項	—	—	170,733	242,361
Bank balances and cash	銀行結餘及現金	11,888	235,437	5,105	19,307
		36,182	248,326	175,838	261,669
Financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產	—	11,339	—	—
		36,182	259,665	175,838	261,669
Financial liabilities	財務負債				
At amortised cost:	按攤銷成本：				
Trade and other payables	應付賬款及其他應付款項	31,149	15,074	2,046	1,745
Amount due to a director	應付董事款項	862	—	—	—
Promissory note	承兌票據	100,000	—	—	—
Convertible notes	可換股票據	117,352	—	117,352	—
		249,363	15,074	119,398	1,745

Notes to the Financial Statements

財務報表附註

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31.2 Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk arise from its sales and purchases from the toys products trading business, which are primarily denominated in Renminbi ("RMB") and United States dollars ("US\$"). These are not the functional currencies of the Group entities to which these transactions relate.

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entity's functional currency. The Group has not entered into any derivative instruments to hedge the foreign exchange exposures.

The following table provides details of the Group's exposure at the balance sheet date to foreign exchange risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate are shown below:

31. 金融風險管理目標及政策 (續)

31.2 外匯風險

貨幣風險指因匯率轉變而導致金融工具的公平值或未來現金流量波動之風險。本集團之貨幣風險源自其玩具產品貿易業務之買賣活動，該等活動主要以人民幣（「人民幣」）及美元（「美元」）計值。該等貨幣並非本集團實體之功能貨幣涉及該等有關交易。

外匯風險來自未來商業交易或確認以本集團功能貨幣以外貨幣計值之資產及負債的時候。本集團並無訂立任何衍生工具對沖外幣風險。

下表提供詳情，關於本集團承擔於結算日因確認以有關實體功能貨幣以外貨幣計值之資產及負債之外匯風險，顯示如下：

		US\$ 美元 '000 千元	RMB 人民幣 '000 千元
At 31 December 2008	於二零零八年十二月三十一日		
Trade and other receivables	應收賬款及其他應收款項	344	1,386
Bank balances and cash	銀行結餘及現金	221	—
Trade and other payables	應付賬款及其他應付款項	(202)	(468)
Overall net exposure	整體淨承擔	363	918
At 31 December 2007	於二零零七年十二月三十一日		
Trade and other receivables	應收賬款及其他應收款項	782	4,462
Bank balances and cash	銀行結餘及現金	136	—
Trade and other payables	應付賬款及其他應付款項	(553)	(3,919)
Overall net exposure	整體淨承擔	365	543

Notes to the Financial Statements

財務報表附註

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31.2 Foreign currency risk (Continued)

The Group considers its foreign currency exposure is mainly arising from the exposure of RMB and the US\$.

The Group does not hedge its foreign currency risks with US\$ as Hong Kong dollars is pegged to US\$ and thus foreign exchange exposure is considered as minimal.

As at 31 December 2008, if Hong Kong dollar had weakened/strengthened by 10% (2007: 5%) against RMB, with all other variables held constant, loss after income tax for the year and accumulated losses would have been HK\$92,000 (2007: HK\$27,000) lower/higher, mainly as a result of foreign exchange gains/losses on translation of RMB denominated trade and other receivables and trade and other payables. The Group does not hedge its foreign currency risks with RMB. However, management monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The foreign currency risk exposed to the Company at the balance sheet date is immaterial.

31.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from promissory note, convertible notes and bank deposits. Borrowings bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's promissory note and convertible notes mainly pay fixed interest rates. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

31. 金融風險管理目標及政策 (續)

31.2 外匯風險 (續)

本集團認為其外匯風險主要源自持有人民幣及美元。

由於美元與港幣掛鈎，相信外匯風險並不重大，故本集團並無對沖其美元外匯風險。

於二零零八年十二月三十一日，倘港幣兌人民幣貶值／升值10%（二零零七年：5%），而其他可變因素保持不變，本年度之除所得稅後虧損及累積虧損將減少／增加港幣92,000元（二零零七年：港幣27,000元），主要乃由於換算以人民幣計值之應收賬款及其他應收款項以及應付賬款及其他應付款項之外匯收益／虧損所致。本集團並無對沖其人民幣外匯風險。然而，管理層監察外匯風險，並會於有需要時候考慮提升對沖外匯風險。

本公司於結算日承受之外匯風險並不重大。

31.3 利率風險

與金融工具之公平值或現金流量風險有關之利率風險鑒於市場利率變化將出現波動。本集團之利率風險主要源自承兌票據、可換股票據及銀行存款。按浮動利率及固定利率計息之借貸使本集團分別承受現金流量利率風險及公平值利率風險。本集團之承兌票據及可換股票據主要支付固定利率。本集團並無使用任何利率掉期以對沖其承受之利率風險。

Notes to the Financial Statements

財務報表附註

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31.3 Interest rate risk (Continued)

At 31 December 2008, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's loss after income tax and accumulated losses by approximately HK\$59,000 (2007: HK\$1,177,000). The 50 basis point increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date.

The cash flow and fair value interest rate risk exposed to the Company at the balance sheet dates are immaterial.

31.4 Equity price risk

Equity price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to change in market prices of listed equity and debt securities in respect of its investments in listed equity and debt securities classified as financial assets at fair value through profit or loss.

As at 31 December 2008, the Group and the Company does not hold any investments in equity and debt securities. As at 31 December 2007, if equity prices had been 5% higher/lower, with all other variables held constant, the Group's loss after income tax for the year ended 31 December 2007 would have been HK\$567,000 lower/higher. There will be no impact on other components of equity.

31. 金融風險管理目標及政策 (續)

31.3 利率風險 (續)

於二零零八年十二月三十一日，預計倘若利率整體上升／下跌50個基點而所有其他可變因素未有改變，本集團之除所得稅後虧損及累積虧損將減少／增加約港幣59,000元(二零零七年：港幣1,177,000元)。上升／下跌50個基點代表管理層對於利率潛在合理變動之評估直至下年度結算日止期間內。

於結算日，本公司承受之現金流量及公平值利率風險並不重大。

31.4 股價風險

鑒於市場價格變化(利率及匯率變動除外)，與金融工具之公平值或未來現金流量風險有關之股價風險將出現波動。本集團承受因其列為按公平值計入損益賬之上市股票及債務證券投資之市價變動風險。

於二零零八年十二月三十一日，本集團及本公司並無持有任何股票及債務證券投資。於二零零七年十二月三十一日，倘股價上升／下跌5%而所有其他可變因素未有改變，本集團於截至二零零七年十二月三十一日止年度之除所得稅後虧損將減少／增加港幣567,000元。權益之其他組成部分將不會受到影響。

Notes to the Financial Statements

財務報表附註

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31.5 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligations under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operation and its investing activities.

The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Group's credit policy and practices include assessment and valuation of customer's credit reliability and periodic review of their financial status to determine the credit limits to be granted.

As at the balance sheet date, the Group has no significant concentration of credit risk, with exposure spread over a number of customers and counter parties.

The credit risk in relation to the Group's cash and cash equivalents is considered negligible as with the counterparties are reputable banks and financial institutions with good credit ratings.

The maximum exposure to credit risk at the balance date is the carrying amount of each class of financial assets. The Group does not provide any other guarantees which would expose the Group to credit risk.

31. 金融風險管理目標及政策 (續)

31.5 信貸風險

信貸風險指金融工具之交易對手將無法履行其於金融工具條款之責任及導致本集團蒙受財務損失之風險。本集團承受之信貸風險主要源於其日常業務過程中向客戶授出信貸及投資活動。

本集團已就採納程序提供予客戶之信貸期及監察其信貸風險。本集團之信貸政策及慣例包括評估客戶的信貸可靠度及定期檢討其財務狀況，以釐定將予授出之信貸限額。

於結算日，本集團之信貸風險源自多名客戶及交易對手，故並無重大之信貸集中風險。

由於交易對手為聲譽良好之銀行及具高信貸評級之金融機構，因此與本集團現金及現金等值有關之重大信貸風險被認為並不重大。

於結算日，所承擔之最高信貸風險為各類財務資產之賬面值。本集團並無提供任何其他擔保將致使本集團承受信貸風險。

Notes to the Financial Statements

財務報表附註

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31.6 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets in the short and longer term. The Group finances its working capital requirements mainly by funds generated from operations and from fund raising activities such as placement and rights issue.

The table below analyses the undiscounted cash flows of the Group's and the Company's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date and at the earliest date the Group and the Company can be required to pay. The amounts disclosed in the table include both interest and principal cash flows.

Group

At 31 December 2008

Trade and other payables
Amount due to a director
Promissory note
Convertible notes

於二零零八年
十二月三十一日
應付賬款及其他應付款項
應付董事款項
承兌票據
可換股票據

本集團

Within 1 year 一年內 HK\$'000 港幣千元	Between 1 and 2 years 一至兩年 HK\$'000 港幣千元	Between 2 and 5 years 兩至五年 HK\$'000 港幣千元
---	---	---

28,664	—	—
862	—	—
3,000	101,500	—
2,600	2,600	132,600
35,126	104,100	132,600

At 31 December 2007

Trade and other payables

於二零零七年
十二月三十一日
應付賬款及其他應付款項

15,074	—	—
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31.6 流動資金風險

流動資金風險關於本集團將無法履行其財務負債所涉責任之風險。本集團承受之流動資金風險關於結算應付賬款及其融資責任，亦關於其現金流量管理。本集團之目標是於短期和長期內維持合適水平之流動資產。本集團主要以營運及從配售和供股等集資活動獲得之資金撥付其營運資金。

下表分析本集團及本公司未貼現現金流量之財務負債（將於相關到期組別內結算），乃根據結算日至合約到期日與本集團和本公司最早需付款日之剩餘期間。表內披露之金額包括利息及本金現金流量。



Notes to the Financial Statements

財務報表附註

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31. 金融風險管理目標及政策 (續)

31.6 Liquidity risk (Continued)

31.6 流動資金風險 (續)

Company		本公司		
		Within 1 year 一年內 HK\$'000 港幣千元	Between 1 and 2 years 一至兩年 HK\$'000 港幣千元	Between 2 and 5 years 兩至五年 HK\$'000 港幣千元
At 31 December 2008	於二零零八年 十二月三十一日			
Trade and other payables	應付賬款及其他應付款項	892	—	—
Convertible notes	可換股票據	2,600	2,600	132,600
		3,492	2,600	132,600
At 31 December 2007	於二零零七年 十二月三十一日			
Trade and other payables	應付賬款及其他應付款項	1,745	—	—

31.7 Fair value risk

31.7 公平值風險

All significant financial instruments are carried at amounts not materially different from their fair values as at 31 December 2008 and 2007.

所有重大金融工具之賬面金額與彼等於二零零八年及二零零七年十二月三十一日之公平值並無重大差異。

32. CAPITAL MANAGEMENT

32. 資本管理

The Group's objectives when managing capital are:

本集團管理資本之目標為：

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
- to support the Group's stability and growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

- 確保本集團可持續經營，繼續為股東提供回報，為其他利益相關者創造利益；
- 支持本集團穩定發展及成長；及
- 提供資本以加強本集團之風險管理能力。

Notes to the Financial Statements

財務報表附註

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

32. CAPITAL MANAGEMENT (Continued)

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability and projected operating cash flows. The Group currently has not adopted any formal dividend policy.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total capital. For this purpose, the Group defines total borrowings as convertible notes and promissory note. Total capital is calculated as total equity, as shown in the consolidated balance sheet, plus total borrowings.

The gearing ratios at 31 December 2008 and 2007 were as follows:

32. 資本管理 (續)

本集團主動定期審視及管理其資本架構，確保資本架構及股東回報達致最佳水平，並考慮本集團之未來資本需求及資本效益、現時及預計盈利能力以及預計營運現金流量。本集團目前並無採納任何正式股息政策。

本集團監察資本以資本與負債比率為基礎。該比率按總借貸除以總資本計算。就此而言，本集團界定總借貸為可換股票據及承兌票據。總資本按總權益（按綜合資產負債表所顯示者）加總借貸計算。

於二零零八年及二零零七年十二月三十一日，資本與負債比率如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Promissory note	承兌票據	100,000	—
Convertible notes	可換股票據	117,352	—
Total borrowings	總借貸	217,352	—
Total equity	總權益	56,453	247,634
Total capital	總資本	273,805	247,634
Gearing ratio	資本與負債比率	79.4%	Nil

Notes to the Financial Statements

財務報表附註

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

33. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in these financial statements, during the year, the Group had the following transactions with related parties.

33. 關連人士交易

除此等財務報表其他章節所披露之交易／資料外，年內本集團與關連人士進行下列交易。

Related party relationship	與關連人士之關係	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Key management personnel, including directors (note)	主要管理人員，包括董事(附註)		
Salaries and allowances	薪金及津貼	2,920	2,991
Contribution to defined contribution plan	向界定供款計劃供款	33	31
Companies under common control by executive directors and shareholders of the Company	受本公司執行董事及股東共同控制之公司		
Referral income received	已收轉介收入	65	—
Administrative expenses paid:	已付行政開支：		
Security	保安	—	155
Staff welfare	員工福利	—	128
Transportation	交通	—	52

Note:

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

附註：

董事及主要行政人員之酬金乃董事會視乎個人表現及市場趨勢而釐定。

34. CAPITAL COMMITMENTS

Group

The Group did not have any significant capital commitments as at 31 December 2008.

As at 31 December 2007, the Group had capital commitments in respect of acquisition of property, plant and equipment of approximately HK\$15,056,000 contracted but not provided for in the financial statements.

34. 資本承擔

本集團

於二零零八年十二月三十一日，本集團並無任何重大資本承擔。

於二零零七年十二月三十一日，本集團有關於添置物業、廠房及設備之已訂約但未於財務報表提撥的資本承擔約為港幣15,056,000元。

Notes to the Financial Statements

財務報表附註

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

34. CAPITAL COMMITMENTS (Continued)

Company

The Company did not have any significant commitments as at 31 December 2008 and 2007.

35. OPERATING LEASE COMMITMENTS

Group

At 31 December 2008, the total future minimum lease payments under non-cancellable operating leases payable by the Group are as follows:

Within one year	一年內
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
2,909	466
1,925	403
4,834	869

The Group leases certain of its office premises and photocopying machines. The leases run for an initial period of one to five years, with options to renew the lease and renegotiated the terms at the expiry date or at dates as mutually agreed between the Group and respective landlords/lessors. None of the leases include contingent rentals.

Company

The Company did not have significant operating lease commitments as at 31 December 2008 and 2007.

34. 資本承擔 (續)

本公司

於二零零八年及二零零七年十二月三十一日，本公司並無任何重大承擔。

35. 經營租賃承擔

本集團

於二零零八年十二月三十一日，根據不可撤銷經營租賃於下列期間本集團之未來最低應付租金總額如下：

本集團承租若干其辦公室物業及影印機。有關租賃初步為期一至五年，可於到期日或本集團與相關業主／出租人互相同意之日期選擇續訂租賃及重新磋商條款。有關租賃概無包括或然租金。

本公司

於二零零八年及二零零七年十二月三十一日，本公司並無重大經營租賃承擔。



Notes to the Financial Statements

財務報表附註

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

36. BANKING FACILITIES

At 31 December 2008, no banking facilities were granted to the Group.

At 31 December 2007, the banking facilities granted to a subsidiary amounted to US\$7,000,000 which had not been utilised were secured by cash deposits and marketable securities with aggregate net book value of HK\$19,103,000.

37. CONTINGENT LIABILITIES

On 8 October 2004, Mr. Kwok Chin Wing ("Kwok"), a former director of the Company, commenced legal proceedings (the "Action") against the Company in respect of the loans due from two former subsidiaries of the Company, namely, Rockapetta Industrial Company Limited and Grand Extend Investment Limited, for a sum of approximately HK\$44.5 million and accrued interest thereof.

The Action is still pending in the High Court of Hong Kong SAR. The Company had already completed discovery of all documentary evidence and exchange of witness statements as to the fact pursuant to the directions of the Court and also obtained Counsel's advice on the pleadings, evidence and merit of defence in the Action. The Company was ready to proceed with the trial of the Action since early 2006.

However, Kwok took out applications in the Action in July 2006 for substantial amendments to his Re-Re-Amended Statement of Claim ("the Amendment Application") and joinder of party to the Action ("the Joinder Application"). The Amendment Application and the Joinder Application had substantially delayed the setting down of the Action for trial.

The Amendment Application and the Joinder Application were granted by the Court on 19 April 2007. The newly joined defendant had filed his defence and the Company had also properly dealt with all consequential amendments to the pleadings. Discovery and inspection of documentary evidence between Kwok and the newly joined defendant were completed. Kwok has filed and served his Supplemental Witness Statement but the newly joined defendant has not yet made ready his witness statement. Recently, Kwok indicated that further amendment to his Statement of Claim would be required. It is foreseeable that the trial of the Action would be further delayed.

36. 銀行融資額度

於二零零八年十二月三十一日，本集團並無獲授銀行融資額度。

於二零零七年十二月三十一日，授予一間附屬公司但並無動用銀行融資額度為7,000,000美元，乃由總賬面淨額為港幣19,103,000元之現金存款及有市場價值證券所擔保。

37. 或然負債

於二零零四年十月八日，本公司前董事郭展榮先生（「郭氏」）就本公司兩間前附屬公司（樂家實業有限公司及展昌投資有限公司）所欠貸款約港幣44,500,000元連應計利息向本公司開展法律訴訟（「訴訟」）。

該訴訟仍待香港特區高等法院裁決。本公司已根據法院指示，完成一切文件證據之透露及交換有關事實之證人陳述書，亦已就該訴訟之狀書、證據及答辯尋求法律顧問意見。本公司自二零零六年初起已準備進行該訴訟之審訊。

然而，郭氏於二零零六年七月提出訴訟申請，要求大幅修改其兩度修訂之申索陳述書（「修改申請」）及要求訴訟加入與訟方（「合併申請」）。修改申請及合併申請使訴訟之審訊大為延遲。

法院已於二零零七年四月十九日批准修改申請及合併申請。新與訟方已就其抗辯提交答辯書，本公司亦已適當地處理申訴答辯書之相應修改。郭氏與新與訟方已完成文件證據之透露及調查。郭氏已存檔及提交其補充證人陳述書，但新與訟方尚未備妥其證人陳述書。最近，郭氏指出將要對其申索陳述書作出進一步修訂。預料訴訟將進一步押後審訊。

Notes to the Financial Statements

財務報表附註

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

37. CONTINGENT LIABILITIES (Continued)

Notwithstanding the contemplated amendments to the Re-Re-Amended Statement of Claim, the Solicitors and Counsel acting for the Company still hold good of their advice previously delivered to the Company. With the benefit of the advice of Solicitors and Counsel acting for the Company, the directors of the Company formed the opinion that Kwok does not have a valid claim against the Company and therefore it is unlikely to have any material adverse financial impact on the Group.

38. POST BALANCE SHEET EVENTS

- (a) On 22 December 2008, the Company has proposed Capital Reorganisation as follows:
- (i) Share Consolidation: every twenty shares of HK\$0.125 each in both the issued and unissued share capital of the Company would be consolidated into one consolidated share of HK\$2.50;
 - (ii) Capital Reduction: upon the Share Consolidation becoming effective, the par value of each issued consolidated share would be reduced from HK\$2.50 to HK\$0.01 by the cancellation of HK\$2.49 of the paid-up capital on each consolidated share;
 - (iii) Share Subdivision: upon the Share Consolidation and Capital Reduction becoming effective, each of the authorised but unissued consolidated share in the capital of the Company of par value of HK\$2.50 should be subdivided into 250 new shares of par value of HK\$0.01 each; and
 - (iv) Share Premium Reduction: upon the Share Consolidation, the Capital Reduction and the Share Subdivision becoming effective, the entire amount of the share premium account of the Company would be cancelled.

Pursuant to a special resolution passed in a special general meeting on 11 February 2009, the Capital Reorganisation becomes effective from 12 February 2009.

37. 或然負債 (續)

儘管擬對三度修訂之申索陳述書作出重大修改，代表本公司之律師及大律師仍堅守彼等先前給予本公司之意見。在徵詢代表本公司之律師及大律師之意見後，本公司董事認為，郭氏並無有效理據向本公司申索，故該訴訟應不會對本集團造成重大不利之財務影響。

38. 結算日後事項

- (a) 於二零零八年十二月二十二日，本公司建議下列股本重組：
- (i) 股份合併：本公司已發行及未發行股本中每二十股每股面值港幣0.125元之股份合併為一股面值港幣2.50元之股份；
 - (ii) 股本削減：待股份合併生效後，每股已發行合併股份之面值將透過註銷每股合併股份之實繳股本港幣2.49元，由港幣2.50元削減為港幣0.01元；
 - (iii) 股份拆細：待股份合併及股本削減生效後，本公司股本中每股面值港幣2.50元之法定但未發行合併股份拆細為250股每股面值港幣0.01元之新股份；及
 - (iv) 股份溢價削減：待股份合併、股本削減及股份拆細生效後，註銷本公司股份溢價賬之全部金額。

根據於二零零九年二月十一日之股東特別大會上通過之特別決議案，股本重組自二零零九年二月十二日起生效。

Notes to the Financial Statements

財務報表附註

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

38. POST BALANCE SHEET EVENTS (Continued)

- (b) On 17 December 2008, the Company, as the issuer, and Hani Securities (H.K.) Limited ("Hani"), as the placing agent, entered into the share placing agreement (the "Share Placing"), pursuant to which Hani shall, on a best effort basis, procure not less than six placees to subscribe for up to a maximum of 220,000,000 placing shares of HK\$0.01 each ("Placing Share") by one tranche or multiple tranches at HK\$0.15 per Placing Share.

On 11 February 2009, pursuant to an ordinary resolution passed in the special general meeting, the Share Placing was approved by the shareholders. On 31 March 2009, the first tranche of the Share Placing was completed and 130,000,000 Placing Shares were issued and allotted to not less than six placees at a consideration of HK\$0.15 per Placing Share.

- (c) On 17 December 2008, the Company, as the issuer, and Get Nice Securities Limited ("Get Nice"), as the placing agent, entered into the convertible notes ("CNs") placing agreement, pursuant to which Get Nice shall, on a best effort basis, procure not less than six subscribers to subscribe for the CNs with an aggregate principal amount of up to HK\$120,000,000 by one tranche or multiple tranches. The CNs carry rights to convert into shares of the Company at the lower of (i) the initial conversion price of HK\$0.18 (subject to adjustments); and (ii) the average closing price of the shares of the Company for five trading days ending on the day immediately preceding the date of a relevant conversion notice, subject to a limit of not less than HK\$0.15 (subject to adjustments).

The fund raising activities stated in (b) and (c) above were still in progress and did not have material impact to the financial statements for the year ended 31 December 2008.

38. 結算日後事項 (續)

- (b) 於二零零八年十二月十七日，本公司（作為發行人）與恒利證券（香港）有限公司（「恒利」）（作為配售代理）訂立股份配售協議（「股份配售」），據此，恒利將按竭力行事基準，促使不少於六名承配人按每股配售股份港幣0.15元，以一批或多批基準認購最多220,000,000股每股面值港幣0.01元之配售股份（「配售股份」）。

於二零零九年二月十一日，根據於股東特別大會通過之普通決議案，股份配售獲股東批准。於二零零九年三月三十一日，首批股份配售已經完成，及130,000,000股配售股份按每股配售股份港幣0.15元之代價，發行及配發予不少於六名承配人。

- (c) 於二零零八年十二月十七日，本公司（作為發行人）與結好證券有限公司（「結好」）（作為配售代理）訂立可換股票據（「可換股票據」）配售協議，據此，結好將按竭力行事基準，促使不少於六名認購人以一批或多批方式，認購總本金額最高達港幣120,000,000元之可換股票據。可換股票據附有權利，可按(i)初步兌換價港幣0.18元（可予調整）；及(ii)本公司股份緊接相關兌換通知當日止前五個交易日之平均收市價（下限不得低於港幣0.15元（可予調整））之較低者兌換成本公司股份。

上述(b)及(c)項集資行動仍在進行中，並且未有對截至二零零八年十二月三十一日止年度之財務報表產生重大影響。

Financial Summary

財務概要

For the year ended 31 December

截至十二月三十一日止年度

		2004 二零零四年 HK\$'000 港幣千元 (restated) (經重列)	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Revenue	收益	165,291	179,128	132,632	132,987	119,586
(Loss)/Profit before income tax	除所得稅前(虧損)/溢利	(1,666)	12,044	(36,457)	(74,799)	(205,937)
Income tax (expenses)/credit	所得稅(開支)/抵免	(1,786)	(873)	(76)	(171)	77
(Loss)/Profit for the year	本年度(虧損)/溢利	(3,452)	11,171	(36,533)	(74,970)	(205,860)
Attributable to:	應佔:					
Equity holders of the Company	本公司股權持有人	(6,169)	10,056	(36,610)	(73,579)	(205,860)
Minority interests	少數股東權益	2,717	1,115	77	(1,391)	—
		(3,452)	11,171	(36,533)	(74,970)	(205,860)

At 31 December

於十二月三十一日

		2004 二零零四年 HK\$'000 港幣千元 (restated) (經重列)	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元
Total assets	資產總額	142,168	140,282	126,653	262,708	309,911
Total liabilities	負債總額	(64,599)	(53,090)	(57,039)	(15,074)	(253,458)
Net Assets	資產淨值	77,569	87,192	69,614	247,634	56,453
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益	71,884	85,646	68,152	247,634	56,453
Minority interests	少數股東權益	5,685	1,546	1,462	—	—
Total Equity	權益總額	77,569	87,192	69,614	247,634	56,453

21 Holdings Limited
21 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 01003