

Annual Report 2008 年報



奇峰國際
Superb Summit International

**SUPERB SUMMIT INTERNATIONAL
TIMBER COMPANY LIMITED**
奇峰國際木業有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號: 01228)

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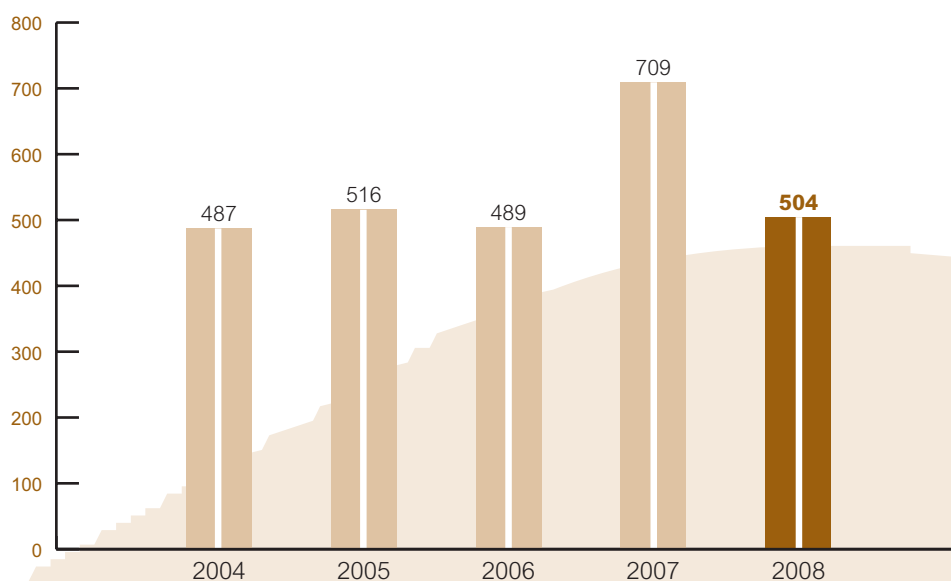
FINANCIAL HIGHLIGHTS

財務摘要

BUSINESS REVIEW

業務回顧

Turnover (HK\$ million)
營業額 (百萬港元)

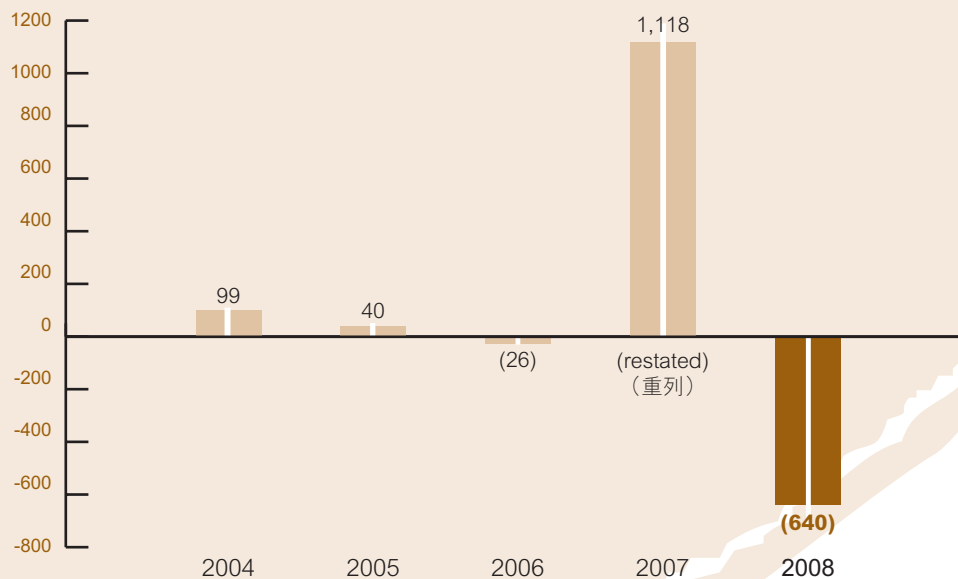


Year Ended 31 December 截至十二月三十一日止年度

PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS

公司權益持有人應佔溢利／(虧損)

Profit / (Loss) (HK\$ million)
溢利／(虧損) (百萬港元)



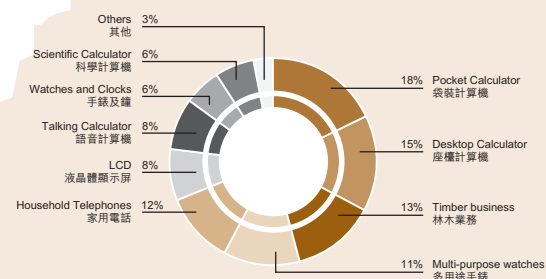
Year Ended 31 December 截至十二月三十一日止年度

FINANCIAL HIGHLIGHTS

財務摘要

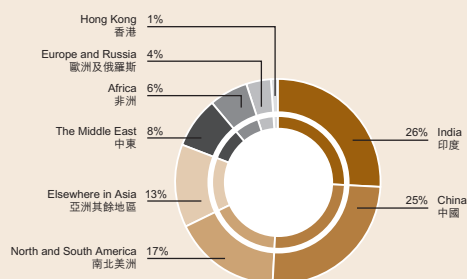
TURNOVER BREAKDOWN BY PRODUCT

以產品類別劃分之營業額分佈



TURNOVER BREAKDOWN BY GEOGRAPHIC MARKET

按地區市場劃分之營業額分佈



FINANCIAL RESULTS

財務摘要

Year ended 31st December
截至十二月三十一日止年度

Operating Performance	經營業務表現	2008 二零零八年	2007 (restated) 二零零七年 (重列)
(HK\$'000)	(千港元)		
Turnover	營業額	504,159	709,331
(Loss)/profit from operations	經營(虧損)/溢利	(838,830)	1,226,497
(Loss)/profit attributable to equity holders	公司權益持有人應佔(虧損)/溢利	(639,881)	1,117,837
Net cash (used in)/from operating activities	經營業務之(所用)/所得現金淨額	(1,713)	303,017
(Loss)/earnings per share – basic	每股(虧損)/盈利 – 基本	(HK3.512 cents港仙)	HK6.547 cents港仙
Financial Position (HK\$'000)	財務狀況(千港元)		
Net borrowing #	借貸淨額#	(352,198)	(275,062)
Net current (liabilities)/assets	流動(負債)/資產淨值	(129,029)	467,673
Shareholders' equity	股東權益	3,333,555	3,531,707
Net assets per share	每股資產淨值	HK14.21 cents港仙	HK20.03 cents港仙
Capital expenditure	資本開支	19,298	13,267
Key Ratios and Data	主要比率及數據		
(Loss)/profit margin	邊際(虧損)/溢利	(174.9%)	(170.7%)
Current ratio	流動比率	0.8x倍	2.3x倍
(Loss)/return on Equity	股本(虧損)/回報	(19.2%)	(31.7%)

Cash and cash equivalents less interest-bearing bank loan.

現金及現金等值項目減計息銀行貸款。

CHAIRMAN'S STATEMENT

主席報告書

I am pleased to report the results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008 (the "Year") to the shareholders.

2008 REVIEW

The Group's turnover for the Year recorded a decrease of 28.9% to approximately HK\$504.2 million (2007: HK\$709.3 million). 2008 was a very challenging year especially the second half of the Year in which the financial tsunami was wide spreading over the world. The Group's timber business had full year's operation in the Year and the Group had already invested approximately HK\$9.0 million on research and development in the area of standardized electronic trading and timber circulation. I believe the Group can enjoy fruitful rewards in the future from the investment it made during the Year.

At the end of the Year, the Group possesses about 3.5 million (2007: 3.4 million) cubic meter of timber resources covering forest land of about 316,000 (2007: 329,000) Chinese mu mainly in Yunnan and Hebei and about 181.4 (2007: 181.4) Chinese mu manufacturing base located in Beijing, which is capable of maximizing the use and value of the timber resources and producing a wide range of timber products to meet customers' needs. Due to the recognition of loss of HK\$344.9 million (2007: gain of HK\$262.9 million) from change in fair value less estimated point-of-sale costs of biological assets and provision for all the tangible assets of floorboard manufacturing business of HK\$287.8 million (2007: Nil) during the Year, the Group's timber business had recorded a loss of HK\$759.2 million (2007 (restated): profit of HK\$348.8 million). As the timber business acquired in 2007 cannot meet guaranteed profit during the guaranteed period for the two years ended 31 December 2008, the Company will exercise its right to recover the total amount of shortfall from guaranteed profit of HK\$725 million by cancelling of the restricted convertible note of HK\$300 million stakeheld by the Company and claiming the remaining amount from the Vendor and guarantors.

本人謹此欣然向股東呈報公司及其附屬公司(「集團」)截至二零零八年十二月三十一日止年度(「本年度」)之業績。

二零零八年回顧

集團於本年度之營業額減少28.9%至約504,200,000港元(二零零七年: 709,300,000港元)。二零零八年為充滿挑戰之一年,尤其金融海嘯於本年度下半年蔓延全球。集團之林木業務已於本年度全年營運,而集團已投資約9,000,000港元於研發電子交易及木材流過程規程方面。本人相信,集團日後可享受於本年度所作出投資之豐碩成果。

於年結日,集團擁有約3,500,000立方米(二零零七年: 3,400,000立方米)之木材資源,覆蓋林地面積約316,000畝(二零零七年: 329,000畝),主要位於雲南及河北,並於北京擁有一個佔地約181.4畝(二零零七年: 181.4畝)之生產基地,該基地有能力將木材資源之用途及價值最大化,以及製造多種林木產品迎合顧客需要。由於本年度確認來自公平值變動減生物資產銷售點估計成本之虧損344,900,000港元(二零零七年: 收益262,900,000港元)及木地板製造業務全部有形資產撥備287,800,000港元(二零零七年: 無),集團之林木業務錄得虧損759,200,000港元(二零零七年(重列): 溢利348,800,000港元)。由於二零零七年所收購之林木業務並無達致截至二零零八年十二月三十一日止兩個年度之保證期間之保證溢利,公司將行使其權利收回保證溢利短缺款額總額725,000,000港元,其中透過註銷公司所持有之有限制可換股票據收回300,000,000港元,並向賣方及擔保人申索收回餘下數額。

CHAIRMAN'S STATEMENT

主席報告書

During the Year, the Group's electronic products business had making a loss of HK\$86.2 million (2007: profit of HK\$23.5 million) although the Group had implemented various measures such as aggressive pricing strategy, reduction of inventories level and controlling of production cost etc. This was mainly due to the robust business environment consequential to the economic recession during the second half of the Year. The Group will continue to control the production costs and other appropriate measures to improve the production efficiency.

The board does not recommend a final dividend for the year ended 31 December 2008 (2007: Nil).

PROSPECT

Although the performance of the Group's business has room to improve and the timber business did not help the Group in achieving a growth in profit in the Year, I still consider the timber business has vast potential during the period of expected economic growth in PRC and it will become a major revenue growth driver of the Group in the future.

We expect the electronic calculators market will still be very challenging in 2009. The Group will continue to control the production costs and implement other appropriate measures to improve the production efficiency and profitability.

APPRECIATIONS

I would like to thank our management team and staff for their dedication and hard work during the year end 31 December 2008. Moreover, I would also like to take this opportunity to thank our shareholders and business partners for their continuous support.

Lee Chi Kong
Chairman

本年度內，儘管集團已實行積極之定價政策、減低存貨水平及控制生產成本等多項措施，集團之電子產品業務分部錄得虧損86,200,000港元（二零零七年：溢利23,500,000港元）。此主要由於本年度下半年經濟衰退後業務環境暢旺所致。集團將繼續控制生產成本及採取其他適當措施以改善生產效率。

董事會並不建議派付截至二零零八年十二月三十一日止年度之末期股息（二零零七年：零）。

前景

儘管集團業務表現尚有改善空間，林木業務於本年度並無為集團帶來溢利增長，本人認為，林木業務在中國預期經濟增長期間仍然充滿潛力，而其將成為集團未來主要收益增長動力。

集團預期，二零零九年電子計算機市場仍然充滿挑戰。集團將繼續控制生產成本，並實行其他適當措施，以改善生產效率及盈利能力。

致謝

本人謹此感謝管理團隊及各員工於截至二零零八年十二月三十一日止年度之貢獻及努力。此外，本人亦藉此向各股東及業務夥伴之不斷支持致以衷心謝意。

主席
李志剛

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS OVERVIEW

The Group is principally engaged in (i) exploitation and management of timber resources in the PRC; (ii) research and development, processing, manufacturing, distribution, marketing and sales of a wide range of timber products and (iii) manufacturing and sales of electronic calculators and other electronic products and liquid crystal display units.

During the Year, the Group recorded turnover of HK\$504.2 million, down 28.9% compared with approximately HK\$709.3 million last year. Owing to the overspreading effect of financial tsunami over the world during the second half of the Year, the worldwide economy was contracted and the business of the Group was badly impaired. The cool down of property market has caused the demand of logs and wooden products shrunken. The Group had downsized its production output of electronic products in reaction to consequential economic contraction. The Group's net loss attributable to shareholders for the Year was HK\$639.9 million in contrast to net profit of HK\$1,117.8 million (restated) in last year. For the timber business, the Group had recognized a decrease in fair value of biological assets of HK\$344.9 million (2007: increase HK\$262.9 million) and made provision on certain plant and machinery amounted to HK\$229.5 million (2007: Nil) and had recorded a segment loss of approximately HK\$759.2 million (2007 (restated): HK\$348.8 million) during the Year. For the Group's electronic business, due to the contraction of business during the second half of the Year, the Group's electronic business had incurred a segment loss of approximately HK\$86.2 million (2007: HK\$23.5 million).

The Group's gross profit during the Year recorded approximately HK\$5.3 million, representing a decline of 95.8% compared with approximately HK\$127.1 million last year. Gross profit margin had decreased to 1.0% (2007: 17.9%). This is mainly due to the gross loss from timber business and higher provision for inventory than last year.

業務回顧

集團之主要業務為(i)開發及管護其位於中國境內之林木資源；(ii)研發、加工、生產、分銷、市場推廣及銷售各類林木產品；及(iii)製造及銷售電子計算機及其他電子產品，以及液晶顯示產品。

本年度內，集團錄得營業額504,200,000港元，較去年約709,300,000港元減少28.9%。由於金融海嘯於本年度下半年蔓延全球，環球經濟收縮，而集團之業務亦受到不利影響。物業市場冷卻導致對原木及木製品之需求減少。集團已因應經濟收縮而減低其電子產品之產量。本年度集團之股東應佔淨虧損為639,900,000港元，而去年之純利則為1,117,800,000港元（重列）。就林木業務而言，集團已確認生物資產公平值減少344,900,000港元（二零零七年：增加262,900,000港元），就若干廠房及機器229,500,000港元（二零零七年：零）作出撥備，並於本年度錄得分部虧損約759,200,000港元（二零零七年（重列）：348,800,000港元）。就集團之電子業務而言，由於本年度下半年業務收縮，集團之電子業務產生分部虧損約86,200,000港元（二零零七年：23,500,000港元）。

集團本年度錄得毛利約為5,300,000港元，較去年約127,100,000港元下跌95.8%。毛利率減少至1.0%（二零零七年：17.9%）。毛利率減少主要由於來自林木業務之毛損及存貨撥備較去年為高所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Timber business

The Group has recorded a turnover of HK\$65.9 million (2007: HK\$236.5 million) which mainly arose from the timber logging and trading. Operating loss from timber business was HK\$759.2 million (2007 (restated): profit of HK\$348.8 million). This poor performance is due to the unexpected reduction in demand of the logs caused by retreat of property market and weakened construction activities and the decrease in fair value less estimated point-of-sale costs of biological assets and the full provision of assets in a subsidiary of floorboard manufacturing business

Since the selling prices of the logs in the PRC were also dropped in the second half of the Year, the Group has also recorded a loss of HK\$344.9 million arising from the changes in fair value less estimated point-of-sale costs of biological assets in contrast to a gain of HK\$262.9 million in last year. In response to the worldwide financial crisis, major economic countries in the world had promptly implemented large scale financial stimulus plans to avoid the risk of economic recession. Although it is difficult to estimate the timing of recovering, economic situation of PRC is widely regarded as stable comparing with other countries. To avoid influential effect of economic recession from the United States and European countries, PRC had already implemented a large scale economic stimulus plans on infrastructure and domestic demand areas. These measures can stabilise the economy development from which the consumer and property markets can be benefited so that the demand for logs and floorboard products recouped.

As explained in above, the economic environment of second half of the Year is extremely challenging. Turnover from sales of logs and floorboard products were dropped sharply during the second half of the Year. Significant depreciation and interest payment add significant pressure to the operating performance. The management has adopted cost-saving measures and invested in new electronic timber trading platform to diversify the product mix of the Company.

林木業務

集團錄得營業額65,900,000港元(二零零七年: 236,500,000港元), 主要來自木材採伐及買賣。本年度, 林木業務之經營虧損759,200,000港元(二零零七年(重列): 溢利348,800,000港元)。表現欠佳乃由於未能預期因物業市場放緩及建築活動減少而導致原木需求下跌, 加上公平值減生物資產銷售點估計成本之減少及就從事木地板製造業務之附屬公司之資產作出全數撥備。

由於中國之原木售價於本年度下半年亦告下跌, 集團亦錄得來自公平值變動減生物資產銷售點估計成本所產生之虧損344,900,000港元, 而去年則為收益262,900,000港元。由於全球金融危機, 環球主要經濟國家亦迅速實行大型刺激經濟計劃, 以免面對經濟衰退之風險。儘管難以估計復甦時間, 中國之經濟狀況相對於其他國家一般被視為較為穩定。為免受美國及歐洲之經濟衰退所影響, 中國已實行有關基建及內需方面之大型刺激經濟計劃。該等措施可穩定經濟發展, 從而令消費者及物業市場受惠, 而原木及木地板產品需求亦得以改善。

誠如上述所闡述, 本年度下半年之經濟環境極富挑戰性。銷售原木及木地板之營業額於本年度下半年大幅度下降。大幅折舊及利息付款為經濟表現帶來重大壓力。管理層已採納節省成本措施, 並投資於新電子木材交易平台, 將公司產品組合多元化。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Electronic products business

During the Year, the Group's electronic products business segment recorded turnover of HK\$438.2 million, accounted for approximately 86.9% of the Group's turnover, down 7.3% compared with the same segment of approximately HK\$472.8 million last year. The Group's electronic products business segment's operating loss was HK\$86.2 million in contrast to same segment's operating profit of approximately HK\$23.5 million last year.

The gross profit for electronic products business during the Year recorded approximately HK\$19.0 million (2007: approximately HK\$72.2 million), down 73.7% compared with last year. Gross profit margin had decreased to 4.3% (2007: 15.3%). During the Year, the Group's total production output of electronic calculators and other electronic products had decreased by approximately 17% compared with last year. The decline in gross profit margin was mainly due to the fact that the Group had raised the products selling price generally during the Year and strengthened the control of production with an aim of improving the product quality. The Group had reviewed the products profile and more concentrated on high profit margin products.

Electronic Calculators

During the Year, the sales of electronic calculators remained the Group's significant revenue generator, recording HK\$245.5 million or 48.7% of the Group's total turnover. (2007: sales of approximately HK\$272.6 million and 38.4% of the Group's total turnover). The decrease is mainly due to the Group had scaled down its production.

Other Consumer Electronic Products

During the Year, the sales of multifunctional water resistance watches and household telephones recorded HK\$55.2 million and HK\$63.0 million respectively, contributing 10.9% and 12.5% of the Group's turnover (2007: sales of multifunctional water resistance watches and household telephones were approximately HK\$62.8 million and HK\$53.4 million respectively, or 8.9% and 7.5% of the Group's turnover). The slightly decrease in sales of multifunctional water resistance watches was mainly due to decline in demand whereas increase in household telephones was mainly due to launching of more new models. The management will continue to develop more new models of household to capture more market opportunities.

電子產品業務

本年度內，集團之電子產品業務分部錄得營業額438,200,000港元，佔集團營業額約86.9%，較去年同一分部約472,800,000港元下跌7.3%。集團電子產品業務分部之經營虧損為86,200,000港元，而去年同一分部之經營溢利則約為23,500,000港元。

本年度內，電子產品業務錄得毛利約19,000,000港元（二零零七年：約72,200,000港元），較去年下跌73.7%。毛利率減少至4.3%（二零零七年：15.3%）。本年度，集團電子計算機及其他電子產品之總產量較去年下降約17%。毛利率下跌主要由於集團於本年度內將產品售價普遍提高，以及加強對生產之控制，以改善產品質素。集團已審閱產品組合，並更專注於高利潤之產品。

電子計算機

本年度內，銷售電子計算機仍然是集團之主要收益來源，錄得245,500,000港元或佔集團總營業額48.7%（二零零七年：銷售額約為272,600,000港元或佔集團總營業額38.4%）。銷售額減少主要由於集團縮減其生產規模。

其他電子消費產品

本年度內，多功能防水手錶及家用電話之銷售額分別為55,200,000港元及63,000,000港元，佔集團營業額10.9%及12.5%（二零零七年：多功能防水手錶及家用電話之銷售額分別約為62,800,000港元及53,400,000港元，及佔集團營業額8.9%及7.5%）。多功能防水手錶銷售額輕微減少主要由於需求下跌所致，而家用電話銷售額增加則主要由於推出多款新型號所致。管理層將繼續開發更多新型號家用電話，以把握市場商機。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquid Crystal Display ("LCD")

During the Year, the sale of LCD was HK\$38.1 million or 7.6% of the Group's total turnover (2007: sales of HK\$42.2 million or 5.9% of the Group's turnover). Internal requirement for LCD was dropped due to downsizing of production of electronic calculators and external sales were declined resulting from poor market demand during the second half of the Year, less TN-LCD and STN-LCD were produced.

Corporate Development

The performance of the timber business acquired by the Group in 2007 was not performed as expected. According to the terms and condition of the acquisition, the Vendor, Superview International Limited, together with other guarantors had given profit guarantee in respect of the Green & Good Group Limited (the "Green & Good Group") and its subsidiaries that the after tax profits for two financial years ended 31 December 2008 of not less than HK\$300 million. However, the Green & Good Group had recorded a loss of HK\$425 million for the two financial years ended 31 December 2008. The Company will exercise its right to recover the total amount of loss from the shortfall to guaranteed profit of HK\$725 million by cancellation of the restricted convertible note of HK\$300 million stakeheld by the Company and claiming the remaining amount from the Vendor and guarantors.

During the Year, the Group's electronic products business had incurred a loss although the Group had implemented measures such as raising selling price, controlling of production cost and downsizing of production and adjusting the product mix emphasising on high profit margin products. The downturn of electronic products business was mainly attributable to sharp decrease in market demand for electronic products in the second half of the Year and soaring of raw material cost and labour cost. The Group will continue to implement appropriate measures such as keeping low inventory level, controlling the cost of production and improving the production efficiency.

Employees and Remuneration Package

As at 31 December 2008, the Group had approximately 3,700 employees (2007: approximately 4,600 employees). The decrease in employees was attributable to downsizing of production and outsourcing of certain labour intensive production procedures such as assembly. The remuneration package was based on their work performance, experience and the industry practice. The Group also participated in retirement benefits schemes for its staff in Hong Kong and the PRC.

液晶體顯示屏 (「液晶體顯示屏」)

本年度內，液晶體顯示屏之銷售額為38,100,000港元，或佔集團總營業額之7.6%（二零零七年：銷售額為42,200,000港元，或佔集團營業額5.9%）。液晶體顯示屏之內部需求下跌乃由於電子計算機減產，而於本年度下半年之市場需求疲弱則導致外部銷售額減少，以致所生產之TN液晶體顯示屏及STN液晶體顯示屏較少。

企業發展

集團於二零零七年所收購之林木業務表現未如預期。根據收購之條款及條件，賣方超景國際有限公司連同其他擔保人已作出溢利保證，綠之嘉集團有限公司（「綠之嘉集團」）及其附屬公司於截至二零零八年十二月三十一日止兩個財政年度之除稅後溢利將不少於300,000,000港元。然而，綠之嘉集團於截至二零零八年十二月三十一日止兩個財政年度錄得虧損425,000,000港元。公司將行使其權利，透過註銷公司所持有之有限制可換股票據300,000,000港元及向賣方及擔保人申索餘下數額元，而收回保證溢利短缺款額之虧損總額725,000,000港元。

本年度內，儘管集團已實行提高售價、控制生產成本及減產以及調整產品組合以專注於高利潤之產品等措施，集團之電子產品業務仍錄得虧損。電子產品業務轉差主要由於本年度下半年電子產品之市場需求大幅下跌以及原材料成本及勞工成本急升所致。集團將繼續實行適當措施，例如維持較低之存貨水平、控制生產成本及提升生產效率。

僱員及酬金組合

於二零零八年十二月三十一日，集團擁有約3,700名僱員（二零零七年：約4,600名僱員）。僱員減少主要是由於縮減生產及外判若干勞動密集生產工序（例如裝配）之規模所致。集團僱員之薪酬是根據僱員之工作表現、經驗及行業慣例釐定。此外，集團亦為中港兩地之員工提供退休福利計劃。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital Expenditures

During the Year, the Group spent approximately HK\$19.3 million (2007: HK\$13.3 million) on acquisition of new production machineries, which was financed by internal cash resources.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 31 December 2008 (2007: Nil).

FINANCIAL REVIEW

Liquidity and Finance Resources

During the year, the Group generally financed its operations with internally generated resources and banking facilities provided by its principal bankers in Hong Kong and the PRC. As at 31 December 2008, the Group had approximately HK\$406.8 million interest-bearing borrowings (2007: HK\$413.3 million), of which approximately HK\$406.8 million (2007: HK\$406 million) was floating-interest bearing and denominated in Renminbi with maturity within one year. The Group's banking facilities were secured by corporate guarantees given by certain subsidiaries of the Company.

As at 31 December 2008, the Group's bank borrowings were denominated in Renminbi. The Group's sales and purchases were either denominated in Renminbi, Hong Kong and US dollars. Accordingly, the Directors consider the Group has no significant exposure to foreign exchange fluctuations in view of the stability of the exchange rates of Renminbi, Hong Kong and US dollars. During the year, the Group did not use any financial instrument for hedging the foreign exchange risk nor. However, for hedging of interest rate risk, the Group used interest rate swap which could effectively convert the floating interest rate bank loan to fixed interest rate. There was no interest rate swap outstanding at 31 December 2008 (2007: approximately HK\$6.7 million).

資本開支

本年度內，集團使用約19,300,000港元（二零零七年：13,300,000港元）收購新生產機器，有關資金乃以內部現金資源撥付。

或然負債

於二零零八年十二月三十一日，集團並無任何重大或然負債（二零零七年：無）。

財務回顧

流動資金及財務資源

本年度內，集團均以內部產生之資源及中港兩地之主要往來銀行提供之銀行信貸撥付營運所需。於二零零八年十二月三十一日，集團之計息銀行借貸約為406,800,000港元（二零零七年：413,300,000港元），當中約406,800,000港元（二零零七年：406,000,000港元）為於一年內到期之浮息人民幣貸款。集團之銀行信貸由若干公司附屬公司提供之公司擔保作為抵押。

於二零零八年十二月三十一日，集團之銀行借貸以人民幣列值，集團之銷售額及購貨額則以人民幣、港元或美元列值。由於人民幣、港元及美元之匯率頗為穩定，因此，董事認為集團並無承擔重大之外匯波動風險。年內，集團並無為對沖外匯風險而使用任何金融工具，然而，集團使用息率轉換方法對沖利率風險。此方法可有效將銀行貸款由浮息轉為固定利息。於二零零八年十二月三十一日，概無未動用之利率掉期（二零零七年：約6,700,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 December 2008, the Group had current assets of approximately HK\$659.6 million (2007 (restated): HK\$826.7 million) and current liabilities of approximately HK\$788.6 million (2007 (restated): 359.0 million). The Group's current ratio had decreased from approximately 2.3 times (restated) as at 31 December 2007 to approximately 0.8 times as at 31 December 2008. The Group had total assets of approximately HK\$4,122.2 million (2007 (restated): HK\$4,806.2 million) and total liabilities of approximately HK\$788.6 million (2007 (restated): HK\$1,274.5 million), representing a gearing ratio (expressed as total liabilities to total assets) of approximately 19.1% as at 31 December 2008 as compared with approximately 26.5% (restated) as at 31 December 2007.

Prospects

Despite of the unsatisfactory performance of the timber business during the Year, the Group had continued to invest in electronic timber trading platform. In view of the huge stimulus plan implemented by PRC government and other major economic countries to avoid economic recession possibly cause by the financial tsunami, there are ample opportunities in timber and related business in PRC. The Group's investment in the electronic timber trading platform establishes a solid foundation for future development of the Group's integrated timber business.

In achieving the long term goal of development in the area of timber circulation, the Group will strive to attain integration of its timber stocks, inventories and other resources through standardized management within the circulation process of timber products. The Group had obtained satisfactory results from the study of standardization in the timber trading activities in China conducted by the Research Institute of Wood Industry of the Chinese Academy of Forestry, which aimed at standardizing timber trading activities in China, thereby facilitating standardization of the timber trading market in China. In future, the Group will identify and make investments in or form partnerships with such trading channels with leading status in the PRC.

For the electronic manufacturing business, the Group will continue to control the production costs and implement other appropriate measures to improve the production efficiency and profitability. Furthermore, the Group will closely monitor the market condition of electronic consumer products to explore new market opportunities.

於二零零八年十二月三十一日，集團之流動資產約為659,600,000港元（二零零七年（重列）：826,700,000港元），流動負債約為788,600,000港元（二零零七年（重列）：359,000,000港元）。集團之流動比率由二零零七年十二月三十一日約2.3倍（重列）下降至二零零八年十二月三十一日約0.8倍。集團之資產總值約為4,122,200,000港元（二零零七年（重列）：4,806,200,000港元），負債總額則約為788,600,000港元（二零零七年（重列）：1,274,500,000港元），即於二零零八年十二月三十一日之資本負債比率（以總負債對總資產呈列）約為19.1%，而於二零零七年十二月三十一日則約為26.5%（重列）。

展望

儘管本年度林木業務表現未如理想，集團已繼續投資於電子木材交易平台。鑑於中國政府及其他主要經濟國家已實施大規模刺激經濟計劃以免因金融海嘯而出現經濟衰退，中國林木及相關業務充滿商機。集團於電子木材交易平台之投資為集團綜合林木業務之日後發展建立穩健基礎。

為達致在木材流通領域發展之長遠目標，集團將致力通過對木材產品在流過程之規範化管理，整合其木材儲備、存貨及其他資源。集團在研究中國木材交易規範化方面取得滿意成效，有關研究乃由致力於中國木材交易規範化之中國林業科學研究院木材工業研究所進行，以推動中國木材市場交易之規範化。日後，集團將在國內選擇具有代表性之交易管道進行投資或開展合作。

就電子製造業務而言，集團將繼續控制生產成本，並實行其他適當措施，以改善生產效率及盈利能力。此外，集團將密切監察電子消費產品之市況，探索新市場機遇。

REPORT OF THE DIRECTORS

董事會報告

The directors are pleased to present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 20 to the financial statements.

There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDEND

The Group's results for the year ended 31 December 2008 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 39 to 128.

The directors do not recommend the payment of a final dividend for the year ended 31 December 2008.

董事會欣然提呈董事會報告書，連同公司及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

公司之主要業務為投資控股。主要附屬公司主要業務之詳情載於財務報表附註20。

集團主要業務之性質於年內並無重大變動。

業績及股息

集團截至二零零八年十二月三十一日止年度之業績，以及公司與集團於該日之財務狀況載於第39頁至第128頁之財務報表。

董事並不建議派付截至二零零八年十二月三十一日止年度末期股息。

REPORT OF THE DIRECTORS

董事會報告

FINANCIAL INFORMATION SUMMARY

The following is a summary of the published combined/ consolidated results and assets and liabilities of the Group for the five years ended 31 December 2004, 2005, 2006, 2007 and 2008 prepared on the basis set out in the note below:

Results

		2008 HK\$'000	2007 HK\$'000 (restated)	2006 HK\$'000	2005 HK\$'000	2004 HK\$'000 (restated)
		二零零八年 千港元	二零零七年 千港元 (重列)	二零零六年 千港元	二零零五年 千港元	二零零四年 千港元 (重列)
TURNOVER	營業額	504,159	709,331	489,325	515,877	486,779
(LOSS)/PROFIT FROM OPERATIONS	經營(虧損)/溢利	(838,830)	1,226,497	(20,879)	46,033	89,965
FINANCE COSTS	財務成本	(40,336)	(11,338)	(4,419)	(2,609)	(567)
(LOSS)/PROFIT BEFORE TAX	除稅前(虧損)/溢利	(879,166)	1,215,159	(25,298)	43,424	89,398
INCOME TAX EXPENSES	所得稅開支	(2,478)	(4,586)	(1,069)	(3,749)	9,356
		(881,644)	1,210,573	(26,367)	39,675	98,754
MINORITY INTERESTS	少數股東權益	241,763	(92,736)	-	-	-
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	公司權益持有人 應佔公司(虧損)/ 溢利	(639,881)	1,117,837	(26,367)	39,675	98,754

Assets and liabilities

		2008 HK\$'000	2007 HK\$'000 (restated)	2006 HK\$'000	2005 HK\$'000	2004 HK\$'000 (restated)
		二零零八年 千港元	二零零七年 千港元 (重列)	二零零六年 千港元	二零零五年 千港元	二零零四年 千港元 (重列)
NON-CURRENT ASSETS	非流動資產	3,462,584	3,979,495	237,428	252,949	209,527
CURRENT ASSETS	流動資產	659,567	826,715	346,375	347,070	300,595
TOTAL ASSETS	總資產	4,122,151	4,806,210	583,803	600,019	510,122
CURRENT LIABILITIES	流動負債	788,596	359,042	163,138	192,077	150,806
NON-CURRENT LIABILITIES	非流動負債	-	915,461	16,667	50,000	37,500
TOTAL LIABILITIES	總負債	788,596	1,274,503	179,805	242,077	188,306
		3,333,555	3,531,707	403,998	357,942	321,816

財務資料摘要

以下為集團截至二零零四年、二零零五年、二零零六年、二零零七年及二零零八年十二月三十一日止五年之已刊發合併/綜合業績及資產與負債之概要，編製基準載於下文之附註：

業績

Year ended 31 December

截至十二月三十一日止年度

		2008 HK\$'000	2007 HK\$'000 (restated)	2006 HK\$'000	2005 HK\$'000	2004 HK\$'000 (restated)
		二零零八年 千港元	二零零七年 千港元 (重列)	二零零六年 千港元	二零零五年 千港元	二零零四年 千港元 (重列)
TURNOVER	營業額	504,159	709,331	489,325	515,877	486,779
(LOSS)/PROFIT FROM OPERATIONS	經營(虧損)/溢利	(838,830)	1,226,497	(20,879)	46,033	89,965
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INCOME TAX EXPENSES	所得稅開支	(2,478)	(4,586)	(1,069)	(3,749)	9,356
		(881,644)	1,210,573	(26,367)	39,675	98,754
MINORITY INTERESTS	少數股東權益	241,763	(92,736)	-	-	-
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	公司權益持有人 應佔公司(虧損)/ 溢利	(639,881)	1,117,837	(26,367)	39,675	98,754

資產及負債

At 31 December

於十二月三十一日

		2008 HK\$'000	2007 HK\$'000 (restated)	2006 HK\$'000	2005 HK\$'000	2004 HK\$'000 (restated)
		二零零八年 千港元	二零零七年 千港元 (重列)	二零零六年 千港元	二零零五年 千港元	二零零四年 千港元 (重列)
NON-CURRENT ASSETS	非流動資產	3,462,584	3,979,495	237,428	252,949	209,527
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TOTAL LIABILITIES	總負債	788,596	1,274,503	179,805	242,077	188,306
		3,333,555	3,531,707	403,998	357,942	321,816

REPORT OF THE DIRECTORS

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the year are set out in note 18 to the financial statements.

SHARE CAPITAL, SHARE OPTIONS AND WARRANTS

Details of movements in the Company's share capital, share options and warrants during the year, together with the reasons therefor, are set out in notes 29 and 30 to the financial statements.

CONVERTIBLE NOTE

Details of movements in the Company's convertible notes during the year and subsequent thereto are set out in note 32 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 31 to the financial statements and in the consolidated statement of changes in equity, respectively.

物業、廠房及設備

年內，集團物業、廠房及設備之變動詳情載於財務報表附註18。

股本、購股權及認股權證

公司股本、購股權及認股權證於本年度之變動詳情連同有關原因載於財務報表附註29及30。

可換股票據

公司可換股票據於年內及其後之變動在財務報表附註32載列。

優先購買權

公司之公司組織章程或公司註冊成立之司法管轄權區開曼群島法例並無條文規定公司須就發售新股按比例給予現有股東優先購買權。

購買、贖回或出售公司之上市證券

公司或其任何附屬公司於年內並無購買、贖回或出售公司之上市證券。

儲備

公司及集團於年內之儲備變動詳情分別載於財務報表附註31及綜合權益變動表。

REPORT OF THE DIRECTORS

董事會報告

DISTRIBUTABLE RESERVES

At 31 December 2008, the Company's reserves available for distribution, calculated in accordance with the Companies Law (Revised) of the Cayman Islands, amounted to HK\$1,291,229,000 (2007: HK\$894,528,000 as retrospectively restated, HK\$924,578,000 (as previously reported)). This includes the Company's share premium account in the amount of HK\$1,212,844,000 (2007: HK\$748,927,000) as at 31 December 2008, which may be distributed, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The Company's share premium account may also be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, our largest customer accounted for 13% (2007: 34%) of turnover. The five largest customers comprised 37% (2007: 52%) of the Group's total sales.

For the years 2007 and 2008, purchases from the Group's five largest suppliers accounted for less than 30% of the Group's total purchases.

DIRECTORS

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

Executive directors

Mr. Lam Ping Kei (Chairman)	(resigned on 17 February 2009)
Mr. Lee Chi Kong (Chairman)	(appointed on 10 February 2009 as Vice-Chairman and re-designated as Chairman on 17 February 2009)
Mr. Li Jun (Vice-Chairman)	(resigned on 10 February 2009)
Mr. Jing Bin (Chief Executive Officer)	
Mr. Law Wai Fai	
Mr. Cheng Man For	

可供分派儲備

於二零零八年十二月三十一日，根據開曼群島公司法（經修訂）計算，公司可供分派之儲備為1,291,229,000港元（二零零七年：追溯重列894,528,000港元，924,578,000港元（如前呈列））。可供分派儲備包括於二零零八年十二月三十一日公司可供分派之股份溢價為1,212,844,000港元（二零零七年：748,927,000港元），惟於緊隨擬派股息日期後，公司須有能力償付日常業務過程中到期應付之債務。公司之股份溢價亦可以繳足紅股方式分派。

主要客戶及供應商

年內，集團之最大客戶佔營業額13%（二零零七年：34%）。五大客戶佔集團之總銷售額37%（二零零七年：52%）。

於二零零七年及二零零八年，採購自集團五大供應商之數額少於集團內總購貨額之30%。

董事

年內及直至本報告日期，公司之董事如下：

執行董事

林平基先生 (主席)	(於二零零九年二月十七日辭任)
李志剛先生 (主席)	(於二零零九年二月十日獲委任為副主席及於二零零九年二月十七日調任為主席)
李珺先生 (副主席)	(於二零零九年二月十日辭任)
景濱先生 (行政總裁)	
羅偉輝先生	
鄭文科先生	

REPORT OF THE DIRECTORS

董事會報告

Independent non-executive directors

Mr. Chan Chi Yuen
Mr. Wong Yun Kuen
Mr. Qiu Ji Zhi (resigned on 19 August 2008)

Mr. Zhu Guang Qian (appointed on 19 August 2008)

In accordance with the Company's articles of association, Mr. Wong Yun Kuen will retire by rotation and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

In accordance with the Company's articles of association, Mr. Lee Chi Kong and Mr. Zhu Guang Qian will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 31 to 34 of the annual report.

DIRECTORS' SERVICE CONTRACTS

All executive directors have entered into service contracts with the Company for a term of two to three years. These service contracts continue thereafter until terminated by either party giving not less than three months' notice in writing to the other party.

Except for Mr. Zhu Guang Qian who have entered into a service contract with the Company for a term of one year, other independent non-executive directors have not been appointed for a specific term. Save as disclosed above, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

獨立非執行董事

陳志遠先生
黃潤權先生
邱繼志先生 (於二零零八年八月十九日
辭任)
朱光前先生 (於二零零八年八月十九日
獲委任)

根據公司章程細則，黃潤權先生將於應屆股東週年大會上輪席告退，惟彼願意且符合資格膺選連任。

根據公司章程細則，李志剛先生及朱光前先生將於應屆股東週年大會上告退，惟彼願意且符合資格膺選連任。

董事及高級管理人員簡歷

公司董事及集團高級管理人員之簡歷載於本年報第31頁至34頁。

董事之服務合約

所有執行董事與公司訂立為期兩年至三年的服務合約，其後將會繼續，除非任何一方發出不少於三個月通知予另一方予以終止。

除朱光前先生已與公司訂立為期一年之服務合約外，其他獨立非執行董事均無特定委任年期。除上文所披露者外，被提名於應屆股東週年大會上重選之董事，概無與公司訂立任何公司不能於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES AND SHARE OPTIONS

As at 31 December 2008, the interests of the directors and chief executives of the Company in the shares and share options of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register kept by the Company pursuant to section 352 of the SFO or 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 Companies were as follows:

Long position

(a) Ordinary shares of HK\$0.01 each of the Company

Name of Directors 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital 佔已發行股本百分比
Mr. Lam Ping Kei 林平基先生	Held by controlled corporation (Note) 由受控制法團持有 (附註)	3,510,000,000	14.97%

(b) Share options

Name of directors 董事姓名	Capacity 身份	Number of Options held 所持購股權數目	Number of underlying shares 相關股份數目	Percentage of the issued share capital 佔已發行股本 百分比
Mr. Lam Ping Kei 林平基先生	Beneficial owner 實益擁有人	20,000,000	20,000,000	0.09%
Mr. Li Jun 李璿先生	Beneficial owner 實益擁有人	95,000,000	95,000,000	0.41%
Mr. Jing Bin 景濱先生	Beneficial owner 實益擁有人	95,000,000	95,000,000	0.41%
Mr. Cheng Man For 鄭文科先生	Beneficial owner 實益擁有人	70,000,000	70,000,000	0.30%
Mr. Law Wai Fai 羅偉輝先生	Beneficial owner 實益擁有人	6,000,000	6,000,000	0.03%
		<u>286,000,000</u>	<u>286,000,000</u>	<u>1.24%</u>

董事之合約權益

公司或其任何附屬公司於年終或年內任何時間並無訂立公司董事於其中直接或間接擁有重大權益之重大合約。

董事及主要行政總裁於股份及購股權之權益或淡倉

於二零零八年十二月三十一日，公司董事及主要行政人員在公司或其相聯法團（按證券及期貨條例（「證券及期貨條例」）第XV部定義）之股份及購股權中擁有須記入公司按證券及期貨條例第352條而存置之登記冊或根據上市公司董事進行證券交易之標準守則向公司及香港聯合交易所有限公司（「聯交所」）發出通知之權益及淡倉如下：

好倉

(a) 公司每股面值0.01港元普通股

(b) 購股權

REPORT OF THE DIRECTORS

董事會報告

Note:

These ordinary shares are owned by Super Giant Assets Limited ("Super Giant"), a company incorporated in the British Virgin Islands (the "BVI"). The entire issued share capital of Super Giant is beneficially owned by Mr. Lam Ping Kei.

Save as disclosed above, none of the other directors, chief executives and their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2008.

SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 30 to the financial statements.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors and chief executive's interests or short positions in shares and share options" and "Share option scheme" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2008, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and chief executive, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

附註：

此等普通股乃由英屬處女群島（「英屬處女群島」）註冊成立之公司Super Giant Assets Limited（「Super Giant」）擁有。Super Giant之全部已發行股本乃由林平基先生實益擁有。

除上文所披露者外，於二零零八年十二月三十一日，概無其他董事、主要行政人員及彼等之聯繫人於公司或其任何相聯法團（按證券及期貨條例第XV部定義）之股份、相關股份或債券中擁有任何權益或淡倉。

購股權計劃

公司購股權計劃之詳情載於財務報表附註30。

董事購入股份或債券之權利

除上文「董事及主要行政總裁於股份及購股權之權益或淡倉」及「購股權計劃」兩節所披露者外，於年內任何時間，董事或彼等各自之配偶或未滿十八歲之子女概無獲授可藉着購入公司之股份或債券而獲益之權利，彼等亦無行使有關權利；公司或其任何附屬公司亦無訂立任何安排致使董事可收購在任何其他法人團體之上述權利。

主要股東

於二零零八年十二月三十一日，根據證券及期貨條例第336條規定公司存置之主要股東登記冊，除上文所披露有關若干董事及行政總裁之權益外，下列股東已通知公司彼等於公司已發行股本中擁有之相關權益。

REPORT OF THE DIRECTORS

董事會報告

Long positions

好倉

Ordinary shares of HK\$0.01 each of the Company

公司每股面值0.01港元普通股

Name of shareholders	Capacity	Number of issued ordinary shares held	Number of Underlying shares (convertible notes) held 所持相關股份 (可換股票據)數目	Percentage of the issued share capital of the Company 佔公司已發行股本之百分比
股東名稱	身份	所持普通股數目	(可換股票據)數目	股本之百分比
Super Giant Assets Limited (Note 1) (附註1)	Beneficial owner 實益擁有人	3,510,000,000	–	14.97%
Superview International Limited (Note 2) 超景國際有限公司 (附註2)	Beneficial owner 實益擁有人	10,000,000	3,333,333,333	14.26%
Mr. Yiu Yat On (Note 3) 姚逸安先生(附註3)	Interest of controlled corporation 受控制法團權益	10,000,000	3,333,333,333	14.26%

Note:

附註:

1. These ordinary shares are owned by Super Giant Assets Limited ("Super Giant"), a company incorporated in the British Virgin Islands (the "BVI"). The entire issued share capital of Super Giant is beneficially owned by Mr. Lam Ping Kei.
2. Superview International Limited is a company incorporated in the British Virgin Islands. It is 56% owned by Mr. Yiu Yat On.
3. Mr. Yiu Yat On owns 56% of Superview International Limited. Accordingly, Mr. Yiu Yat On was deemed to be interested in 10,000,000 shares and 3,333,333,333 underlying shares held by Superview International Limited.

1. 此等普通股乃由英屬處女群島(「英屬處女群島」)註冊成立之公司Super Giant Assets Limited(「Super Giant」)擁有。Super Giant之全部已發行股本乃由林平基先生實益擁有。
2. 超景國際有限公司為於英屬處女群島註冊成立的有限公司。由姚逸安先生擁有56%。
3. 姚逸安先生擁有超景國際有限公司56%。因此，姚逸安先生被視作擁有超景國際有限公司所持10,000,000股股份及3,333,333,333股相關股份的權益。

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

除上文所披露者外，於二零零八年十二月三十一日，概無其他人士於公司已發行股本中擁有任何權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

No director had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), during the year and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required by the Listing Rules.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of Listing Rule and considers all the independent non-executive directors to be independent.

INDEPENDENT AUDITOR

The consolidated financial statements for the year ended 31 December 2008 have been audited by Lo and Kwong C.P.A. Company Limited who retire and, being eligible, offer themselves for re-appointment. A resolution to this effect will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Lee Chi Kong
Chairman

Hong Kong
27 April 2009

董事於競爭業務之權益

年內及直至本報告日期，概無董事於與集團業務直接或間接構成競爭或可能構成競爭之業務內擁有權益（有關競爭之定義見香港聯合交易所有限公司證券上市規則（「上市規則」））。

購買、出售或贖回公司上市證券

年內，公司或其任何附屬公司並無購買、出售或贖回公司任何上市證券。

公眾持股量

根據公司取得之公開資料，並就董事所知，於本報告日期之公眾持股量足夠，按上市規則規定不少於公司已發行股份之25%。

確認獨立性

公司已接獲三位獨立非執行董事根據上市規則第3.13條就其獨立性發出之年度確認書，並認為全體獨立非執行董事均為獨立人士。

獨立核數師

截至二零零八年十二月三十一日止年度之綜合財務報表已由盧鄭會計師事務所有限公司審閱，盧鄭會計師事務所有限公司將會退任，並合資格獲重新委聘。應屆股東週年大會上將就此提呈決議案。

代表董事會

李志剛
主席

香港
二零零九年四月二十七日

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

LEE Chi Kong (*Chairman*)
JING Bin (*Chief Executive Officer*)
LAW Wai Fai
CHENG Man For

Independent Non-executive Directors

CHAN Chi Yuen
WONG Yun Kuen
ZHU Guang Qian

MEMBERS OF AUDIT COMMITTEE

CHAN Chi Yuen
WONG Yun Kuen
ZHU Guang Qian

MEMBERS OF REMUNERATION COMMITTEE

CHAN Chi Yuen
WONG Yun Kuen
ZHU Guang Qian

MEMBERS OF NOMINATION COMMITTEE

CHAN Chi Yuen
WONG Yun Kuen
ZHU Guang Qian

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

董事會

執行董事

李志剛 (*主席*)
景濱 (*行政總裁*)
羅偉輝
鄭文科

獨立非執行董事

陳志遠
黃潤權
朱光前

審核委員會成員

陳志遠
黃潤權
朱光前

薪酬委員會成員

陳志遠
黃潤權
朱光前

提名委員會成員

陳志遠
黃潤權
朱光前

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 2804-2806, 28th Floor
China Merchants Tower,
Shun Tak Centre,
168-200 Connaught Road Central
Hong Kong

COMPANY SECRETARY

CHENG Man For

PRINCIPAL BANKERS

Hong Kong

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Chiyu Banking Corporation Limited

The PRC

Industrial and Commercial Bank of China
China Construction Bank
Agricultural Bank of China
Beijing Rural Commercial Bank

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Bank of Bermuda (Cayman) Limited
P.O. Box 513 GT
Strathvale House
North Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

總辦事處及主要營業地點

香港
干諾道中168至200號
信德中心
招商局大廈
28樓2804至2806室

公司秘書

鄭文科

主要往來銀行

香港

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司
集友銀行

中國

中國工商銀行
中國建設銀行
中國農業銀行
北京農村商業銀行

主要股份過戶登記處

Bank of Bermuda (Cayman) Limited
P.O. Box 513 GT
Strathvale House
North Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

CORPORATE INFORMATION

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITORS

Lo and Kwong C.P.A. Company Limited
Suite 1304, 13/F.,
Shanghai Industrial Investment Building,
60 Hennessy Road, Wanchai
Hong Kong

STOCK CODE

01228

WEBSITE

www.takshun.com.hk

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東28號
金鐘匯中心26樓

核數師

盧鄭會計師事務所有限公司
香港
灣仔軒尼詩道60號
上海實業大廈
13樓1304室

股份代號

01228

網址

www.takshun.com.hk

CORPORATE GOVERNANCE REPORT

企業管治報告

The board of directors (“Board”) is committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance with emphasis on transparency, independence, accountability and responsibility. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

The Code on Corporate Governance Practices (“CGP Code”) issued by The Stock Exchange of Hong Kong Limited (“Stock Exchange”) in its Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) sets out two levels of corporate governance practices, namely, mandatory code provisions that a listed company must comply with or explain its non-compliance, and recommended best practices that listed companies are encouraged to comply with but need not disclose in the case of non-compliance. The Company is in compliance with the mandatory code provisions of the CGP Code, save for the deviations discussed below.

BOARD OF DIRECTORS

The Board is charged with providing effective and responsible leadership for the Company. The directors, individually and collectively, must act in good faith in the best interests of the Company and its shareholders. The Board comprises four Executive Directors and three Independent Non-executive Directors. The Board has appointed served Board Committees to oversee different areas of the Company’s affairs. The composition of the Board and the Board Committees are given below and their respective responsibilities are discussed in this report. The number of full Board Meetings and Committee Meetings attended by each Director during the year under review is set out in the following table. Figure in brackets indicates maximum number of meetings in the period in which the individual was a Board Member or Committee Member (as the case may be).

董事會（「董事會」）致力維持有關法定及監管標準，並緊守企業管治之原則，強調透明、獨立、問責及負責。為了達到股東不斷提高之期望和符合日趨嚴謹之法規要求，實踐董事會對堅守優越企業管治之承諾，董事會不斷檢討集團之企業管治守則。

香港聯合交易所有限公司（「聯交所」）在聯交所證券上市規則（「上市規則」）發出之企業管治常規守則（「管治守則」）訂明兩個層次之企業管治守則，分別是強制守則規定—上市公司必須遵守，或對任何偏離守則規定之情況作出解釋；及建議最佳常規—鼓勵上市公司加以遵守但毋需披露偏離常規之情況。除了下文提及之偏離外，公司已遵守管治守則中之強制守則規定。

董事會

董事會有效率和負責任地肩負領導公司發展之責。董事會各成員，無論個別或共同行事，都必須行之以誠，以公司及股東之整體利益為前提。董事會由四名執行董事及三名獨立非執行董事組成。董事會已委任若干轄下委員會，分別監察公司不同範疇之事務。公司之董事會及各董事委員會成員之組成如下，而各委員會之職責於本報告內有進一步之描述。於回顧年度內，各董事出席全體董事會會議及委員會會議之次數載於下表。括號內之數字指有關人士為董事會成員或董事委員會成員（視屬何情況而定）期間內可出席之最多會議次數。

CORPORATE GOVERNANCE REPORT

企業管治報告

Name of Directors	Note	Full Board Meetings 全體董事會會議	Audit Committee Meetings 審核委員會會議	Remuneration Committee Meetings 薪酬委員會會議	Nomination Committee Meetings 提名委員會會議
董事姓名	附註				
Executive Directors					
執行董事					
LEE Chi Kong (<i>Chairman</i>) 李志剛 (主席)	1	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
LAM Ping Kei 林平基	2	0/15	N/A 不適用	N/A 不適用	N/A 不適用
LI Jun 李珺	3	11/15	N/A 不適用	N/A 不適用	N/A 不適用
JING Bin (<i>CEO</i>) 景濱 (行政總裁)		13/15	N/A 不適用	N/A 不適用	N/A 不適用
LAW Wai Fai 羅偉輝		15/15	2/2	N/A 不適用	N/A 不適用
CHENG Man For 鄭文科	4	15/15	2/2	N/A 不適用	N/A 不適用
Independent Non-executive Directors					
獨立非執行董事					
CHAN Chi Yuen 陳志遠		5/15	2/2	1/1	1/1
WONG Yun Kuen 黃潤權		5/15	2/2	1/1	1/1
QUI Ji Zhi 邱繼志	5	2/15	1/2	0/1	0/1
ZHU Guang Qian 朱光前	6	2/15	1/2	0/1	0/1

Notes:

1. Appointed on 10 February 2009 as Vice-Chairman and re-designated as Chairman on 17 February 2009.
2. Resigned on 17 February 2009.
3. Resigned on 10 February 2009.
4. Attended as secretary of committee, except in Board meetings he played the dual roles as Director and Secretary.
5. Resigned on 19 August 2008.
6. Appointed on 19 August 2008.

附註:

1. 於二零零九年二月十日獲委任為副主席及於二零零九年二月十七日調任為主席。
2. 於二零零九年二月十七日辭任。
3. 於二零零九年二月十日辭任。
4. 列席各委員會擔任委員會秘書，惟於董事會上則同時擔任董事及秘書。
5. 於二零零八年八月十九日辭任。
6. 於二零零八年八月十九日獲委任。

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The Board members have no financial, business, family or other material/relevant relationships with each other. Each of the Independent Non-executive Directors have confirmed in writing their independence from the Company in accordance with the guidelines on director independence of the Listing Rules. On this basis, the Company considers all such Directors to be independent.

Biographical details of the Directors of the Company as at the date of this report are set out on pages 31 to 34 of this annual report. Given the composition of the Board and the skills, knowledge and expertise of the Director, the Board believes that it is appropriately structured to provide sufficient checks and balances to protect the interests of the Group and the shareholders. The Board will review its composition regularly to ensure that it has the appropriate balance of expertise, skills and experience to continue to effectively oversee the business of the Company.

The Directors are remunerated with reference to their respective duties and responsibility with the Company, the Company's performance and current market situation. Details of emoluments of the Directors from the Group for the year are disclosed in Note 10 to the financial statements.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The appointment of new Directors is recommended by the Nomination Committee. The Board will then take into account criteria such as expertise, experience, integrity and commitment when considering a new appointment.

In accordance with the Articles of Association of the Company ("Articles"), all Directors (except the Chairman, Deputy Chairman, Managing Director or Joint Managing Director) are subject to retirement by rotation and re-election at annual general meetings of the Company. New Directors appointed by the Board during the year are required to retire and submit themselves for re-election at the first annual general meeting immediately following their appointments. Further, at each annual general meeting, one-third of the Directors (excluding the Chairman Deputy Chairman, Managing Director or Joint Managing Director), or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third are required to retire from office. Out of the seven directors, six of them (except the Chairman) are subject to retirement by rotation.

各董事會成員之間並沒有財務、業務、親屬或其他重大／相關關係。各獨立非執行董事已根據上市規則對董事獨立性之指引而致函確認其獨立性；因此，公司認為該等董事確屬獨立人士。

於本報告日，公司董事之個人資料詳載於本年報第31頁至第34頁。基於董事會之組成及各董事之技能、學識和專業知識，董事會相信其架構已能恰當地提供足夠之監察，以保障集團和股東之利益。董事會將定期檢討其組成，以確保其在專業知識、技能及經驗方面維持合適之平衡，藉以繼續有效地監管公司之業務。

董事薪酬乃參考各董事於公司之職責、公司之表現及當前市況後釐定。董事於本年度向集團收取之酬金詳情載於財務報表附註10。

董事之委任及重選

新董事之委任由提名委員會建議。董事會審議新委任時會考慮候選人之專業知識、經驗、誠信及承擔等各方面。

根據公司之組織章程細則（「細則」），所有董事（惟主席、副主席、董事總經理或聯席董事總經理除外）須於公司之股東週年大會上輪值告退，並接受重選。於年內獲董事會委任之新董事亦須在獲委任後之首次股東週年大會上退任，並可膺選連任。再者，於每屆股東週年大會上須有三分之一或（如董事會人數不是三或三之倍數）最接近但不超過三分之一之董事（不包括主席、副主席、董事總經理或聯席董事總經理）退任。在七名董事當中，除主席以外餘下六名須受輪值告退之限制。

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The existing Articles governing the retirement of Directors deviate from the CGP Code provisions in the following aspects: (i) unlike the other Directors, the Chairman, Deputy Chairman, Managing Director or Joint Managing Director is not subject to retirement by rotation; (ii) new Directors appointed to fill casual vacancies are subject to election by shareholders at the first annual general meeting instead of the first general meeting after their appointments; and (iii) the Directors who are subject to retirement by rotation are not explicitly subject to retirement at least once every three years. The Board will review the above-mentioned practice from time to time and consider amending the Articles when necessary.

TERM OF OFFICE OF NON-EXECUTIVE DIRECTORS

The Company has not complied with code provision A.4.1 that requires non-executive directors should be appointed for a specific term and subject to re-election. Currently, there are no service contracts entered into between the Company and two Independent Non-executive Directors and they have no fixed term of office with the Company. In accordance with the Article, all Independent Non-executive Directors are subject to retirement by rotation. Also, new Independent Non-executive Directors appointed by the Board during the year are required to retire and submit themselves for re-election at the first annual general meeting immediately following their appointments. As such, the Company considers that sufficient measures have been taken to serve the purpose of this code provision.

AUDIT COMMITTEE

The Audit Committee comprises all of the three Independent Non-executive Directors and is chaired by Mr. Chan Chi Yuen, who possesses extensive accounting experience in financial and commercial sectors. It is responsible for appointment of external auditors, review of the Group's financial information and oversight of the Group's financial reporting system and internal control procedures. The Committee is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval. It meets regularly to review financial reporting and internal control matters and to this end has unrestricted access to personnel, records and external auditors and senior management.

現行有關董事退任之細則有下列之偏離管治守則的事項：(i)主席、副主席、董事總經理或聯席董事總經理毋須輪值告退，有別於其他董事；(ii)獲委任填補臨時空缺之新董事須在其獲委任後之首次股東週年大會（而非首次股東大會）上告退並接受股東重選；及(iii)沒有明確地要求每名須輪值告退之董事最少每三年退任一次。董事會將不時檢討上述做法並於需要時考慮修訂細則。

非執行董事之任期

本公司並無遵守守則條文A.4.1要求，非執行董事應以指定任期委任並須重選連任。現時公司與兩名獨立非執行董事並無訂下服務合約，且彼等並無指定任期。根據細則，全體獨立非執行董事均須輪值告退。再者，於年內獲董事會委任的新獨立非執行董事亦須在獲委任後之首次股東週年大會上退任，並可膺選連任。因此，公司認為已採取足夠措施以符合守則規定之目的。

審核委員會

審核委員會由全部共三名獨立非執行董事組成，其主席為陳志遠先生。陳先生擁有豐富之財務及商業會計經驗。審核委員會負責外聘核數師之委聘、審閱集團之財務資料及監督集團之財務申報制度和內部控制程序。委員會亦負責審議集團中期及末期業績後才向董事會作出建議是否批准有關業績。審核委員會定期舉行會議，審閱財務報告及內部監控等事宜，並可不受限制地接觸工作人員、取得有關記錄以及接觸公司之外聘核數師及高級管理層。

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The Committee has specific written terms of reference which are of no less exacting terms than those stipulated in code provision. In 2008, the Audit Committee held two meetings. At the meetings, it reviewed the final results for the year ended 31st December 2007 and the interim results for the six months ended 30th June 2008 respectively. It also reviewed the Company's progress in implementing the corporate governance requirements as set out in the CGP Code.

REMUNERATION COMMITTEE

The Remuneration Committee, composed of all three Independent Non-executive Directors, is responsible for reviewing and determining the compensation and benefits of the Directors and senior management. The committee members elect one of them to take the chair at the commencement of each meeting. The Committee has specific written terms of reference which are of no less exacting terms than those stipulated in code provision. In 2008, the Committee has held one meeting with full attendance.

NOMINATION COMMITTEE

The Nomination Committee, composed of all three Independent Non-executive Directors, is responsible for reviewing and making recommendation to the Board on matters relating to the Board structure and appointment and re-appointment of Directors. The committee members elect one of them to take the chair at the commencement of each meeting. The Committee has specific written terms of reference which are of no less exacting terms than those stipulated in code provision. In 2008, the Committee has held one meeting with full attendance.

委員會以書面訂明職權範圍，其條款與守則規定所訂明者同樣嚴謹。二零零八年，審核委員會舉行兩次會議。會上，委員會已分別審閱截至二零零七年十二月三十一日止年度末期業績及二零零八年六月三十日止六個月中期業績。委員會亦檢討公司根據企業管治守則所載之規定實行企業管治措施之進度。

薪酬委員會

薪酬委員會由全部共三名獨立非執行董事組成，負責檢討並決定董事及高級管理層之薪酬福利。委員會成員於每次會議開始前選出其中一人為會議主席。委員會以書面訂明職權範圍，其條款與守則規定所訂明者同樣嚴謹。委員會於二零零八年曾舉行一次會議，並得全體成員出席。

提名委員會

提名委員會由全部共三名獨立非執行董事組成，負責檢討董事會架構以及董事之委任及重新委任之事宜並就此向董事會提供建議。委員會成員於每次會議開始前選出其中一人為會議主席。委員會以書面訂明職權範圍，其條款與守則規定所訂明者同樣嚴謹。委員會於二零零八年曾舉行一次會議並得全體成員出席。

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DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective internal control system of the Group. The Group's system of internal control includes a defined management structure with limits of authority, safeguard its assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant laws and regulations. The system is designed to provide reasonable assurance against material misstatement or loss, and to oversee the Group's operational systems for the achievement of the Group's business objectives.

During the year 31 December 2008, the Board had conducted a review on the effectiveness of the Group's material internal controls in areas of financial and operational functions, risk management and regulatory compliance. The Board considered the Group has effective internal control system. Nevertheless, the Board continues to improve the internal control system through periodic review and recommendation from external auditors identified from their process of audit.

董事就財務報表所承擔之責任

董事負責監督每個財政期間財務報表的編製，以確保該等財務報表能夠真實和公平地反映該期間集團財政狀況、業績與現金流量。公司財務報表的編製均符合所有有關之法規及合適之會計準則。董事有責任確保選擇和連貫地應用合適之會計政策以及作出審慎和合理之判斷及估計。

內部監控

董事會全權負責維持集團健全和有效之內部監控系統，包括界定管理架構及其相關之權限、保管資產以防未經授權之使用或處理、確定適當之會計紀錄得以保存並可提供可靠之財務資料供內部使用或對外發放，並確保符合相關法例與規則。上述監控系統旨在合理地保證並無重大失實陳述或損失，並監管集團之營運系統以達成集團之業務目標。

截至二零零八年十二月三十一日止年度，董事會曾對集團於財務及營運職能、風險管理及監管合規等方面之重要內部控制效能進行檢討。董事會認為集團之內部監控系統有效。然而，董事會將透過定期檢討及外聘核數師於核數過程中識別出之建議，繼續改善內部監控系統。

CORPORATE GOVERNANCE REPORT

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AUDITORS' REMUNERATION

The remuneration to the external auditors in relation to their audit and non-audit services provided to the Group for the financial year ended 31 December 2008 amounted to HK\$1,100,000 (2007: HK\$1,600,000) and HK\$Nil (2007: HK\$Nil) respectively. The responsibilities of the auditors with respect to financial reporting are set out in the section of "Independent Auditor's Report" on pages 35 to 38.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry to all Directors regarding any non-compliance with the Model Code during the year and they all confirmed that they have fully complied with the required standard set out in the Model Code. The Company is considering adopting a code of conduct governing securities transactions with terms no less exacting than that required by the Listing Rules by employees who may possess or have access to price sensitive information.

COMMUNICATION WITH SHAREHOLDERS

The Company attaches great priority to establishing effective communications with its shareholders and investors. In an effort to enhance such communications, the Company provides information relating to the Company and its business in its interim and annual reports. The Company regards its Annual General Meeting as an opportunity for direct communications between the Board and its shareholders. All Directors, senior management and external auditors make an effort to attend the Annual General Meeting to address shareholders' queries. The Company also responds to requests for information and queries from the shareholders and investors and welcomes the views of shareholders on matters affecting the Group and encourages them to attend shareholders' meetings to communicate any concerns they might have with the Board or management direct.

核數師酬金

截至二零零八年十二月三十一日止財政年度，集團就外聘核數師提供核數及非核數服務而支付之酬金分別為1,100,000港元（二零零七年：1,600,000港元）及零港元（二零零七年：零港元）。核數師有關財務申報之責任載於第35頁至第38頁「獨立核數師報告書」一節。

進行證券交易之標準守則

公司已採納上市規則附錄十所載之上市公司董事進行證券交易之標準守則（「標準守則」）。公司已就有否於年內違反標準守則而向全體董事作出特定查詢，彼等均確認彼等一直遵守標準守則所訂之標準。公司正考慮對管有或可接觸股價敏感資料之僱員採納一套條款與上市規則規定看齊之進行證券交易之操守守則。

與股東之溝通

公司相當重視與股東及投資者建立有效溝通。為達到有效溝通，公司在中期報告和年報內提供有關公司及其業務之資料。公司視股東週年大會為重要事項，因其提供董事會與股東直接溝通之機會。全體董事、高級管理層及外聘核數師均盡力出席股東週年大會，以回應股東提問。公司亦回應股東與投資者索取資料之要求和提問，歡迎股東對影響集團之事宜提意見，亦鼓勵股東出席股東大會，讓股東直接向董事會或管理層表達所關注之事宜。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理層簡介

DIRECTORS

Executive Director

Mr. LEE Chi Kong, aged 60, is the chairman of the Company and an executive director. Mr. Lee has over 25 years of experience in sales, marketing and management of U.S. high technology companies operating in Greater China and Asia. He was the founder and managing director of the Greater China Headquarters of Apollo Computer Inc and Silicon Graphics Inc, both were U.S. listed companies, instrumental in upgrading the design and manufacturing knowhow of various industries in China, including that of electronics, machinery, power and energy, construction and light industry. Mr. Lee has devoted 10 years in advising Chinese and global corporations in creative marketing, business development and strategic alliance. He was the president of Hong Kong Toastmasters Club, founder and president of New Experience Toastmasters Club, a communications and leadership programme to train young people, and co-founder of China Windmill Foundation, a charity programme to provide clean water to poor farming villages and the temporary shelters at the Sichuan Earthquake Zone.

Mr. JING Bin, aged 40, is an executive Director and Chief Executive Officer of the Company. Mr. Jing has over 10 years of experience in finance, investment and corporate management. He has worked in large-scale corporations such as Bank of China before, and has extensive experience in strategic development, business development, reform management. Mr. Jing was invited to become a member of the topic "Assessment and Transaction of Forest Resources and Assets" (森林資源資產評估與交易) in State Forestry Administration. With his practices and experience in corporations, his opinion was valuable and directional to setting up a systematic and scientific assessment system for forest resources in Asia, an efficient forest assets transaction market and for the modern forestry corporation.

董事

執行董事

李志剛先生，60歲，公司之主席兼執行董事。李先生擁有在美國高科技企業的亞太區機構逾25年的銷售、市場和管理方面實戰經驗。他曾經擔任兩家的美國上市公司阿波羅電腦(Apollo Computer Inc)和Silicon Graphics Inc在大中華區總部的創辦者和董事總經理，在中國多個工業的設計、制造技術升級方面提供了巨大的幫助，包括電子、機械、電力和能源、建設和輕工業。李先生投身十年時間幫助中國及國際企業在創意市場、商業拓展及戰略聯盟方面提供諮詢。他曾擔任香港英文演講俱樂部主席，以及新歷程英文演講俱樂部主席。此俱樂部是培訓年輕人溝通和領導才能的項目。他也是中國愛心風車基金的合夥創辦人。此基金的宗旨在幫助貧困鄉村地區以及四川地震災區的臨時安置點提供清潔用水。

景濱先生，40歲，公司之執行董事兼行政總裁。景先生擁有十多年金融和實業投資管理經驗，曾任職於中國銀行等大型企業，在戰略發展、業務拓展、變革管理方面具有豐富的經驗。景先生受邀擔任中國國家林業局重點課題—《森林資源資產評估與交易》課題組的成員，以自身企業的運營實踐，對在亞洲建立系統而科學的森林資源評估體系、有效的林木資產交易市場，以及現代林業企業具有積極的指導意義。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理層簡介

Mr. LAW Wai Fai, aged 40, is an executive Director. He is responsible for the Group's financial management. Mr. Law holds a master of Business Administration degree from the Hong Kong Polytechnic University and a bachelor's degree in Accountancy from the City University of Hong Kong. He is also a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales. Prior to joining the Group in July 2000, Mr. Law has worked in two multinational accounting firms. He possesses extensive experience and knowledge in financial management. Mr. Law is currently an independent non-executive director of Wonderful World Holdings Limited a Company listed on The Stock Exchange of Hong Kong Limited.

Mr. CHENG Man For, aged 44, is an executive Director and company secretary of the Company. Mr. Cheng is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of Institute of Chartered Secretaries and Administrators and an associate member of Hong Kong Institute of Chartered Secretaries. He has obtained a Master of Business Administration from Macquarie University of Sydney, Australia. Mr. Cheng has worked as chief financial officer, company secretary and financial controller of companies whose shares are listed on The Stock Exchange of Hong Kong Limited with extensive experience in finance, investment, corporate management and company secretarial practice.

Independent non-executive Directors

Dr. WONG Yun Kuen, aged 51, is an independent non-executive director of the Company, received his Ph.D. degree from Harvard University, and was "Distinguished Visiting Scholar" in finance at the Wharton School of the University of Pennsylvania and a consultant at AIG Financial Products Corp. of USA. Dr. Wong has extensive experience in corporate finance, investment and derivative products. In addition, Dr. Wong was a consultant to a supercomputer firm on application software, and has participated in the development of e-commerce software and platforms. He is a member of Hong Kong Securities Institute. Dr. Wong is an executive director of UBA Investments Limited, and independent non-executive director of Harmony Asset Limited, Grand Field Group Holdings Limited, Challenger Group Holdings Limited, Poly Investments Holdings Limited, Bauhaus International (Holdings) Limited and Golden Resort Limited. Dr. Wong was also a former independent non-executive director of Haywood Investment Limited from 8 June 1998 to 7 July 2005.

羅偉輝先生，40歲，公司之執行董事，負責集團之財務管理。羅先生持香港理工大學工商管理碩士學位及香港城市大學會計學士學位。彼亦為香港會計師公會會員及英格蘭及威爾斯特許會計師公會會員。彼於二零零零年七月加入集團前，曾就職於兩家跨國會計師行。彼於財務管理方面擁有豐富經驗及廣博知識。羅先生現時為榮德豐控股有限公司（一間於香港聯合交易所有限公司上市之公司）之獨立非執行董事。

鄭文科先生，44歲，公司之執行董事兼公司秘書。鄭先生為英國特許執業會計師公會資深會員，香港會計師公會會員，英國特許秘書及行政人員公會會員及香港公司秘書公會會士。鄭先生亦持有澳洲悉尼Macquarie University工商管理碩士學位。鄭先生曾於多家香港上市公司擔任首席財務官、公司秘書及財務總監等職位，於財務管理、投資、公司管理及公司秘書實務方面擁有豐富經驗。

獨立非執行董事

黃潤權博士，51歲，公司之獨立非執行董事，榮獲哈佛大學博士學位，並曾任美國賓夕法尼亞州大學Wharton School財務學「傑出客席學者」及AIG Financial Products Corp.之顧問。黃博士於企業財務、投資及衍生產品方面擁有豐富經驗。此外，黃博士曾為一間超級電腦公司之應用軟件顧問，並曾參與開發電子商務軟件及平台。彼為香港證券學會會員。黃博士為開明投資有限公司之執行董事、亨亞有限公司、鈞濠集團有限公司、挑戰者集團控股有限公司、保興投資控股有限公司、包浩斯國際（控股）有限公司及黃金集團有限公司之獨立非執行董事。黃博士亦曾於一九九八年六月八日至二零零五年七月七日出任希域投資有限公司之獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理層簡介

Mr. CHAN Chi Yuen, aged 42, is an independent nonexecutive Director of the Company, holds a bachelor degree with honours in Business Administration and a master of science degree in Corporate Governance and Directorship. He is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and is an associate member of The Institute of Chartered Accountants in England and Wales. Mr. Chan is a practising certified public accountant and has extensive experience in financial management, corporate finance and corporate governance. Mr. Chan is currently an executive director of A-Max Holdings Limited, Kong Sun Holdings Limited and Prosticks International Holdings Limited and an independent non-executive director of China Sciences Conservational Power Limited, Hong Kong Health Check and Laboratory Holdings Company Limited and Premium Land Limited. Mr. Chan was an executive director of New Times Group Holdings Limited since 10 May 2006 and was re-designated as a non-executive director from 25 October 2006 onwards. He was also an independent non-executive director of Golden Resorts Group Limited from 17 September 2004 to 28 October 2005.

Mr. ZHU Guang Qian, aged 68, is an independent non-executive director of the Company. Mr. Zhu currently the chairman of China Timber Distribution Association and deputy vice-chairman of Chinese Society of Wood Industry. Mr. Zhu Guang Qian graduated from Beijing Forestry College in 1965. He has accumulated more than 40 years of experience in the timber industry. Previously, he acted as chairman and deputy director general of the competent authorities for important means of production of China, namely Ministry of Material Supplies, Ministry of Internal Trade and Internal Trade Bureau, where he was mainly responsible for the policy formulation, planning and management of the trade flows for timber and building materials nationwide; involved in or led the analysis in respect of the formulation of the mid to long term balanced development planning for national timber and the then timber allocation plan, timber related regulations as well as the national timber market.

陳志遠先生，42歲，公司之獨立非執行董事，持有工商管理榮譽學士學位及公司管治與董事學理學碩士學位。彼為香港會計師公會及英國特許公認會計師公會資深會員及英格蘭及威爾斯特許會計師公會會員。陳先生為執業會計師，並於財務管理、企業融資及公司管治方面擁有豐富經驗。陳先生現為奧瑪仕控股有限公司、江山控股有限公司及乾坤燭國際控股有限公司之執行董事及中科環保電力有限公司、香港體檢及醫學診斷控股有限公司及上海策略置地有限公司之獨立非執行董事。陳先生自二零零六年五月十日出任新時代集團控股有限公司之執行董事，自二零零六年十月二十五日調任為非執行董事。彼亦曾於二零零四年九月十七日至二零零五年十月二十八日出任黃金集團有限公司之獨立非執行董事。

朱光前先生，68歲，公司之獨立非執行董事。朱先生現任中國木材流通協會會長及中國木材工業學會副理事長。朱光前先生一九六五年畢業於北京林學院，在木材行業工作四十餘年。先後在國家重要生產資料主管部門物資部、國內貿易部、國家內貿局工作，曾任處長、副司長等職，主管全國木材建材貿易流通的政策制訂、計劃和管理等方面業務，參與或主持制訂全國木材中長期平衡規劃及當年木材分配計劃、木材相關法規和全國木材市場的分析工作。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理層簡介

SENIOR MANAGEMENT

Mr. XIE Zhan Si, aged 38, is the deputy general manager of the Group. He is responsible for the production of electronic products. Mr. Xie graduated from Hunan Urban Construction College in 1990, specialising in electrical automation. Prior to joining the Group in 2004, Mr. Xie has over 13 years experience in LCD development, quality control and administration.

Mr. HUANG Ming Hui, aged 38, is the research and development manager of the Group. He is responsible for the research and development of new products and molds. Mr. Huang joined the Group in July 1992 and has over 18 years of experience in the field of research and development of electronic products.

Mr. LIN Yu Hui, aged 46, is the factory manager of flexible Printed Circuit Board ("PCB") production of the Group. He is responsible for conducting researches on flexible PCB and electric conducting paper. Mr. Lin holds a bachelor's degree in Wireless Engineering from the University of Fuzhou. He joined the Group in August 1992 and has over 16 years of experience in the research and development of technology for flexible PCB and electronic conducting paper.

Mr. LIN Guo Fei, aged 39, is the engineer of the LCDs plant of the Group. He joined the Group in February 1998 is responsible for LCDs quality control. Mr. Lin holds a bachelor's degree in Chemistry from the University of Fuzhou and has over 11 years of experience in LCD technology.

高級管理人員

謝展四先生，38歲，集團副總經理，彼負責電子產品之生產。謝先生於一九九零年畢業於湖南城建職業技術學院，主修電氣自動化專業。於二零零四年加入集團前，謝先生擁有逾十三年液晶顯示屏開發、品質控制及管理方面之經驗。

黃明輝先生，38歲，集團研究與開發部經理，負責研究及開發新產品及模型。黃先生於一九九二年七月加入集團，於電子產品之研究及開發方面擁有逾十八年之豐富經驗。

林玉輝先生，46歲，集團軟性印刷電路板生產廠長。彼負責研究軟性印刷電路板及導電紙。林先生持有福州大學無線電工系學士學位。彼於一九九二年八月加入集團，於軟性印刷電路板及導電紙技術研究及開發方面擁有逾十六年之豐富經驗。

林國飛先生，39歲，集團液晶顯示屏廠工程師。彼於一九九八年二月加入集團，負責液晶顯示屏質量控制工作。林先生持有福州大學化學學士學位，於液晶技術方面擁有逾十一年之豐富經驗。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



LO AND KWONG C.P.A. COMPANY LIMITED

盧 勵 會 計 師 事 務 所 有 限 公 司

TO THE SHAREHOLDERS OF
SUPERB SUMMIT INTERNATIONAL TIMBER COMPANY LIMITED
(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

We have audited the consolidated financial statements of Superb Summit International Timber Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 39 to 128, 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 CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Except for the limitation in the scope of our work as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

致：奇峰國際木業有限公司
(於開曼群島註冊成立之有限公司)
列位股東

本核數師(以下簡稱「我們」)已審核列載於第39頁至第128頁奇峰國際木業有限公司(「公司」，連同其附屬公司統稱「集團」)的綜合財務報表，包括二零零八年十二月三十一日的公司及綜合資產負債表與截至該日止年度的綜合收益表、綜合權益變動表、綜合現金流量表以及主要會計政策和其他附註解釋。

董事就綜合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的香港財務報告準則及香港《公司條例》披露規定編製及真實而公平地呈列該等綜合財務報表。此等責任包括設計、實施及維護與編製及真實而公平地呈列綜合財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；以及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並僅向全體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

除下文所述我們的工作範圍所受的限例外，我們已根據香港會計師公會頒佈的香港審計準則進行審核。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

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

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

Basis for disclaimer opinion

Scope limitation – recoverability of amount due from a shareholder of minority interests

In respect of the amount due from a shareholder of minority interests with a carrying amount of approximately HK\$325,111,000 as at 31 December 2008, in the absence of sufficient evidence available for our inspection, we have not been able to verify its recoverability. There were no alternative satisfactory audit procedures that we could adopt to obtain adequate assurance regarding the above issue. Any adjustment to the figures may have a consequential significant effect on the result for the period and net assets at the balance sheet date.

這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關綜合財務報表所載金額和披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與集團編制及真實而公平地呈列綜合財務報表相關的內部控制，以設計適當審核程序，但並非為對集團的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體呈列方式。

我們相信，我們所獲得的審核憑證充足和適當地為我們的審核意見提供基礎。

無法表示意見的基礎

範圍限制—收回應收少數權益股東款項的能力

就於二零零八年十二月三十一日賬面值約為325,111,000港元之應收少數權益股東款項而言，在並無可供我們查核的足夠證明的情況下，我們無法核證其可收回程度。我們就上述事宜並無可供採納的其他滿意核數程序以取得足夠保證。任何數字調整或會對期內業績及於結算日的資產淨值造成重要及重大影響。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



In forming our opinion, we have considered the adequacy of the disclosures made in the consolidated financial statements concerning the basis of preparation of the consolidated financial statements made by the directors. The Group had a net operating cash outflow of approximately HK\$1,713,000 and recorded a loss of approximately HK\$881,644,000 for the year ended 31 December 2008 and, as at that date, the Group's current liabilities exceeded its current assets by approximately HK\$129,029,000 and the Group had defaulted payment of bank loan of approximately HK\$40,678,000.

Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis, which depends upon the success of the measures to improve the Group's profitability and cash flows, including, to obtain financing from other resources, to secure the necessary facilities from its existing bankers, and to assess the worst impacts arising from the failure of repayment of certain bank loans. The consolidated financial statements do not include any adjustments that might be necessary should the implementation of such measures become unsuccessful. Details of the circumstances relating to this fundamental uncertainty are described in note 2 to the consolidated financial statements.

Although disclosures have been made, we consider that there exist certain extreme inherent uncertainties, including but not limited to, the following matters surrounding the circumstances under which the Group might successfully continue to adopt the going concern basis.

At the balance sheet date, a subsidiary of the Group, 綠之嘉木制品制造有限公司, had bank loans totaling approximately HK\$ 406,780,000 (i.e. RMB 360,000,000) guaranteed by a third party of which another subsidiary of the Group, Leeka Wood Company Limited ('Leeka Wood'), had counter-guaranteed to the third party for the captioned bank loan, in which the maturity date of the first and second installment totaling approximately HK\$ 40,678,000 (i.e. RMB 36,000,000) had been expired without settlement. Also, the third installment amounting approximately HK\$ 40,678,000 (i.e. RMB 36,000,000) had been defaulted subsequent to 31 December 2008. Up to the date of this report, the Group had settled the first and second installment interests but had defaulted the payment of principal of the bank loan. There are no other satisfactory audit procedures that we could adopt to verify the contingent liabilities arising from the consequences of default of bank loans repayment.

在達致我們的意見時，我們已考慮綜合財務報表有關董事於編製綜合財務報表所採納基準而作出的披露的足夠程度。貴集團有經營現金流出淨額約1,713,000港元，並於截至二零零八年十二月三十一日止年度錄得虧損約881,644,000港元，而貴集團於該日之流動負債超出其流動資產約129,029,000港元，貴集團亦拖欠償還銀行貸款約40,678,000港元。

儘管上文所述者，綜合財務報表乃按持續經營基準編製，其有效性乃取決於改善貴集團盈利能力及現金流量的措施，包括自其他資源獲得融資、自其現有銀行獲得所需融資能否成功及評估因無法償還若干銀行貸款而造成之最壞影響而定。綜合財務報表並無包括如無法成功實行該等措施時可能需要作出的任何調整。有關此基本不明朗因素的情況於綜合財務報表附註2詳述。

儘管已作出披露，我們認為存在若干極大固有不明朗因素的情況，包括但不限於貴集團在以下情況下可能成功繼續採納持續經營基準。因此，我們無法就此項事宜表示意見。

於結算日，綠之嘉木制品制造有限公司有銀行貸款合共約406,780,000港元（即人民幣360,000,000元），有關貸款乃由一名第三方作出擔保，其中貴集團另一間附屬公司綠之嘉木業有限公司（「綠之嘉木業」）就上述銀行貸款向第三方作出反擔保，第一期及第二期合共約40,678,000港元（即人民幣36,000,000元）的到期日已屆滿且並無償付。此外，於二零零八年十二月三十一日已拖欠償還第三期約40,678,000港元（即人民幣36,000,000元）。截至本報告日期，貴集團已償付第一期及第二期的利息，但拖欠償還銀行貸款本金。我們就核證拖欠償還銀行貸款所產生的或然負債並無可供採納的滿意核數程序。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Due to the uncertainty of contingent liabilities arising from the consequences of default of bank loans payment and counter-guarantee to the third party, we are unable to confirm whether the group can be operated in going concern basis and the net book value of the assets amounting approximately HK\$3,350,796,000, representing 81% of the Group's assets, and liabilities amounting approximately HK\$672,377,000, representing 85% of the Group's liabilities, at the balance sheet date and the corresponding results amounting approximately HK\$759,215,000, representing 86% of the Group's result, for the year ended of the Group is properly recorded in true and fair basis. Thus, we have disclaimed our opinion in respect of this issue.

Any adjustments that might have been found to be necessary in respect of the matters set out in above may have a consequential and significant effect on the financial positions of the Group as at 31 December 2008, the Group's loss and cash flows for the year ended 31 December 2008 and the related disclosures in the consolidated financial statements.

DISCLAIMER OF OPINION: DISCLAIMER OF VIEW GIVEN BY CONSOLIDATED FINANCIAL STATEMENTS

Because of the significance of the matters described in the basis for disclaimer opinion and material fundamental uncertainty relating to the going concern basis paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group at 31 December 2008 and of the loss and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards and as to whether the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Lo and Kwong C.P.A. Company Limited

Certified Public Accountants (Practising)

Lo Wah Wai

Practising Certificate Number: P02693

Suite 1304, 13/F.,
Shanghai Industrial Investment Building,
60 Hennessy Road,
Wanchai,
Hong Kong

27 April 2009

由於拖欠償還銀行貸款所產生的或然負債及向第三方作出反擔保的不明朗因素，我們無法確定貴集團能否按持續經營基準營運，於結算日，資產賬面淨值約為3,350,796,000港元（佔貴集團資產的81%）及負債約為672,377,000港元（佔貴集團負債的85%）以及相關業績約759,215,000港元（佔貴集團業績的86%）乃按直實而公平的基準妥為記錄。因此，我們無法就此項事宜表示意見。

發現有關上文所載事宜的任何調整對貴集團於二零零八年十二月三十一日的財政狀況、貴集團於截至二零零八年十二月三十一日止年度的虧損及現金流量及綜合財務報表的相關披露均可能造成重要及重大影響。

無法表示意見：對綜合財務報表無法表示意見

由於無法表示意見的基礎及有關持續經營之重大基本不明朗因素兩段所述事項的重要性，故我們不對綜合財務報表是否已根據香港財務報告準則真實而公平地呈列貴集團於二零零八年十二月三十一日的事務狀況及貴集團截至該日止年度的虧損及現金流量，以及財務報表是否已根據香港公司條例的披露規定妥為編製表示意見。

盧鄺會計師事務所有限公司

執業會計師（執業）

盧華威

執業證書號碼：P02693

香港
灣仔
軒尼詩道60號
上海實業大廈
13樓1304室

二零零九年四月二十七日

CONSOLIDATED INCOME STATEMENT

綜合收益表

FOR THE YEAR ENDED 31 DECEMBER 2008

截至二零零八年十二月三十一日止年度



		Notes	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 (restated) 二零零七年 千港元 (重列)
		附註		
Turnover	營業額	5	504,159	709,331
Cost of sales	銷售成本		(498,892)	(582,182)
Gross profit	毛利		5,267	127,149
Other income	其他收入	7	13,502	57,264
Other gains and losses	其他收益及虧損	8	(344,895)	1,216,640
Selling and distribution expenses	銷售及分銷開支		(23,839)	(17,930)
Administrative expenses	行政開支		(70,826)	(46,511)
Other operating expenses	其他經營開支		(418,039)	(110,115)
(Loss)/profit from operations	經營(虧損)/溢利	9	(838,830)	1,226,497
Finance costs	財務成本	12	(40,336)	(11,338)
(Loss)/profit before tax	除稅前(虧損)/溢利		(879,166)	1,215,159
Income tax expenses	所得稅開支	13	(2,478)	(4,586)
(Loss)/profit for the year	本年度(虧損)/溢利		(881,644)	1,210,573
Attributable to:	以下人士應佔:			
Equity holders of the Company	公司權益持有人		(639,881)	1,117,837
Minority interests	少數股東權益		(241,763)	92,736
			(881,644)	1,210,573
Dividend	股息	14	-	-
(Loss)/earnings per share for result attributable to the equity holders of the Company during the year	就年內公司權益持有人應佔業績之每股(虧損)/盈利			
(Loss)/earnings per share	每股(虧損)/盈利	15		
Basic:	基本:			
Current year/prior year as retrospectively restated/	本年度/過往年度經追溯重列		(3.512) cents港仙	6.547 cents港仙
as previously reported	如前呈報			2.300 cents港仙
Diluted:	攤薄:			
Current year/prior year as retrospectively restated/	本年度/過往年度經追溯重列		N/A不適用	6.045 cents港仙
as previously reported	如前呈報			2.080 cents港仙



CONSOLIDATED BALANCE SHEET

綜合資產負債表

AT 31 DECEMBER 2008
於二零零八年十二月三十一日

	Notes	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 (restated) 二零零七年 千港元 (重列)
	附註		
ASSETS			
NON-CURRENT ASSETS			
Owner-occupied leasehold interest in land	16	51,413	49,815
Property, plant and equipment	18	184,154	488,525
Goodwill	17	–	25,715
Biological assets	19	3,227,017	3,415,440
Total non-current assets		3,462,584	3,979,495
CURRENT ASSETS			
Inventories	21	96,486	107,085
Owner-occupied leasehold interest in land	16	984	760
Trade receivables	22	107,863	103,949
Prepayments, deposits and other receivables		74,541	139,995
Available-for-sales financial assets	23	–	11,610
Cash and cash equivalents		54,582	138,205
Amount due from minority interests	24	325,111	325,111
Total current assets		659,567	826,715
TOTAL ASSETS		4,122,151	4,806,210
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	25	43,481	59,580
Tax payables		36,547	35,957
Other payables and accruals		191,823	196,918
Interest-bearing bank loan – due within one year	26	406,780	66,587
Convertible note payable	32	109,965	–
Total current liabilities		788,596	359,042

CONSOLIDATED BALANCE SHEET

綜合資產負債表

AT 31 DECEMBER 2008

於二零零八年十二月三十一日



		Notes	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 (restated) 二零零七年 千港元 (重列)
		附註		
NON-CURRENT LIABILITIES	非流動負債			
Convertible note payable	應付可換股票據	32	—	568,781
Interest-bearing bank loan – due after one year	計息銀行貸款 —一年後到期	26	—	346,680
TOTAL LIABILITIES	負債總額		788,596	1,274,503
TOTAL NET ASSETS	淨資產總值		3,333,555	3,531,707
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	29	234,523	176,299
Reserves	儲備		2,302,058	2,380,830
Total equity attributable to equity holders of the Company	公司權益持有人 應佔權益總額		2,536,581	2,557,129
Minority interests	少數股東權益		796,974	974,578
TOTAL EQUITY	權益總額		3,333,555	3,531,707

The financial statements on pages 39 to 128 were approved and authorised for issue by the board of directors on 27 April 2009 and are signed on its behalf by:

載於第39頁至第128頁之財務報表於二零零九年四月二十七日獲董事會核准及授權刊發，並由下列人士代表簽署：

Lee Chi Kong
李志剛
Director and Chairman
董事兼主席

Jing Bin
景濱
Director and Chief Executive Officer
董事兼行政總裁



BALANCE SHEET

資產負債表

AT 31 DECEMBER 2008
於二零零八年十二月三十一日

		Notes	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 (restated) 二零零七年 千港元 (重列)
		附註		
ASSETS	資產			
NON-CURRENT ASSETS	非流動資產			
Investments in subsidiaries	於附屬公司之投資	20	1,036,423	1,036,423
CURRENT ASSETS	流動資產			
Amounts due from subsidiaries	應收附屬公司款項		286,464	355,798
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		1,276	1,273
Available-for-sales financial assets	持作出售財務資產		-	1,215
Cash and cash equivalents	現金及現金等值項目		1,802	1,751
Amount due from a minority shareholder of subsidiary	應收附屬公司之少數股東款項	24	325,111	325,111
Total current assets	流動資產總值		614,653	685,148
TOTAL ASSETS	資產總值		1,651,076	1,721,571
LIABILITIES	負債			
CURRENT LIABILITIES	流動負債			
Amounts due to subsidiaries	應付附屬公司款項		14,692	81,287
Other payables and accruals	其他應付款項及應計款項		667	676
Convertible note payable	應付可換股票據	32	109,965	-
Total current liabilities	流動負債總額		125,324	81,963
NON-CURRENT LIABILITIES	非流動負債			
Convertible note payable	應付可換股票據	32	-	568,781
TOTAL NET ASSETS	淨資產總額		1,525,752	1,070,827
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	29	234,523	176,299
Reserves	儲備	31	1,291,229	894,528
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	公司權益持有人應佔權益總額		1,525,752	1,070,827

Lee Chi Kong
李志剛
Director and Chairman
董事兼主席

Jing Bin
景濱
Director and Chief Executive Officer
董事兼行政總裁

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

AT 31 DECEMBER 2008

於二零零八年十二月三十一日



		Attributable to the equity holders of the company 公司股本持有人應佔												
		Share capital	Share premium	Property revaluation reserve	Foreign exchange reserve	Share options reserve	Warrant reserve	Convertible note equity reserve	General Reserve	Statutory reserve fund	Retained Profits	Total	Minority Interest	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Note 29)	(Note a)					(restated)	(Note (b))	(Note (c))	(restated)	(restated)	(restated)	(restated)
		股本	股份溢價	物業重估儲備	外匯儲備	購股權儲備	認股權證儲備	可換股票據權益儲備	一般儲備	法定儲備基金	保留溢利	總計	股東權益少數	總計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(附註29)	(附註a)					(重列)	(附註(b))	(附註(c))	(重列)	(重列)	(重列)	(重列)
At 1 January 2007	於二零零七年一月一日	23,040	76,937	2,326	28,601	2,766	-	-	-	4,186	266,142	403,998	-	403,998
Surplus on Revaluation of leasehold land and buildings	租賃土地及樓宇之重估盈餘	-	-	469	-	-	-	-	-	-	-	469	-	469
Transfer to profit or loss on disposal of subsidiaries	出售附屬公司時轉撥至損益	-	-	-	108,024	-	-	-	-	-	-	108,024	34,269	142,293
Net income recognized directly in equity	直接於權益確認之收入淨額	-	-	469	108,024	-	-	-	-	-	-	108,493	34,269	142,762
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	392,726	392,726	92,736	485,462
Total recognized income and expenses for the year	本年度已確認收入及開支總額	-	-	469	108,024	-	-	-	-	-	392,726	501,219	127,005	628,224
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	-	-	947,574	947,574
Issue of placing shares	發行配售股份	4,608	91,922	-	-	-	-	-	-	-	-	96,530	-	96,530
Issue of consideration shares	發行代價股份	5,562	545,122	-	-	-	-	-	-	-	-	550,684	-	550,684
Exercise of share options	行使購股權	164	4,459	-	-	-	-	-	-	-	-	4,623	-	4,623
Placing of listed warrants	配售上市認股權證	-	-	-	-	-	23,728	-	-	-	-	23,728	-	23,728
Exercise of warrants	行使認股權證	1,907	90,555	-	-	-	(8,580)	-	-	-	-	83,882	-	83,882
Issues of conversion notes	發行可換股票據	-	-	-	-	-	-	93,123	-	-	-	93,123	-	93,123
Bonus issues	發行紅股	141,018	(141,018)	-	-	-	-	-	-	-	-	-	-	-
Transfer of retained profits	轉撥保留溢利	-	-	-	-	-	-	-	-	392	(392)	-	-	-
Employee share option benefits	僱員購股權福利	-	-	-	-	104,281	-	-	-	-	-	104,281	-	104,281
At 31 December 2007 (as previously stated)	於二零零七年十二月三十一日 (如前呈列)	176,299	667,977*	2,795*	136,625*	107,047*	15,148*	93,123*	-	4,578*	658,476*	1,862,068	1,074,579	2,936,647
Effect of cancellation of restricted convertible notes (Note 3)	註銷有限制可換股票據之影響 (附註3)	-	-	-	-	-	-	(30,050)	-	-	-	(30,050)	-	(30,050)
Effect of compensation of shortfall from guaranteed profit (Note 3)	補償保證溢利短缺款額之影響 (附註3)	-	-	-	-	-	-	-	-	-	725,111	725,111	(100,000)	625,111
At 1 January 2008 (as restated)	於二零零八年一月一日 (重列)	176,299	667,977*	2,795*	136,625*	107,047*	15,148*	63,073*	-	4,578*	1,383,587*	2,557,129	974,579	3,531,708
Deficit on revaluation on leasehold land and buildings	重估租賃土地及樓宇虧蝕	-	-	(1,441)	-	-	-	-	-	-	-	(1,441)	-	(1,441)
Expire of warrants	認股權證屆滿	-	(415)	-	-	-	(15,114)	-	-	-	15,529	-	-	-
Translation differences on overseas operations	海外業務換算差額	-	-	-	122,418	-	-	-	-	-	-	122,418	64,158	186,576
Net income recognized directly in equity	直接於權益確認之收入淨額	-	(415)	(1,441)	122,418	-	(15,114)	-	-	-	15,529	120,977	64,158	185,135
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	-	(639,881)	(639,881)	(241,763)	(881,644)



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

AT 31 DECEMBER 2008

於二零零八年十二月三十一日

		Attributable to the equity holders of the company 公司股本持有人應佔												
		Share capital	Share premium	Property revaluation reserve	Foreign exchange reserve	Share options reserve	Warrant reserve	Convertible note equity reserve	General Reserve	Statutory reserve fund	Retained Profits	Minority Interest	Total	
		HK\$'000 (Note 29)	HK\$'000 (Note a)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (restated)	HK\$'000 (Note (b))	HK\$'000 (Note (c))	HK\$'000 (restated)	HK\$'000 (restated)	HK\$'000 (restated)	
		股本 千港元 (附註29)	股份溢價 千港元 (附註a)	物業 重估儲備 千港元	外匯儲備 千港元	購股權 儲備 千港元	認股權 證儲備 千港元	可換股票據 權益儲備 千港元 (重列)	一般儲備 千港元 (附註(b))	法定儲備基金 千港元 (附註(c))	保留溢利 千港元 (重列)	總計 千港元 (重列)	股東權益 總計 千港元 (重列)	
Total recognized income and expenses for the year	本年度已確認收入及開支總額	-	(415)	(1,441)	122,418	-	(15,114)	-	-	-	(624,352)	(518,904)	(177,605)	(696,509)
Exercise of share options	行使購股權	442	2,043	-	-	-	-	-	-	-	-	2,485	-	2,485
Exercise of warrants	行使認股權證	39	342	-	-	-	(34)	-	-	-	-	347	-	347
Arising upon conversion of convertible notes into new shares	轉換可換股票據為新股份而產生	57,743	461,947	-	-	-	-	(52,055)	-	-	-	467,635	-	467,635
Contribution by government	政府出資	-	-	-	-	-	-	-	904	-	-	904	-	904
Transfer of retained profits	轉撥保留溢利	-	-	-	-	-	-	-	-	339	(339)	-	-	-
Employee share option benefits	僱員購股權福利	-	-	-	-	26,985	-	-	-	-	-	26,985	-	26,985
At 31 December 2008	於二零零八年十二月三十一日	234,523	1,131,894*	1,354*	259,043*	134,032*	-	11,018*	904*	4,917*	758,896*	2,536,581	796,974	3,333,555

* These reserve accounts comprise the consolidated reserves of HK\$2,302,058,000 (2007: HK\$2,380,830,000 as retrospectively restated HK\$1,685,769,000 (as previously reported)) in the consolidated balance sheet.

* 此等儲備賬包括綜合資產負債表之綜合儲備2,302,058,000港元(二零零七年:2,380,830,000港元追溯重列,1,685,769,000港元(如前呈報))。

Notes:

附註:

- (a) The share premium of the Group includes the premium arising from the new issue of shares of the Company.
- (b) 通州區財政局 had contributed amount of RMB800,000 to a subsidiary of the Group, 綠之嘉木制品制造有限公司 on 26 December 2008, which is statutory required for 定向強芯實木混合地板生產項目 in respect of 中小企業發展資金項目.
- (c) The subsidiaries are required to transfer 10% of their profit after taxation calculated in accordance with the PRC accounting regulations to the statutory reserve fund until such reserve reaches 50% of the registered capital of the respective subsidiaries, upon which any further appropriation will be at the recommendation of the directors of the subsidiaries. Such reserve may be used to reduce any losses incurred by the subsidiaries or be capitalised as paid-up capital of the subsidiaries.

- (a) 集團之股份溢價賬包括公司發行新股產生之溢價。
- (b) 通州區財政局已於二零零八年十二月二十六日向本集團附屬公司綠之嘉木制品制造有限公司注資人民幣800,000元,為中小企業發展資金項目內有關定向強芯實木混合地板生產項目之法定要求。
- (c) 附屬公司須將其根據中國會計條例計算之除稅後溢利之10%之款額撥入法定儲備基金,直至是項儲備達到註冊資本之50%,其後是否作進一步撥備則由附屬公司之董事決定。有關儲備可用於減少附屬公司所錄得之任何虧損,亦可資本化作為該等附屬公司之繳足股本。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2008

截至二零零八年十二月三十一日止年度



	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 (restated) 二零零七年 千港元 (重列)
OPERATING ACTIVITIES		
(Loss)/profit before tax	(879,166)	1,215,159
Adjustments for:		
Finance costs	40,336	11,338
Interest income	(802)	(5,244)
Depreciation of property, plant and equipment	56,057	24,934
Amortisation of owner-occupied leasehold interest in land	984	281
Loss/(gain) arising from changes in fair value less estimated point-of-sale costs of biological assets	344,895	(262,924)
Release of negative goodwill	-	(956,765)
Write-off of goodwill	25,715	-
Loss/(gain) on disposal of property, plant and equipment	2,163	(1,426)
Write-down of property, plant and equipment	239,148	4,359
Loss on disposal of subsidiary companies	-	743
Loss on disposal of available-for-sales investments	8,787	-
Deficit/(surplus) on revaluation of leasehold land and buildings	50,074	(2,603)
Share-based payments expense	26,985	104,281
Impairment losses of available-for-sales financial assets	-	3,049
OPERATING CASH FLOW BEFORE MOVEMENTS IN WORKING CAPITAL	(84,824)	135,182
Decrease in inventories	10,599	1,346
Increase in trade receivables	(3,914)	(5,335)
Decrease/(increase) in prepayments, deposits and other receivables	65,454	(102,184)
(Decrease)/increase in trade payables	(16,099)	3,384
Increase in other payables and accruals	3,724	157,946
Decrease in biological assets	24,433	108,536
CASH (USED IN)/FROM OPERATING ACTIVITIES	(627)	298,875
Interest received	802	5,244
Taxes paid	(1,908)	(1,370)
Taxes refund	20	268
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(1,713)	303,017



CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2008

截至二零零八年十二月三十一日止年度

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 (restated) 二零零七年 千港元 (重列)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	經營業務之(所用)/所得 現金淨額	(1,713)	303,017
INVESTING ACTIVITIES	投資活動		
Increase in available-for-sales financial assets	購買可供出售金融資產增加	-	(14,659)
Proceeds from disposal of available-for-sales financial assets	出售可供出售金融資產 所得款項	2,823	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及 設備所得款項	791	2,202
Acquisition of property, plant and equipment	收購物業、廠房及設備	(19,297)	(13,267)
Proceeds on disposal of subsidiary companies	出售附屬公司之所得款項	-	915
Acquisition of subsidiary	收購附屬公司	-	(166,486)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(15,683)	(191,295)
FINANCING ACTIVITIES	融資活動		
Proceeds from issue of placing share	發行配售股份之所得款項	-	96,565
Placing shares issue expenses	發行配售股份開支	-	(35)
Proceeds from exercise of share option	行使購股權所得款項	2,485	4,623
Proceeds from placing of listed warrants	發行配售上市認股權證 所得款項	-	24,288
Placing listed warrants expenses	配售上市認股權證開支	-	(560)
Proceeds from exercise of warrants	行使認股權證之所得款項	347	83,882
Contribution by government	政府出資	904	-
Repayment of bank loans	償還銀行貸款	(28,066)	(43,333)
Interest paid	已付利息	(40,336)	(11,338)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	融資活動之(所用)/所得 現金淨額	(64,666)	154,092
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目之 (減少)/增加淨額	(82,062)	265,814
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初之現金及 現金等值項目	138,205	101,253
Effect of foreign exchange rate changes, net	匯率變動之影響, 淨額	(1,561)	(228,862)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值項目	54,582	138,205
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS	現金及現金等值項目 結餘分析	54,582	138,205

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of registered office and principal place of business of the Company is Units 2804-2806, 28th Floor, China Merchants Tower, 168-200 Connaught Road Central, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company. The functional currency of Company's certain subsidiaries is Renminbi.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 20 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

2. MATERIAL FUNDAMENTAL UNCERTAINTIES IN RESPECT OF GOING CONCERN

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group in light of its net current liabilities of HK\$129,029,000 as at 31 December 2008 and a net loss attributable to the shareholders of approximately HK\$639,881,000 for the year ended 31 December 2008. The Group financed its capital intensive operations by short-term bank borrowings and shareholders equity. It tends to maintain a fair level of short-term bank borrowings which are renewed on a regular basis, as the borrowing costs of such arrangement are relatively lower. The directors are of the opinions that, after taking into account the presently available banking facilities and internal financial resources, the Group has sufficient working capital for its present requirements and will be able to meet in full its liabilities as they fall due in the foreseeable future.

Based on following reasons, the consolidated financial statements have been prepared on a going concern basis.

1. 一般資料

公司為在開曼群島註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。公司之註冊辦事處兼主要營業地點為香港干諾道中168至200號招商局大廈28樓2804至2806室。

綜合財務報表乃以港元列示，亦為公司之功能貨幣。公司若干附屬公司之功能貨幣為人民幣。

公司作為一間投資控股公司。其主要附屬公司之主要業務載於財務報表附註20。年內集團之主營業務性質並無重大改變。

2. 有關持續經營之重大基本不明朗因素

於編製綜合財務報表時，鑑於集團於二零零八年十二月三十一日之流動負債淨額為129,029,000港元及於截至二零零八年十二月三十一日止年度之股東應佔虧損淨額約為639,881,000港元，董事審慎考慮集團之未來流動資金狀況。集團以短期銀行借貸及股東權益為其資本密集業務提供資金。由於有關安排之借貸成本相對較低，其有意維持相當之短期銀行借貸水平，該等借貸可予定期重續。董事認為，經計及現有可動用銀行信貸及內部財務資源，集團具備充足營運資金以供其目前需求，並將於可見未來全面應付其到期負債。

基於以下理由，綜合財務報表按持續經營基準編製。



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2. MATERIAL FUNDAMENTAL UNCERTAINTIES IN RESPECT OF GOING CONCERN *(Continued)*

- (i) The directors of the Company carefully reviewed the performance and viability of each of the Group business segment. The floorboard manufacturing business, which was operated by 綠之嘉木制品制造有限公司 (“G & G Wood Products”), a subsidiary Green & Good Group Limited, which is a subsidiary of the Company, had defaulted on the repayment of part of the bank loan amounted to RMB36,000,000 as at 31 December 2008 and the repayment of bank loan of RMB360,000,000 is falling due within one year from the balance sheet date. In addition, its business cannot generate sufficient cash flow to sustain a viable business and unable to meet the obligation of its bank loan of RMB360 million outstanding at 31 December 2008. In view of the above, the Group had fully provided for G & G Wood Products’ assets. This amount of provision of HK\$285 million is included in the consolidated loss of Green & Good Group Limited and its subsidiaries (“Green & Good Group”) for the year ended 31 December 2008 and the Company will exercise its right provided by the profit guarantee to recover from the Vendor, Superview International Limited. As the bank loan of RMB360 million was unsecured and was guaranteed by a third party of which another subsidiary of Green & Good Group, Leeka Wood Company Limited (“Leeka Wood”), had counter-guaranteed to the third party for the captioned bank loan, the Group has no further obligation other than the investment cost of the G & G Wood Products and Leeka Wood. This bank loan will not create financial pressure on the Company and its subsidiaries other than G & G Wood Products and Leeka Wood and will not cause difficulties on the Group’s operations as a going concern.
- (ii) The directors are planning in negotiation with the G & G Wood Products’ bank to reschedule the repayment and possible extension of the bank loan due by the G & G Wood Products and seek the ongoing support to the G & G Wood Products from this bank and other banks.
- (iii) The directors are planning in negotiation with the third party guarantor to restructure the bank guarantee arrangement in respect of the RMB 360 million bank loan including the possibility of replacing the counter-guarantee given by the Leeka Wood with other security or releasing the counter-guarantee given by the Leeka Wood or limiting the counter-guarantee to an acceptable level.

2. 有關持續經營之重大基本不明朗因素 (續)

- (i) 公司董事已仔細審閱集團各業務分類之表現及存續能力。集團之附屬公司綠之嘉木制品制造有限公司(「綠之嘉木制品」)經營木地板製造業務，其於二零零八年十二月三十一日拖欠償還部分銀行貸款人民幣36,000,000元及銀行貸款人民幣360,000,000元之還款將於結算日起計一年內到期。此外，其業務無法產生足夠現金流量以維持業務及無法履行其於二零零八年十二月三十一日之銀行貸款人民幣360,000,000元之責任。有鑑於此，集團已就綠之嘉木制品之資產全數撥備。撥備金額285,000,000港元已計入綠之嘉集團有限公司及其附屬公司(「綠之嘉集團」)於截至二零零八年十二月三十一日止年度之綜合虧損，而公司將行使其溢利保證規定之權利，以自賣方超景國際有限公司收回款項。由於銀行貸款人民幣360,000,000元為無抵押及由一名第三方作出擔保，其中綠之嘉集團另一間附屬公司綠之嘉木業有限公司(「綠之嘉木業」)就上述銀行貸款向第三方作出反擔保，故集團除木制品及綠之嘉木業之投資成本外並無進一步責任。此項銀行貸款將不會對公司及其附屬公司(綠之嘉木制品及綠之嘉木業除外)構成財務壓力，亦將不會對本集團持續經營造成困難。
- (ii) 董事計劃與綠之嘉木制品的銀行商討重新編排還款時間，以及可能將綠之嘉木制品所欠之銀行貸款限期延長，並向此銀行及其他銀行尋求對綠之嘉木制品之持續支援。
- (iii) 董事計劃與第三方擔保人商討就銀行貸款人民幣360,000,000元重組銀行擔保安排，包括可能取代綠之嘉木業提供之反擔保或限制反擔保至可接受之水平。

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2. MATERIAL FUNDAMENTAL UNCERTAINTIES IN RESPECT OF GOING CONCERN *(Continued)*

- (iv) The directors of the Company are considering various alternatives to strengthen the capital base of the Company through various funding exercises.
- (v) The directors of the Company have continued to tighten cost controls over factory overheads and various general and administrative expenses, and are actively seeking new investment and business opportunities with an aim to attain profitable and maintain positive cash flow operations.

In light of the measures taken to date, together with the expected results of other measures in progress, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to operate as a commercially viable concern. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis, notwithstanding the Group's financial position and liquidity position as at 31 December 2008.

3. RESTATEMENT OF ACQUISITION CONSIDERATION UPON FAILURE TO ACHIEVE PROFIT GUARANTEE

(a) Failure to achieve guaranteed profit

On 8 October 2007, the Company had completed the acquisition of 70% interest in share capital of share capital of Green & Good Group Limited ("Green & Good"). According to the acquisition agreement, the Vendor, Superview International Limited and the Guarantors, Mr Ho Kam Hung, Mr Yiu Yat On and Ms Qian Mingjin, had given profit guarantee in favour of the Company that the audited consolidated net profit after tax of Green & Good prepared in accordance with Hong Kong GAAP for the two financial years ended 31 December 2008 should not be less than HK\$300 million. Any shortfall amount from guaranteed profit would be compensated by canceling the Restricted Convertible Notes, which were stakeheld by the Company, with the same amount of shortfall of guaranteed profit and should this amount of shortfall be more than HK\$300 million, the exceeded amount would be compensated by the Vendor in cash on a dollar-for-dollar basis.

2. 有關持續經營之重大基本不明朗因素 (續)

- (iv) 公司董事現正考慮多項方案，透過集資加強公司之資本基礎。
- (v) 公司董事已繼續收緊有關廠房經常性開支及多項一般及行政開支之成本監控措施，並積極物色新投資及業務商機，以達致盈利及維持正數現金流量營運。

鑑於截至目前為止所採取之措施，連同其他進行中之措施之預期成效，集團將具備充足營運資金以供其目前需求，並合理預期集團可繼續商業營運。因此，董事信納儘管集團於二零零八年十二月三十一日之財務狀況及流動資金狀況，其適合按持續經營基準編製綜合財務報表。

3. 於未能達致溢利保證後重列收購代價

(a) 未能達致保證溢利

於二零零七年十月八日，公司已完成收購綠之嘉集團有限公司（「綠之嘉」）股本中之70%權益。根據收購協議，賣方超景國際有限公司及擔保人何錦鴻先生、姚逸安先生及錢銘今女士以公司為受益人作出溢利保證，綠之嘉於截至二零零八年十二月三十一日止兩個財政年度根據香港公認會計原則編製之經審核綜合除稅後純利將不少於300,000,000港元。溢利保證之任何短缺款額將以註銷相等於溢利保證短缺款額且由公司持有之有限制可換股票據作出補償，而倘有關短缺款額超過300,000,000港元，超出金額將由賣方按等額現金之基準作出補償。



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3. RESTATEMENT OF ACQUISITION CONSIDERATION UPON FAILURE TO ACHIEVE PROFIT GUARANTEE

(Continued)

(a) Failure to achieve guaranteed profit

(Continued)

Details of audited results of Green & Good:

Consolidated profit after tax for the year 2007
Consolidated loss after tax for the year 2008

Profit guarantee given by Vendor and Guarantors

The shortfall from guaranteed profit

綠之嘉經審核業績詳情：

二零零七年綜合除稅後溢利

二零零八年綜合除稅後虧損

賣家及擔保人發出之溢利保證

保證溢利差額

HK\$'000
千港元

277,713

(702,824)

(425,111)

(300,000)

(725,111)

(b) Retrospective statement from cancellation of restricted convertible notes and compensation of shortfall from guaranteed profit

Under Hong Kong Financial Reporting Standard 3 “Business Combinations” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), the Group applied the purchase method to account for the acquisition of Green & Good in the consolidated financial statements of the Group. In the year 2007, the Company had recognised an amount of negative goodwill of HK\$231,654,000 from acquisition of 70% equity interests of Green & Good. As the failure to achieve guaranteed profits results in changes to purchase consideration of 70% equity interests of Green & Good and changes in negative goodwill from acquisition, adjustments to these changes are applied retrospectively.

3. 於未能達致溢利保證後重列收購代價 (續)

(a) 未能達致保證溢利 (續)

(b) 註銷有限制可換股票據及賠償保證溢利差額之追溯報表

根據香港會計師公會（「香港會計師公會」）頒布之香港財務報告準則第3號「業務合併」，集團採用購買法於集團綜合財務報表內將收購綠之嘉列賬。於二零零七年，公司已確認收購綠之嘉70%權益產生之負商譽231,654,000港元。由於未能達致保證溢利導致購買綠之嘉70%股本權益之代價變動及收購所產生之商譽變動，該等變動的調整已追溯應用。

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3. RESTATEMENT OF ACQUISITION CONSIDERATION UPON FAILURE TO ACHIEVE PROFIT GUARANTEE

(Continued)

(b) Retrospective statement from cancellation of restricted convertible notes and compensation of shortfall from guaranteed profit (Continued)

The negative goodwill arising from the acquisition of 70% equity interests in Green & Good is re-calculated as follows:

		HK\$'000 千港元
Total cost of the acquisition previously stated (Note)	先前呈列的收購總成本 (附註)	1,680,373
Cancellation of restricted convertible note	註銷有限制可換股票據	(300,000)
Compensation of shortfall exceeding guaranteed profit	賠償超過保證溢利之差額	(425,111)
Total cost of the acquisition restated	重列收購總成本	955,262
Net assets of Green & Good acquired as at 8 October 2007	於二零零七年十月八日收購綠之嘉之資產淨值	2,731,468
Minority interests	少數股東權益	(819,441)
Fair value of net assets of Green & Good acquired	收購綠之嘉資產淨值之公平值	1,912,027
Negative goodwill arising from acquisition restated	重列收購產生之負商譽	956,765

Note:

The original consideration for the acquisition is HK\$1,680,373,000 satisfied as to:

- (i) HK\$200,000,000 in cash;
- (ii) HK\$929,688,000 by the issue of Convertible Note upon the completion of the Acquisition; and
- (iii) HK\$550,685,000 by the issue of consideration shares upon the completion of the Acquisition respectively.

3. 於未能達致溢利保證後重列收購代價 (續)

(b) 註銷有限制可換股票據及賠償保證溢利差額之追溯報表 (續)

收購綠之嘉70%權益產生之負商譽重新計算如下：

		HK\$'000 千港元
Total cost of the acquisition previously stated (Note)	先前呈列的收購總成本 (附註)	1,680,373
Cancellation of restricted convertible note	註銷有限制可換股票據	(300,000)
Compensation of shortfall exceeding guaranteed profit	賠償超過保證溢利之差額	(425,111)
Total cost of the acquisition restated	重列收購總成本	955,262
Net assets of Green & Good acquired as at 8 October 2007	於二零零七年十月八日收購綠之嘉之資產淨值	2,731,468
Minority interests	少數股東權益	(819,441)
Fair value of net assets of Green & Good acquired	收購綠之嘉資產淨值之公平值	1,912,027
Negative goodwill arising from acquisition restated	重列收購產生之負商譽	956,765

附註：

收購之原始代價為1,680,373,000港元，以下列方式支付：

- (i) 現金200,000,000港元；
- (ii) 於收購完成時透過發行可換股票據支付929,688,000港元；及
- (iii) 於收購完成後透過發行代價股份支付550,685,000港元。



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3. RESTATEMENT OF ACQUISITION CONSIDERATION UPON FAILURE TO ACHIEVE PROFIT GUARANTEE

(Continued)

(b) Retrospective statement from cancellation of restricted convertible notes and compensation of shortfall from guaranteed profit (Continued)

The effect of changes in cancellation of restricted convertible notes and compensation of exceeded amount of shortfall from guaranteed profit on the income statement for the prior year and current year are as follows:

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Profit for the year previously reported	過往呈報的年內溢利	-	392,726
Increase in negative goodwill arising from acquisition	收購產生之負商譽增加	-	725,111
Profit for the year restated	重列年內溢利	-	1,117,837

Analysis of increase in profit for the prior year and current year by line items presented according to their function:

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Negative goodwill arising on acquisition previously reported	過往呈報收購時產生之負商譽	-	231,654
Increase in negative goodwill arising from acquisition	收購產生之負商譽增加	-	725,111
Negative goodwill arising on acquisition restated	重列收購時產生之負商譽	-	956,765

3. 於未能達致溢利保證後重列收購代價 (續)

(b) 註銷有限制可換股票據及賠償保證溢利差額之追溯報表 (續)

於往年及本年度註銷有限制可換股票據及賠償保證溢利差額之變動對收益表之影響如下：

往年及本年度溢利增加之分析，按根據其功能呈列之項目劃分：

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3. RESTATEMENT OF ACQUISITION CONSIDERATION UPON FAILURE TO ACHIEVE PROFIT GUARANTEE

(Continued)

(b) Retrospective statement from cancellation of restricted convertible notes and compensation of shortfall from guaranteed profit (Continued)

The effect of changes in cancellation of restricted convertible notes and compensation of shortfall from guaranteed profit on the balance sheet for the prior year are as follows:

3. 於未能達致溢利保證後重列收購代價 (續)

(b) 註銷有限制可換股票據及賠償保證溢利差額之追溯報表 (續)

於往年，註銷有限制可換股票據及賠償保證溢利差額之變動對資產負債表之影響如下：

		As at 31/12/2007 (previously reported) HK\$'000 於二零零七年 十二月三十一日 (過往呈報) 千港元	Adjustment HK\$'000 調整 千港元	As at 31/12/2007 (restated) HK\$'000 於二零零七年 十二月三十一日 (重列) 千港元
Amount due from minority interests	應收少數股東款項	-	325,111	325,111
Total effect on Assets	對資產之總影響	-	325,111	325,111
Convertible Note Payable	應付可換股票據	836,566	(269,950)	566,616
Total effect on Liabilities	對負債之總影響	836,566	(269,950)	566,616
Conversion notes equity reserve	可換股票據股本儲備	93,123	(30,050)	63,073
Minority interests	少數股東權益	1,074,579	(100,000)	974,579
Retained profits	保留溢利	392,726	725,111	1,117,837
Total effect on Equity	對權益之總影響	1,560,428	595,061	2,155,489



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4. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements have been prepared under the historical cost basis except for leasehold land and buildings and certain financial instruments, which are measured at revalued amount or fair values as explained in the accounting policies set out below.

In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinances.

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are discussed in note 37.

4. 主要會計政策

編製基準

綜合財務報表乃根據香港會計師公會（「香港會計師公會」）所頒佈之香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（以下統稱「香港財務報告準則」）編製。除租賃土地及樓宇及若干金融工具按重估值或公平值計量（詳情見下文所載之會計政策之解釋）外，綜合財務報表乃根據歷史成本基準編製。

此外，綜合財務報表包括根據聯交所證券上市規則及香港公司條例規定之適用披露事項。

按香港財務報告準則之規定，在編製財務報表時，管理層須作出判斷、估計及假設從而影響政策實施及資產、負債、收入及支出之呈報金額。該等估計及有關假設乃以過往之經驗及在既定情況下相信合理之多項其他因素為基準，估計之結果構成判斷未能從其他來源確定之資產及負債之賬面值之基準。實際結果可能與此等估計不盡相同。

有關估計及假設須不斷檢討。若修訂只影響該修訂期，會計估計之修訂於修訂期內確認或如該修訂影響本期及未來會計期，則於修訂期及未來會計期確認。

管理層根據香港財務報告準則作出之對財務報表有重大影響之判斷及對下個期間重大調整有重大風險之估計乃於附註37披露。

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Impact of new and revised HKFRSs and HKASs

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

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

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

4. 主要會計政策 (續)

新訂及經修訂香港財務報告準則及香港會計準則

於本年度，集團已採用香港會計師公會（「香港會計師公會」）頒布之多項現正或已生效之新準則、修訂及詮釋（「新香港財務報告準則」）。

香港會計準則第39號及香港財務報告準則第7號（修訂）	重新分類金融資產
香港（國際財務報告詮釋委員會）– 詮釋第11號	香港財務報告準則第2號–集團及庫存股份交易
香港（國際財務報告詮釋委員會）– 詮釋第12號	服務特許安排
香港（國際財務報告詮釋委員會）– 詮釋第14號	香港會計準則第19號–界定利益資產之限制、最低資本規定及其相互關係

採納新香港財務報告準則對如何編製及呈報本期間及以往期間之業績及財務狀況並無任何重大影響。因此，無須作出過往期間調整。



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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Impact of new and revised HKFRSs and HKASs (Continued)

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

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible hedged items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 8	Operating Segments ²
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁵
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners ³
HK(IFRIC) – Int 18	Transfer of Assets from Customers ⁶

4. 主要會計政策 (續)

新訂及經修訂香港財務報告準則及香港會計準則 (續)

集團並無提早採納下列已頒布但尚未生效之新訂及經修訂準則、修訂或詮釋。

香港財務報告準則 (修訂)	香港財務報告準則之改善 ¹
香港會計準則第1號 (經修訂)	財務報表之呈列 ²
香港會計準則第23號 (經修訂)	借貸成本 ²
香港會計準則第27號 (經修訂)	綜合及獨立財務報表 ³
香港會計準則第32號及第1號 (修訂)	可沽財務工具及清盤產生的承擔 ²
香港會計準則第39號 (修訂)	合資格對沖項目 ³
香港財務報告準則第1號及香港會計準則第27號 (修訂)	對附屬公司、共同控制實體或聯營公司投資的成本 ²
香港財務報告準則第2號 (修訂)	歸屬條件及註銷 ²
香港財務報告準則第3號 (經修訂)	業務合併 ³
香港財務報告準則第8號	經營分部 ²
香港 (國際財務報告詮釋委員會) – 詮釋第13號	客戶忠誠計劃 ⁴
香港 (國際財務報告詮釋委員會) – 詮釋第15號	房地產興建協議 ²
香港 (國際財務報告詮釋委員會) – 詮釋第16號	對沖境外業務之淨投資 ⁵
香港 (國際財務報告詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產 ³
香港 (國際財務報告詮釋委員會) – 詮釋第18號	轉讓客戶之資產 ⁶

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Impact of new and revised HKFRSs and HKASs (Continued)

- ¹ Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009
- ² Effective for annual periods beginning on or after 1 January 2009
- ³ Effective for annual periods beginning on or after 1 July 2009
- ⁴ Effective for annual periods beginning on or after 1 July 2008
- ⁵ Effective for annual periods beginning on or after 1 October 2008
- ⁶ Effective for transfer of assets from customers received on or after 1 July 2009

Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements incorporate the financial statement of the Company and its subsidiaries. All Intra-group transactions, balances income and expenses are eliminated on consolidation.

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

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

4. 主要會計政策 (續)

新訂及經修訂香港財務報告準則及香港會計準則 (續)

- ¹ 於二零零九年一月一日或以後開始之年度期間生效，惟於二零零九年七月一日或以後開始之年度期間生效之香港財務報告準則第5號修訂除外
- ² 於二零零九年一月一日或以後開始之年度期間生效
- ³ 於二零零九年七月一日或以後開始之年度期間生效
- ⁴ 於二零零八年七月一日或以後開始之年度期間生效
- ⁵ 於二零零八年十月一日或以後開始之年度期間生效
- ⁶ 於二零零九年七月一日或以後收取轉讓客戶之資產生效

綜合基準

倘若公司有權直接或間接控制另一間實體或業務之財務及營運政策以從其業務中獲取利益，該實體則列作附屬公司。綜合財務報表包括公司及其附屬公司之財務報表。集團旗下公司間之交易、結餘及收支於綜合時對銷。

在年內購入或售出之附屬公司之業績由收購生效日起計或計至出售生效日止（視情況而定），列入綜合收益表內。

有需要時，將於附屬公司之財務報表作出調整以使其會計政策與集團其他成員公司所使用者為一致。



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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for noncurrent assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

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

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

Subsidiaries and minority interests

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

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

4. 主要會計政策 (續)

業務合併

收購附屬公司採用收購法入賬。收購成本按於交換日期集團就換取被收購方控制權所給予資產、所產生或承擔負債以及所發行股本工具之公平值總額，加上業務合併任何直接應佔成本計算。符合香港財務報告準則第3號「業務合併」項下確認條件之被收購方可識別資產、負債及或然負債，乃於收購日期按有關公平值確認；惟按照香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」分類為持作出售之非流動資產（或出售組別）除外，該等資產會按公平值減銷售成本確認及計量。

收購所產生商譽確認為資產，且初步按成本計算，成本即業務合併成本超出集團於已確認可識別資產、負債及或然負債公平淨值之權益之差額。倘於重新評估後，集團於被收購方之可識別資產、負債及或然負債公平淨值之權益超出業務合併成本，則超出數額即時於損益確認。

少數股東於被收購方之權益，初步按已確認資產、負債及或然負債公平淨值之少數股東比例計算。

附屬公司及少數股東權益

附屬公司乃指集團控制之公司。控制乃指集團有權管理一家實體之財務及經營之決策，以於其業務中獲取利益。於評估控制時，已計及當前可行使之潛在投票權。

集團於附屬公司之投資，自控制開始之日起直至控制解除之日止，均在綜合財務報表中綜合計算。集團內結餘及交易及集團內交易產生之任何未變現溢利均於編製綜合財務報表時全數對銷。集團內交易產生之未變現虧損以未變現溢利同樣之方式對銷，惟僅以無減值證據為限。

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Subsidiaries and minority interests *(Continued)*

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

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered. Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet depending on the nature of the liability. In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (or include in a disposal group that is classified as held for sale).

Investments in subsidiaries

The Company's investments in subsidiaries are stated at cost less impairment loss, if any.

4. 主要會計政策 (續)

附屬公司及少數股東權益 (續)

少數股東權益是指並非由公司直接或間接透過附屬公司擁有之權益所佔附屬公司資產淨值之部分，就此而言，集團並無與該等權益之持有人協定任何額外條款，以致集團整體須承擔就財務負債所界定之該等權益之合約責任。少數股東權益在綜合資產負債表之權益項目中與公司股東應佔權益分開列示。而少數股東所佔集團業績之權益則在綜合收益表內列為在少數股東權益與公司權益持有人之間分配之年內收益表總額。

如果少數股東應佔之虧損超過其所佔附屬公司權益之權益，超額部分和任何歸屬於少數股東之進一步虧損便會沖減集團所佔權益；但少數股東須承擔具有約束力之義務並有能力作出額外投資以彌補虧損則除外。如附屬公司其後呈報溢利，則所有相關溢利均會分配予集團，直至集團收回以往承擔之少數股東應佔虧損為止。少數股東權益持有人之貸款及該等持有人之其他合約責任乃根據負債之性質於綜合資產負債表內列為財務負債。於公司之資產負債表內，於附屬公司之投資除歸類為持作銷售（或包括在歸類為持作銷售之出售組別內）外，乃按成本減減值虧損列賬。

於附屬公司之投資

公司於附屬公司之投資乃以成本值扣除減值虧損（如有）列賬。



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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Goodwill

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

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 1(h)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

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 or an investment in an associate is recognized immediately in income statement.

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

Biological assets

Biological assets comprise forest crop in PRC.

Biological assets are living plants involved in the agricultural activities of the transformation of biological assets into agricultural produce for sale or into additional biological assets. Biological assets and agricultural produce, are measured at fair value less estimated point-of-sale costs at initial recognition and at each balance sheet date. The fair value less estimated point-of-sale costs at the time of harvest is deemed as the cost of agricultural produce for further processing, if applicable. If an active market exists for a biological asset or agricultural produce with reference to comparable specie, growing condition and expected yield of the crops, the quote price in that market is adopted for determining the fair value of that asset.

4. 主要會計政策 (續)

商譽

商譽乃指於聯營公司之業務合併或投資成本超過集團佔所收購可分資產、負債及或然負債公平值淨值之數額。

商譽乃按成本減累計減值虧損列賬。商譽分配至現金產生單位並每年進行減值測試(見附註1(h))。就聯營公司而言，商譽之賬面值乃包含在於聯營公司之權益之賬面值內。

任何集團佔所收購可分資產、負債及或然負債公平值淨值之數額超過於聯營公司之業務合併或投資成本將於收益表內立即確認。

於年內出售現金產生單位或聯營公司時，收購商譽之任何應佔款項乃包含在出售時損益之計算內。

生物資產

生物資產包括位於中國之林木資源。

生物資產乃存活之植物，涉及將生物資產轉化為待售林業產品或轉化為其他生物資產。於各結算日，生物資產及農產品乃初步按公平值減估計銷售點成本計量確認。公平值減採伐時之估計銷售點成本乃被視為作進一步加工之農產品成本(如適用)。倘活躍市場存有為生物資產或農產品提供可資比較類別、成長狀況及預期林業作物產量，則採納該市場之報價釐定該項資產之公平值。

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Biological assets (Continued)

If an active market does not exist, the Group uses the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the transaction date and the balance sheet date, or the market prices for similar assets adjusted to reflect differences to determine fair values. The gain or loss arising on initial recognition and subsequent changes in fair values less estimated point-of-sale costs of biological assets is recognised in the profit and loss account in the period in which it arise. Upon the sale of the agricultural produce as forestry products, the carrying amount is transferred to cost of sales in the consolidated income statement.

Impairment

Impairment tests on assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (ie the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (ie the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows).

Impairment charges are included in the administrative expenses line item in the consolidated income statement, except to the extent they reverse income previously recognised directly in equity.

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

4. 主要會計政策 (續)

生物資產 (續)

倘並無活躍市場，則集團採用最近之市場交易價，惟自交易日起至結算日止期間之經濟情況並無出現重大變動，或類似資產之市價作出調整以反映釐定公平值之差額。於初步確認時產生之收益或虧損及其後公平值變動減生物資產之估計銷售點成本乃於其產生期間內在損益賬確認。於農產品作為林產品銷售時，賬面值乃撥至綜合收益表內之銷售成本。

減值

倘因任何事件或情況變動顯示資產之賬面額可能不可收回，則會進行減值測試。倘資產之賬面值高於其可收回金額（即可使用價值與扣減出售成本之公平值兩者之較高者本），資產則相應撇銷。

倘若未能可靠估計個別資產之可收回金額，則按資產之現金產生單位進行減值測試（即資產按可獨立辨認之現金流量計算所屬之最低水平）。

減值費用乃計入綜合收益表之行政開支項目內，惟以先前直接於權益確認為撥回收入為限。

於回撥減值虧損時，資產之賬面值可調高至重新釐定之估計可收回金額，惟不可高於該資產（現金產生單位）於過往年度未計減值虧損前之賬面值。撥回之減值虧損可即時被確認為收入。倘有關資產因按其他會計準則以重估值列賬，其回撥額可按其他會計準則當作重估增額入賬。



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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is calculated using the weighted average costs formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognised as a reduction in the amount of inventories recognised as an expenses in the period in which the reversal occurs.

Property, plant and equipment

The building component of owner-occupied leasehold properties are stated at valuation less accumulated depreciation. Fair value is determined by the Directors based on independent valuations which are performed periodically. The Directors review the carrying value of the leasehold buildings and adjustment is made where they consider that there has been a material change. Increases in valuation are credited to the property revaluation reserve. Decreases in valuation are first offset against increases on earlier valuations in respect of the same property and are thereafter charged to the income statement. Any subsequent increases are credited to the consolidated income statement up to the amount previously charged and thereafter to property revaluation reserve.

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

4. 主要會計政策 (續)

存貨

存貨按成本或可變現淨值兩者之較低者列賬。可變現淨值為於日常業務過程中之估計售價，扣除完成之估計成本及銷售開支。

成本以加權成本公式計算，並包括所有採購成本、轉換成本及其他因將存貨送至現時位置及達致現有用途所產生之其他成本。當存貨出售時，有關存貨之賬面值於相關收入獲確認之期內確認為開支。任何撇減存貨至可變現淨值之金額及存貨之所有虧損於撇減或虧損產生期內確認為開支。任何因可變現淨值增加而產生之存貨撇減撥回金額乃確認為存貨削減金額，並於撥回產生期間確認為開支。

物業、廠房及設備

業主自用之租賃物業中之樓宇部分按估值減累計折舊列賬。公平值由董事根據定期進行之獨立估值而釐定。董事檢討租賃樓宇之賬面值並在認為出現重大變動時作出調整。估值之增加記入物業重估儲備，估值之減少則先以同一物業早前之估值增加作抵銷，之後才列入收益表。其後任何增值均須先記入綜合收益表，直至抵銷早前列入收益表之數額後，才記入物業重估儲備。

其他物業、廠房及設備按成本減累計折舊及減值虧損列賬。

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

Property, plant and equipment are depreciated at rates sufficient to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives and residual value are reviewed, and adjusted if appropriate, at each balance sheet date. The principal annual rates are as follows:

Leasehold land and buildings	-	The shorter of the lease terms or 50 years
Leasehold improvements, furniture, office equipment and motor vehicles	-	5% – 20%
Plant and machinery	-	10%

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

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

All non-qualifying expenditures and expenses incurred on other non-qualifying development activities are charged as expenses to the income statement in the period in which such expenses are incurred.

Upon disposal of leasehold buildings, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the property revaluation reserve to retained profits.

4. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備以直線法於估計可用年期內，按足以撇銷其成本（扣除預計剩餘價值後）之比率折舊。於每個結算日均會檢討可用年期及剩餘價值（如適用）。主要年度折舊率如下：

租賃土地及樓宇	-	按租期或50年之較短者
租賃物業裝修、傢俬、辦公室設備及汽車	-	5%至20%
廠房及機器	-	10%

其後產生之成本，只有在有關項目未來可能帶給集團經濟效益，而項目之成本又能夠可靠計算時，方列作相關資產之賬面值或確認為另一項資產。所有其他維修保養成本即年列入收益表。

若資產賬面值高於其估計可收回價值，將立即調減至可收回價值。

其他不合資格開支和不合資格發展活動所產生之開支悉數即期撥入收益表中列作開支。

出售租賃樓宇時，重估儲備中因先前估值而變現之相關部分，須從樓宇重估儲備轉撥保留盈利。



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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

The gain or loss on disposal of property, plant and equipment other than leasehold building is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

Construction in progress

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings, the cost of plant and machinery and interest charges arising from borrowings used to finance these assets during the period of construction or installation and testing, if any. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and are available for intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in the preceding paragraphs.

Convertible note

Convertible note issued by the Company that contain both the liability and conversion equity components are classified separately into respective items on initial recognition. Conversion equity will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the conversion equity for the holder to convert the convertible note into equity, is included in equity (convertible note equity reserve).

4. 主要會計政策 (續)

物業、廠房及設備 (續)

出售租賃樓宇以外之物業、廠房及設備之收益或虧損乃指出售有關資產所得款項淨額與賬面金額之間的差額，並一概列入收益表。

在建工程

在建工程指在建及未安裝之物業、廠房及設備，按成本減累計減值虧損（如有）入賬。成本包括所產生之建造開支、廠房及機器成本及建造或安裝及測試期間用於就該等資產提供資金而借貸資金所產生之利息費用（如有）。於有關資產建造及安裝完成前，不會就在建工程作出折舊撥備。於有關資產完成時，成本轉撥至之物業、廠房及設備，並根據上段所列政策計提折舊。

可換股票據

公司發行之可換股債券，當中包括負債和換股權益部分，於最初確認時劃分為單獨的項目。以定額現金或其他金融資產交換公司自身的固定數目的股本工具的方式結算的換股權益，劃分為股本工具。

於最初確認時，負債部份之公平值按類似的不可轉換債務的現行市場利率釐定。發行可換股貸款票據的所得款項總額與分配給負債部份（代表持有人用於將可換股票據兌換為權益的換股權益）的公平值之間的差額，將在權益中確認（可換股貸款票據權益儲備）。

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Convertible note *(Continued)*

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible note equity reserve until the conversion option is exercised (in which case the balance stated in convertible notes equity reserve until the conversion option is exercised (in which case the balance stated in convertible note equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible note equity reserve will be released to the retained profits. No gain or loss is recognized in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible note using the effective interest method.

Equity instruments

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

Consideration paid to reacquire the Company's own equity instruments are deducted from equity. No gain or loss is recognized in income statement.

4. 主要會計政策 (續)

可換股票據 (續)

於後續期間，可換股票據的負債部份將按面值用實際利率法列賬。權益部份指可將負債部份兌換成公司普通股之購股權，將保留於可換股票據股本儲備，直至附設之購股權獲行使為止（在此情況下，可換股票據股本儲備之結餘將撥至股份溢價）。倘購股權於到期日尚未獲行使，可換股票據權益儲備之結餘將撥至保留盈利。換股權兌換或到期時將不會於收益表中確認任何盈虧。

有關發行可換股票據的交易成本將按所得款項總額的分配比例分配到負債及權益部份。有關權益部份之交易成本直接自權益中扣除。與負債部份有關的交易成本計入負債部份的賬面值，並採用實際利率法於可換股票據期間攤銷。

股本工具

公司發行之股本工具按收到的所得款項減直接發行成本列賬。

支付作重新購買公司本身之股本工具之代價從股本中扣減。概無於收益表確認損益。



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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Financial Instruments

(i) *Financial assets*

Financial assets comprise trade receivables, prepayments, deposits and other receivables, available-for-sales financial assets and cash and cash equivalents.

The Group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises the financial assets that have been acquired for the purpose of selling or repurchasing it in the short-term or if so designated by management. This category includes derivatives which are not qualified for hedge accounting. Debt securities and bank deposits with embedded derivatives for yield enhancement whose economic characteristics and risks are not closely related to the host securities and deposits are designated as financial assets at fair value through profit or loss. They are carried in the balance sheet at fair value with changes in fair value recognised in the income statement.

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. At each balance sheet date subsequent to initial recognition, they are carried at amortised cost using the effective interest rate method, less any identified impairment losses.

4. 主要會計政策 (續)

金融工具

(i) *金融資產*

金融資產包括應收賬款、預付款項、按金及其他應收款項、可供出售金融資產以及現金及現金等價物。

集團視乎金融資產之收購用途將該等資產歸類為以下其中一項。集團就各類別之會計政策如下：

按公平值計入損益：此類別指購入之目的為短期內或管理層指定出售或購回之金融資產。此類別亦包括不符合對沖會計處理之衍生工具。附帶內在衍生產品以增加回報收益之債務證券及銀行存款（而有關衍生產品之經濟特徵及風險均與主體證券及存款沒有密切關係者）歸類為按公平值計入損益之金融資產。金融資產乃按公平值於資產負債表列賬，而公平值之變動則於收益表確認。

貸款及應收款項：該等資產乃非衍生性質之金融資產，附帶固定或可計算之付款，但並不存在活躍市場之報價。貸款及應收款項主要透過向客戶提供貨品及服務（應收貿易賬項）所產生，亦包括其他類別之合約貨幣資產。於初步確認後各結算日，則採用實際利率準減任何已識別減值虧損進行攤銷。

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Financial Instruments (Continued)

(i) *Financial assets (Continued)*

Held-to-maturity investments: These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. At each balance sheet date subsequent to initial recognition, held-to-maturity investment are measured at amortised cost using effective interest rate method, less any identified impairment losses.

Available-for-sale: Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value recognised directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in the consolidated income statement. For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

4. 主要會計政策 (續)

金融工具 (續)

(i) *金融資產 (續)*

持至到期投資：該等資產為擁有固定或可計算之付款及集團管理層認為可以或有能力持有至到期之固定年期之非衍生性質金融資產。於初步確認後各結算日，持至到期投資乃採用實際利率準減任何已識別減值虧損進行攤銷。

可供出售：並非屬於上述類別之非衍生性質金融資產乃列作可供出售，包括集團於非附屬公司、聯營公司或共同控制實體之實體作出之策略性投資。可供出售乃按公平值列賬，而公平值之變動則直接於權益中確認。倘可供出售金融資產之公平值減少構成客觀證據顯示出現減值，損失之數額乃於權益中扣除，並於綜合收益表中確認。在活躍市場上並無已報市價之可供出售股本投資，其公平值無法可靠地計算，與該等非上市股本工具有關並須以交付該等工具結算之衍生工具，則須於初步確認後按成本減減值損失計量。



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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Financial Instruments (Continued)

(ii) Financial liabilities

Financial liabilities comprise trade payables, other payables and accruals, and interest-bearing bank loans and convertible note payable.

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liabilities was incurred. The Group's accounting policies for each category is as follows:

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in the consolidated income statement in the year in which they arise.

Other financial liabilities: Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are recognised at amortised cost.
- Bank loans are initially recognised at the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. "Interest expense" in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

4. 主要會計政策 (續)

金融工具 (續)

(ii) 金融負債

金融負債包括應付貿易賬款、其他應付款項及應計款項及計息銀行貸款及應付可換股票據。

集團將金融負債分為兩類，視乎負債所產生之目的而定。集團就各類別之會計政策如下：

按公平值計入損益之金融負債有兩類，包括持有作買賣之金融資產及於初步確認時被指定按公平值計入損益之金融負債。於初步確認後之各結算日，按公平值計入損益之金融資產乃按公平值計量，而公平值之變動在彼等產生之年度內即時直接在綜合收益表中確認。

其他金融負債：其他金融負債包括下列各項：

- 應付貿易賬項及其他短期貨幣負債，按攤銷成本確認。
- 銀行貸款乃初步按所墊付金額扣除發行工具直接應佔之任何交易成本確認。該等計息負債於其後採用實際利息法按攤銷成本計算，以確保於償還期間之利息開支乃就負債之結餘按固定利率於資產負債表中列賬。「利息開支」就此而言，包括初步交易成本及贖回之應付溢價，以及未償還負債所產生之任何利息或應付票息。

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Financial Instruments (Continued)

(iii) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carry amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in income statement.

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

Owner-occupied leasehold interest in land

Interests in leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis to the income statement.

Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

4. 主要會計政策 (續)

金融工具 (續)

(iii) 終止確認

當從資產收取現金流之權利屆滿或金融資產獲轉讓時，以及集團已轉讓金融資產擁有權之絕大部分風險及回報，則會終止確認金融資產。於終止確認金融資產時，資產賬面值與已直接於權益確認已收及應收代價以及累計收益或虧損之總和間之差額於收益表確認。

當相關合約特定之責任獲解除、註銷或屆滿時，則金融負債會終止確認。已終止確認金融負債之賬面值與已付代價間之差額於收益表確認。

業主佔用土地租賃權益

根據經營租賃持作自用之租賃土地之權益指於購入由承租人佔用之物業之長期權益時須先支付之數額。有關金額按成本列賬，並於租賃期內按直線法攤銷，攤銷金額列入收益表。

租賃資產

倘租賃資產擁有權之絕大部份風險及回報已轉嫁予集團（「融資租賃」），則資產被視為已獲全部購入。初步確認為資產之金額為按租賃年期計算之最低租金之現值。相關租賃承擔乃列作負債。租賃付款可根據資本及利息分析。利息部份按租賃年期自收益表扣除，並於租賃負債中佔有固定比例。資本部份則扣除結欠借款人之餘額。



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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Leased assets *(Continued)*

Where substantially all of the risks and rewards incidental to ownership are retained by the lessor (an “operating lease”), the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

Employee benefits

(i) Retirement benefits scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those 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.

The employees of the Group’s subsidiaries operating in the People’s Republic of China (the “PRC”) are required to participate in a central pension scheme (the “Central Scheme”) operated by the local municipal government in the PRC. The respective local municipal government in the PRC, undertakes to assume the retirement benefits obligations of all existing and future retired staff of these subsidiaries. The only obligation of these subsidiaries with respect to the Central Scheme is to meet the required contributions under the Central Scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the Central Scheme.

4. 主要會計政策 (續)

租賃資產 (續)

倘借款人乃保留擁有權之絕大部份風險及回報(「經營租賃」)，根據租賃應付租金總額乃以直線法按租賃年期自收益表扣除。

物業租賃之土地及樓宇部份於租賃分類時乃獨立處理。

僱員福利

(i) 退休福利計劃

根據強制性公積金計劃條例，集團為所有合資格參與強積金計劃之僱員設立定額供款強制性公積金計劃(「強積金計劃」)。供款乃按僱員基本薪金之百分比計算，並於根據強積金計劃之規定須作出供款時計入損益賬內。強積金計劃之資產以獨立管理基金形式持有，與集團之資產分開。集團就強積金計劃支付之僱主供款全部歸僱員所有。

公司於中華人民共和國(「中國」)經營之附屬公司旗下僱員須參與由中國地方市政府管理之中央退休金計劃(「中央計劃」)。中國之各別地方市政府承諾會承擔該等附屬公司所有現時及日後退休員工之退休福利責任。該等附屬公司於中央計劃中之唯一責任乃根據中央計劃提供所需供款。有關供款會於根據中央計劃之規定須作出供款時計入損益賬內。

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Employee benefits *(Continued)*

(ii) Termination benefits

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

(iii) Employee entitlements

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

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

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated income statement on a straight-line basis over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

4. 主要會計政策 (續)

僱員福利 (續)

(ii) 終止福利

只有當集團顯示其承諾終止僱用或透過沒有機會撤回之詳細並正式之自願離職計劃所提供之福利時，該終止服務福利方被確認。

(iii) 僱員權益

僱員應享年假及長期服務金乃於應計予僱員時確認，並就截至結算日因僱員所提供服務而產生之估計年假及長期服務金負債作出撥備。

僱員應享病假及分娩或陪產假僅於支取假期時始予確認。

以股份為基礎之付款

倘僱員獲授購股權，則購股權之公平值乃於授出日期按直線基準於歸屬期自綜合收益表扣除。倘出現非市場歸屬情況，則會考慮調整於各結算日預期將予歸屬之股本工具數目，因此按歸屬期確認之累計金額乃根據最終歸屬之購股權數目計算。市場歸屬情況已計入所授出購股權之公平值。只要所有其他歸屬情況獲達成，則不論是否達致市場歸屬情況均會作出扣除。倘未能達致市場歸屬情況，累計開支不會作出調整。



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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Share-based payments (Continued)

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated income statement is charged with the fair value of goods and services received.

Revenue recognition

Sales of goods are recognised in the income statement when goods are delivered and title has passed or when the significant risks and rewards of ownership have been transferred to the buyer.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rates applicable.

Dividend income is recognised when the shareholders' rights to receive payment is established.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

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, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. 主要會計政策 (續)

以股份為基礎之付款 (續)

倘購股權之條款及條件於歸屬前獲修訂，購股權之公平值於緊接修訂前及緊隨修訂後之增加亦按剩餘歸屬年期自綜合收益表扣除。

倘股本工具乃授予非僱員之人士，則按所取得貨品及服務之公平值自綜合收益表扣除。

收益確認

銷貨收入於貨品交付及擁有權轉移後或於擁有權之絕大部分風險及回報已轉讓予買方時於收益表確認。

利息收入按時間比例根據未償還本金額及適用實際利率計算入賬。

股息收入於股東收取付款之權利獲確立時確認。

撥備及或然負債

如集團或公司因過往事件產生法定或推定責任而出現時間或金額未確定之負債，並可合理估計將可能導致經濟利益流出時，即會確認撥備。

如有關債務可能不會導致經濟利益流出，或未能可靠地估計金額，則有關債務會披露為或然負債，除非經濟利益流出之可能性很低。純粹視乎日後有否出現一個或多個情況而可能產生之債務，亦披露為或然負債，除非經濟利益流出之可能性很低。

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Income taxes

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

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

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

4. 主要會計政策 (續)

所得稅

本年度所得稅包括即期稅項及遞延稅項資產及負債之變動。即期稅項及遞延稅項資產及負債之變動均在收益表內確認，惟如某部份之即期稅項及遞延稅項資產及負債之變動與直接於權益中確認之項目有關，則該部份須於權益中確認。

即期稅項是按本年度應課稅收入，以於結算日採用或主要採用之稅率計算之預期應繳稅項，及任何有關以往年度應繳稅項之調整。

遞延稅項資產及負債分別由資產及負債按財務報表之賬面值及課稅值兩者之可予扣減及應課稅之暫時性差異所產生。遞延稅項資產亦可由未經使用之稅務虧損及未經使用之稅項優惠所產生。

除了若干有限之例外情況外，所有遞延稅項負債，及所有遞延稅項資產（僅限於將來很可能取得應課稅盈利而令該項資產得以運用之部份）均予確認。容許確認由可予扣減暫時性差異所產生之遞延稅項資產之未來應課稅盈利包括其將由目前之應課稅暫時性差異回撥之部份，而此等應課稅暫時性差異應由同一稅務當局向同一應課稅單位徵收，並預期在可予扣減暫時性差異預期回撥之同一期間內回撥或在由遞延稅項資產產生之稅務虧損能轉回或轉入之期間內回撥。在評定目前之應課稅暫時性差異是否容許確認由未經使用之稅務虧損及優惠所產生之遞延稅項資產時採用上述相同之標準，即該等暫時性差異由同一稅務當局向同一應課稅單位徵收，並預期在稅務虧損或優惠能應用之期間內回撥方計算在內。



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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Income taxes *(Continued)*

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

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

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

4. 主要會計政策 (續)

所得稅 (續)

該等確認遞延稅項資產及負債之有限例外情況，包括不可在稅務方面獲得扣減之商譽所引致之暫時性差異、首次確認但並不影響會計盈利及應課稅盈利之資產或負債（惟其不可為企業合併之部分）、以及有關於附屬公司投資所引致之暫時性差異，如為應課稅差異，則集團控制回撥期限及該差異於可預見未來將可能不會回撥；或如為可予扣減差異，則只限於可能在未來回撥之差異。

應確認之遞延稅項數額是按照資產及負債賬面值之預期變現或清償方式，以結算日採用或主要採用之稅率計算。遞延稅項資產及負債均無作貼現計算。

集團會在每個結算日評估遞延稅項資產之賬面值。如果不再可能取得足夠之應課稅盈利以運用有關之稅務利益，賬面金額則予以調低。如日後可能取得足夠之應課稅盈利時，任何已扣減金額則予以撥回。

分派股息所產生之額外所得稅在支付有關股息之責任確認時予以確認。

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Income taxes (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

Foreign currency

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the consolidated income statement, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation.

4. 主要會計政策 (續)

所得稅 (續)

即期稅項及遞延稅項結餘及其變動，乃各自分開列示及並無相互抵銷。若公司或集團在法律上擁有抵銷即期稅項資產及即期稅項負債之行使權利及符合下列額外條件，則即期稅項資產可抵銷即期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 若為即期稅項資產及負債：公司或集團計劃以淨額清償，或計劃同時變現資產和清償負債；或
- 若為遞延稅項資產及負債：如其與同一稅務當局向下述者徵收之所得稅有關：
 - 同一應課稅單位；或
 - 如為不同之應課稅單位，預期在未來每一個週期將清償或追償顯著數目之遞延稅項負債或資產及計劃以淨額基準清償即期稅項資產及即期稅項負債或計劃同時變現即期稅項資產及清償即期稅項負債。

外幣

集團實體以所經營之主要經濟環境之貨幣（「功能貨幣」）以外之其他貨幣訂立之交易，則按進行交易時之匯率記錄。外幣貨幣資產及負債於結算日按匯率換算。因重新換算未償付貨幣資產及負債所產生之匯兌差額一般會即時於綜合收益表確認，除非外幣借貸被列作對沖海外業務投資淨額。



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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Foreign currency (Continued)

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

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

On consolidation, the results of overseas operations are translated into Hong Kong dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in equity (the “foreign exchange reserve”). Exchange differences recognised in the income statement of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the overseas operation concerned are reclassified to the foreign exchange reserve if the item is denominated in the functional currency of the Group or the overseas operation concerned.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated income statement as part of the profit or loss on disposal.

4. 主要會計政策 (續)

外幣 (續)

以外幣為單位及被分類為可供出售證券之貨幣證券公平值轉變將在其證券攤銷成本轉變衍生之匯兌差額及其他證券賬面值轉變之間分配。匯兌差額會在損益中確認，而其他賬面值之轉變則在權益中確認。

非貨幣金融資產及負債之匯兌差額呈報為公平值盈虧之一部分。非貨幣金融資產及負債（例如按公平值計入損益之權益）之匯兌差額將於損益中確認為公平值盈虧一部分。非貨幣金融資產（例如分類為可供出售之權益）之匯兌差額在權益之公平值儲備內列賬。

於綜合賬目時，海外業務之業績乃按交易進行之概約匯率換算為港元。海外業務之所有資產及負債（包括因收購該等業務而產生之商譽）按結算日之匯率換算。按開盤匯價換算之期初資產淨值與按實際匯率計算海外業務之業績之匯兌差額乃直接於權益中確認（「外匯儲備」）。倘項目乃以集團或海外業務之功能貨幣計值，則於集團實體之獨立財務報表中就換算組成集團海外業務投資淨額部份之長期貨幣項目而於收益表確認之匯兌差額重新分類為外匯儲備。

於出售海外業務時，有關該業務於外匯儲備中直至出售日期為止所確認之累計匯兌差額乃轉撥至綜合收益表列作出售之損益。

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4. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Borrowing costs

Borrowing costs are included in finance costs in the consolidated income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

5. TURNOVER

The Group is principally engaged in the (i) exploitation and management of timber resources in the PRC; (ii) research and development, processing, manufacture, distribution, marketing and sales of a wide range of timber products and (iii) the manufacture and sales of electronic products.

4. 主要會計政策 (續)

借貸成本

除直接用作收購、建設或製造而需要相當長時間才可以投入原定用途或銷售之資產之借貸成本予以資本化外，借貸成本均在產生之期間包括於綜合收益表之財務成本內。

借貸成本乃於資產之開支產生、借貸成本產生及有關籌備資產作其擬定用途或出售所需之活動進行時即資本化作為合格資產之部份成本。當所有有關籌備合格資產作其擬定用途或出售所需之活動大致上中斷或完成時，即暫停中止或停止資本化借貸成本。

5. 營業額

集團主要從事(i)於中國開發及管護林木資源；(ii)研發、加工、製造、分銷、市場推廣及銷售廣泛林木產品及(iii)製造及銷售電子產品。

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Income from logging and trading of timber and sales of flooring products	木材採伐及買賣以及銷售木地板產品之收入	65,940	236,529
Sales of electronic products	銷售電子產品	438,219	472,802
		<u>504,159</u>	<u>709,331</u>



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6. SEGMENT INFORMATION

Segment information is presented by way of two segment formats:

- (i) on a primary segment reporting basis, by business segment; and
- (ii) on a secondary segment reporting basis, by geographical segment.

The principal activities of the Group are (i) integrated timber business and (ii) the manufacture and sales of electronic products, which is managed according to the geographical location of ultimate customers.

Each of the Group's geographical segments, represents a strategic business unit that offers products to customers located in different geographical areas which are subject to risks and returns that are different from those of other geographical segments.

The Group's geographical segments are as follows:

- (a) People's Republic of China;
- (b) Hong Kong;
- (c) India;
- (d) Elsewhere in Asia; and
- (e) Africa, Western Europe, the Middle East, North and South America, and Russia.

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

6. 分類資料

分類資料以兩種分類形式呈列：

- (i) 以業務分類作為主要分類呈報基準；及
- (ii) 以地區分類作為輔設分類呈報基準。

集團之主要業務為(i)綜合林木業務及(ii)製造及銷售電子產品，主要業務乃根據最終客戶所在地區管理。

集團之各地區分部乃向位於不同地區之客戶提供產品之策略商業單位，各地區分類之風險及回報不盡相同。

集團之地區分類如下：

- (a) 中華人民共和國；
- (b) 香港；
- (c) 印度；
- (d) 亞洲其他地區；及
- (e) 非洲、西歐、中東、北美及南美洲，以及俄羅斯。

於決定集團之地區分類時，收益、業績、資產及負債乃因應客戶所在地區而歸屬不同分類。

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6. SEGMENT INFORMATION (Continued)

(a) Business segments

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's business segments.

For the year ended 31 December

6. 分類資料 (續)

(a) 業務分類

下表載列集團業務分類之收益、業績與若干資產、負債及開支之資料。

截至十二月三十一日止年度

	Timber business 林木業務		Electronic consumer products business 電子消費者產品業務		Consolidated 綜合	
	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 (restated) 二零零七年 千港元 (重列)	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 (restated) 二零零七年 千港元 (重列)
Segment revenue: 分類收益:						
Sales to external customers 向外間客戶銷售	65,940	236,529	438,219	472,802	504,159	709,331
Segment results 分類業績	(759,215)	348,793	(86,242)	23,450	(845,457)	372,243
Unallocated income 未分配之收入					-	956,765
Unallocated expenses 未分配之開支					(33,709)	(113,849)
(Loss)/profit before tax 除稅前(虧損)/溢利					(879,166)	1,215,159
Income tax expenses 所得稅開支					(2,478)	(4,586)
(Loss)/profit for the year 年度(虧損)/溢利					(881,644)	1,210,573
Other segment information: 其他分類資料:						
Depreciation and amortisation 折舊及攤銷	38,944	7,084	18,097	18,075	57,041	25,159
Unallocated depreciation 未分配之折舊	-	-	-	56	-	56
	38,944	7,084	18,097	18,131	57,041	25,215



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6. SEGMENT INFORMATION (Continued)

(a) Business segments (Continued)

		Timber business 林木業務		Electronic consumer products business 電子消費者產品業務		Consolidated 綜合	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 (restated) 二零零七年 千港元 (重列)	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 (restated) 二零零七年 千港元 (重列)
Capital expenditure	資本開支	4,941	3,540	15,850	7,525	20,791	11,065
Write-down/(reversal) of inventories to net realisable value	撇減/(撥回)存貨 至可變現淨值	-	-	18,140	(1,228)	18,140	(1,228)
Write-down value of property, plant and equipment	撇減物業、廠房及 設備之價值	229,539	-	3,124	4,359	232,663	4,359
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損/ (收益)	-	-	2,163	(1,426)	2,163	(1,426)
Allowance for bad and doubtful trade receivables	應收貿易賬項 呆壞賬撥備	43,339	-	11,175	176	54,514	176
Allowance for bad and doubtful other receivables	其他應收款項 呆壞賬撥備	12,816	-	560	320	13,376	320
Deficit/(surplus) on revaluation of leasehold land and buildings	重估租賃土地及 樓宇之虧絀/ (盈餘)	-	-	50,074	(2,603)	50,074	(2,603)
As at 31 December	於十二月三十一日						
Segment assets	分類資產	3,350,796	3,855,437	444,442	482,556	3,795,238	4,337,993
Unallocated assets	未分配之資產	-	-	-	-	326,913	468,217
Total assets	總資產	3,350,796	3,855,437	444,442	482,556	4,122,151	4,806,210
Segment liabilities	分類負債	672,377	1,113,215	82,192	98,424	754,569	1,211,639
Unallocated liabilities	未分配之負債	-	-	-	-	34,027	62,864
Total liabilities	總負債	672,377	1,113,215	82,192	98,424	788,596	1,274,503

6. 分類資料 (續)

(a) 業務分類 (續)

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6. SEGMENT INFORMATION (Continued)

(b) Geographical segments based on the location of customers

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's geographical segments.

For the year ended 31 December

6. 分類資料 (續)

(b) 按客戶所在地區分析之地區分類

下表載列集團各地區分類之收益、業績與若干資產、負債及開支之資料。

截至十二月三十一日止年度

	People's Republic of China		Hong Kong		India		Elsewhere in Asia		Africa, Western Europe, the Middle East, North and South America, and Russia		Consolidated	
	中華人民共和國		香港		印度		亞洲其餘地區		非洲、西歐、中東、南北美洲及俄羅斯		綜合	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
												(重列)
Segment revenue:	分類收益:											
Sales to external customers	向外間客戶銷售											
	127,936	326,552	2,142	4,882	130,478	126,485	63,428	53,978	180,175	197,434	504,159	709,331
Segment results	分類業績											
	(725,022)	234,223	(48,827)	9,669	(25,878)	4,628	(12,394)	1,975	(35,370)	7,742	(847,491)	258,237
Unallocated income	未分配之收入											
Unallocated expenses	未分配之開支											
											8,878	968,763
(Loss)/profit from operations	經營(虧損)/溢利											
Finance costs	財務成本											
											(40,336)	(11,338)
(Loss)/profit before tax	除稅前(虧損)/溢利											
Income tax expenses	所得稅開支											
											(879,166)	1,215,159
(Loss)/profit for the year	年度(虧損)/溢利											
											(2,478)	(4,586)
											(881,644)	1,210,573



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6. SEGMENT INFORMATION (Continued)

6. 分類資料 (續)

(b) Geographical segments based on the location of customers (Continued)

(b) 按客戶所在地區分析之地區分類 (續)

	People's Republic of China		Hong Kong		India		Elsewhere in Asia		Africa, Western Europe, the Middle East, North and South America, and Russia		Consolidated	
	中華人民共和國		香港		印度		亞洲其餘地區		非洲、西歐、中東、南北美洲及俄羅斯		綜合	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Other segment information:	其他分類資料:											
Depreciation and amortisation	折舊及攤銷											
Unallocated depreciation	未分配之折舊											
	41,082	10,284	511	428	5,388	4,835	2,619	2,064	7,441	7,548	57,041	25,159
	-	-	-	-	-	-	-	-	-	-	-	56
	41,082	10,284	511	428	5,388	4,835	2,619	2,064	7,441	7,548	57,041	25,215
Capital expenditure	資本開支											
	7,143	2,852	118	2,199	4,719	2,013	2,294	859	6,517	3,142	20,791	11,065
Write-down/(reversal) of inventories to net realisable value	撥減/(撥回)存貨至可變現淨值											
	2,791	(185)	65	(10)	4,978	(318)	2,705	(192)	7,601	(523)	18,140	(1,228)
Write-down value of property, plant and equipment	撥減物業、廠房及設備之價值											
	230,020	658	11	35	857	1,127	466	683	1,309	1,856	232,663	4,359
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損/(收益)											
	333	(215)	8	(12)	593	(369)	323	(223)	906	(607)	2,163	(1,426)
Allowance for bad and doubtful trade receivables	應收貿易賬項呆壞賬撥備											
	45,058	27	40	1	3,067	45	1,666	28	4,683	75	54,514	176
Allowance for bad and doubtful other receivables	其他應收款項呆壞賬撥備											
	12,902	48	2	3	154	83	83	50	235	136	13,376	320
Deficit/(surplus) on revaluation of leasehold land and buildings	重估租賃土地及樓宇之虧絀/(盈餘)											
	7,704	(393)	179	(21)	13,741	(673)	7,467	(406)	20,983	(1,108)	50,074	(2,603)

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6. SEGMENT INFORMATION (Continued)

(b) Geographical segments based on the location of customers (Continued)

As at 31 December

6. 分類資料 (續)

(b) 按客戶所在地區分析之地區分類 (續)

於十二月三十一日

	People's Republic of China		Hong Kong		India		Elsewhere in Asia		Africa, Western Europe, the Middle East, North and South America, and Russia		Consolidated		
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000 (restated)	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000 (restated)	
	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元 (重列)	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元	二零零八年 千港元	二零零七年 千港元 (重列)	
Segment assets	分類資產	3,401,142	2,152,887	5,666	1,779,288	107,718	124,791	58,537	75,570	164,495	205,457	3,737,558	4,337,993
Unallocated assets	未分配之資產	-	-	-	-	-	-	-	-	-	-	384,593	468,217
Total assets	總資產	<u>3,401,142</u>	<u>2,152,887</u>	<u>5,666</u>	<u>1,779,288</u>	<u>107,718</u>	<u>124,791</u>	<u>58,537</u>	<u>75,570</u>	<u>164,495</u>	<u>205,457</u>	<u>4,122,151</u>	<u>4,806,210</u>
Segment liabilities	分類負債	566,354	562,281	118,052	570,691	24,472	26,330	11,897	11,237	33,794	41,100	754,569	1,211,639
Unallocated liabilities	未分配之負債	-	-	-	-	-	-	-	-	-	-	34,027	62,864
Total liabilities	總負債	<u>566,354</u>	<u>562,281</u>	<u>118,052</u>	<u>570,691</u>	<u>24,472</u>	<u>26,330</u>	<u>11,897</u>	<u>11,237</u>	<u>33,794</u>	<u>41,100</u>	<u>788,596</u>	<u>1,274,503</u>



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7. OTHER INCOME

7. 其他收入

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	-	1,426
Write-back of net realisable value provision for inventory	撥回存貨撥備可變現淨值	-	1,228
Exchange gain, net	匯兌收益·淨額	4,594	-
Gain on disposal of available-for-sales securities	出售可供出售證券之收益	-	42,217
Sundry income	雜項收入	8,076	4,546
Surplus on revaluation of leasehold land and buildings	重估租賃土地及樓宇之盈餘	-	2,603
Dividend income	股息收入	30	-
Interest income	利息收入	802	5,244
		<u>13,502</u>	<u>57,264</u>

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元 (restated) (重列)
(Loss)/gain arising from changes in fair value less estimated point-of-sale costs of biological assets	公平值變動減生物資產銷售點估計成本產生之收益 生物資產(虧損)/收益	(344,895)	262,924
Release of negative goodwill	解除負商譽	-	956,765
Impairment loss on available-for-sales investment	可供出售投資之減值虧損	-	(3,049)
		<u>(344,895)</u>	<u>1,216,640</u>

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9. (LOSS)/PROFIT FROM OPERATIONS

The Group's (loss)/profit from operations is arrived at after charging:

9. 經營(虧損)/溢利

集團之經營業務(虧損)/溢利已扣除：

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Cost of inventories sold	已售存貨之成本	498,892	582,182
Depreciation of property, plant and equipment on – owned assets	物業、廠房及設備之折舊 – 自身資產	56,057	24,934
Amortisation of owner-occupied leasehold interest in land	業主佔用土地租賃權益攤銷	984	281
Minimum lease payments under operating leases for leasehold land and buildings	經營租約之租賃土地及樓宇最低租金付款	7,019	3,258
Auditors' remuneration	核數師酬金	1,148	1,597
Staff costs (excluding directors' emoluments – note 10)	職工成本(不包括董事酬金 – 附註10)		
Wages and salaries	工資及薪金	90,404	74,008
Retirement benefits scheme contributions (excluding directors' contributions – note 10)	退休福利計劃供款 (不包括董事供款 – 附註10)	4,360	12,099
Share-based payments expenses	以股份為基礎之付款開支	26,985	104,281
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	18,140	–
Allowance for bad and doubtful trade receivables	應收貿易賬項呆壞賬撥備	54,514	176
Allowance for bad and doubtful other receivables	其他應收款項呆壞賬撥備	13,376	320
Exchange loss, net	匯兌虧損, 淨額	–	586
Write-down of property, plant and equipment	撇減物業、廠房及設備	232,663	4,359
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	2,163	–
Deficit on revaluation of leasehold land and buildings	重估租賃土地及樓宇之虧絀	50,074	–
Loss on disposal of available-for-sales investment	出售可供出售投資虧損	8,787	–
Write-off of goodwill	撇銷商譽	25,715	–
Loss on disposal of subsidiary companies	出售附屬公司之虧損	–	743
		<u>–</u>	<u>743</u>



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10. DIRECTORS' EMOLUMENTS

10. 董事酬金

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Directors' fees	董事袍金	157	132
Other emoluments for executive directors	執行董事之其他酬金		
– Salaries and other benefits	– 薪金及其他福利	4,137	3,524
– Retirement benefits scheme contributions	– 退休福利計劃供款	60	51
– Share-based payment	– 以股份為基礎之付款	5,362	18,090
		<u>9,716</u>	<u>21,797</u>

Details of directors' emoluments for the year ended 31 December 2008 are as follows:

截至二零零八年十二月三十一日止年度之董事酬金詳情載列如下：

		Fees	Salaries and other benefits	Retirement benefits scheme contributions	Share-based payment	Total
		袍金	薪金及其他福利	退休福利計劃供款	以股份為基礎之付款	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive directors:	執行董事：					
Mr. Lam Ping Kei	林平基先生	–	780	12	1,247	2,039
Mr. Li Jun	李珺先生	–	1,000	12	1,247	2,259
Mr. Jing Bin	景濱先生	–	400	12	1,247	1,659
Mr. Law Wai Fai	羅偉輝先生	–	1,077	12	374	1,463
Mr. Cheng Man For	鄭文科先生	–	880	12	1,247	2,139
Independent Non-executive directors:	獨立非執行董事：					
Mr. Chan Chi Yuen	陳志遠先生	60	–	–	–	60
Mr. Wong Yun Kuen	黃潤權先生	60	–	–	–	60
Mr. Zhu Quang Qian	朱光前先生	22	–	–	–	22
Mr. Qiu Ji Zhi	邱繼志先生	15	–	–	–	15
Total	總計	<u>157</u>	<u>4,137</u>	<u>60</u>	<u>5,362</u>	<u>9,716</u>

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10. DIRECTORS' EMOLUMENTS (Continued)

Details of directors' emoluments for the year ended 31 December 2007 are as follows:

10. 董事酬金 (續)

截至二零零七年十二月三十一日止年度之董事酬金詳情載列如下：

		Salaries and other benefits	Retirement benefits scheme contributions	Share- based payment	Total
	Fees	benefits			
	袍金	薪金及 其他福利	退休福利 計劃供款	以股份為 基礎之付款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Executive directors: 執行董事：					
Mr. Lam Ping Kei	林平基先生	780	12	—	792
Mr. Li Jun	李珺先生	239	2	6,784	7,025
Mr. Jing Bin	景濱先生	82	1	6,784	6,867
Ms. Wong Choi Fung	黃賽鳳女士	494	10	—	504
Ms. Lam Chu Ying	林珠英女士	24	1	—	25
Mr. Law Wai Fai	羅偉輝先生	981	12	—	993
Mr. Cheng Man For	鄭文科先生	135	3	4,522	4,660
Mr. Yeung Kwong Lun	楊廣倫先生	789	10	—	799
Independent Non-executive directors: 獨立非執行董事：					
Mr. Sun Tian Yan	孫添炎先生	16	—	—	16
Mr. Deng Xiao Jun	鄧小軍先生	6	—	—	6
Mr. Chan Chi Yuen	陳志遠先生	43	—	—	43
Mr. Wong Yun Kuen	黃潤權先生	43	—	—	43
Mr. Qiu Ji Zhi	邱繼志先生	24	—	—	24
Total	總計	3,524	51	18,090	21,797

11. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals during the year included five (2007: four) directors, details of whose emoluments are set out in note 10 to the financial statements above.

During the year, no emoluments were paid to the five highest paid individuals (including directors and other employees) as inducement to join or upon joining the Group or as compensation for loss to office (2007: Nil).

During the year 2007, the emoluments of remaining one non director, highest paid individual amounting approximately HK\$6,783,000.

11. 五位最高薪酬人士

年內，五位最高薪酬人士包括五位董事（二零零七年：四位），彼等之酬金詳情已載於財務報表附註10。

於本年度內，概無對五位最高薪酬人士（包括董事及其他僱員）支付任何酬金作為加入集團之獎金或離職補償（二零零七年：無）。

於二零零七年，餘下一位非董事最高薪酬人士之酬金約為6,783,000港元。



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12. FINANCE COSTS

12. 財務成本

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Interest on:	以下項目之利息：		
Bank loans wholly repayable within 5 years	須於五年內全數償還之 銀行貸款	31,519	9,173
Convertible notes	可換股票據	8,817	2,165
		<u>40,336</u>	<u>11,338</u>

13. INCOME TAX EXPENSES

13. 所得稅開支

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Current taxation:	本年度稅項：		
Hong Kong	香港	33	149
Other jurisdictions	其他司法權區	830	4,410
Under/(over)-provision in prior years	往年撥備不足／(超額撥備)		
Hong Kong	香港	1,615	(14)
Other jurisdictions	其他司法權區	-	41
		<u>2,478</u>	<u>4,586</u>

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13. INCOME TAX EXPENSES (Continued)

Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits arising in Hong Kong for the year.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Pursuant to the laws and regulations in the PRC, certain Group's PRC subsidiaries are entitled to exemption from PRC Foreign Enterprise Income Tax for two years commencing from their first profit-making year, followed by a 50% relief for the three years thereafter.

Under Decree-Law no. 58/99/M, a Macau company incorporated under that Law (called "58/99/M Company") is exempted from Macau complementary tax (Macau income tax) as long as the 58/99/M Company does not sell its products to a Macau resident company. Currently, Tak Shun (Lam's) Macao Commercial Offshore Limited is qualified as 58/99/M Companies.

No provision for deferred tax had been made as the Group did not have any significant unprovided deferred tax assets and liabilities in respect of the year (2007: Nil).

13. 所得稅開支 (續)

香港利得稅乃根據本年度在香港賺取之估計應課稅溢利按稅率16.5% (二零零七年: 17.5%) 計算撥備。

在其他司法權區產生之稅項乃根據各司法權區之現行稅率計算。

根據中國法律及法規，若干集團之中國附屬公司有權豁免中國外資企業所得稅，由首個獲利年度起計兩年，其後三年則減半。

根據澳門第58/99/M號法令，按照該法令註冊成立之澳門公司（「58/99/M公司」），可獲豁免繳納澳門補充稅（澳門所得稅），惟58/99/M公司不可向澳門本土公司銷售其產品。目前德信（林氏）澳門離岸商業服務有限公司符合58/99/M公司資格。

由於集團於本年度並無任何重大未撥備遞延稅項資產及負債（二零零七年：無），因此並無作出遞延稅項撥備。



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13. INCOME TAX EXPENSES (Continued)

The tax expenses for the year can be reconciled to the (loss)/profit per the consolidated income statement is as follows:

13. 所得稅開支 (續)

本年度之稅務支出與(虧損)/溢利之對賬如下綜合收益表內:

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元 (restated) (重列)
(Loss)/profit before taxation	除稅前(虧損)/溢利	<u>(879,166)</u>	<u>1,215,159</u>
Tax at domestic income tax rate	按本地所得稅稅率計算之稅項	(145,062)	212,653
Tax effect of expenses that are not deductible in determining taxable profit	就計算應課稅溢利不可扣除開支之稅務影響	53,991	154
Tax effect of income that is not taxable in determining taxable profit	就計算應課稅溢利毋須課稅收入之稅務影響	(5,299)	(177,796)
Tax effect of tax losses not recognized	未確認稅務虧損之稅務影響	10,277	16,982
Under-provision in prior years	往年撥備不足	1,615	27
Utilization of previously unrecognized tax losses	動用過往未確認稅務虧損	(37)	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營之附屬公司之不同稅率之影響	<u>86,993</u>	<u>(47,434)</u>
Tax expenses for the year	本年度稅項	<u>2,478</u>	<u>4,586</u>

14. DIVIDEND

No dividend has paid or proposed during 2008 and no dividend has been proposed since the balance sheet date. (2007: Nil).

14. 股息

二零零八年並無派付或擬派股息，而自結算日以來亦無擬派任何股息(二零零七年：無)。

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15. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earning per share is based on the Group's loss for the year attributable to equity holders of the Company of approximately HK\$639,881,000 (2007: profit of HK\$1,117,837,000 (as retrospectively restated), HK\$392,726,000 as previously reported) and the weighted average of 18,222,409,085 (2007: 17,073,024,570) ordinary shares in issue during the year.

15. 每股（虧損）／盈利

(a) 每股基本（虧損）／盈利

每股基本（虧損）／盈利乃根據本年度集團之公司權益持有人應佔虧損約639,881,000港元（二零零七年：溢利1,117,837,000港元（追溯重列）· 392,726,000港元（如前呈報））及年內18,222,409,085股（二零零七年：17,073,024,570股已發行普通股之加權平均數）。

		2008 二零零八年	2007 二零零七年
Weighted average number of ordinary shares	普通股加權平均數		
Issued ordinary shares at 1 January	於一月一日之已發行普通股	17,629,928,600	2,304,006,720
Effect of issuance of placing shares	發行配售股份之影響	-	450,700,274
Effect of issuance of consideration shares	代價股份發行之影響	-	128,013,008
Effect of issuance of bonus shares	發行紅股之影響	-	14,101,782,880
Effect of issuance of share options	發行購股權之影響	41,147,260	11,798,674
Effect of exercise of listed warrants	行使已上市認股權證之影響	2,520,822	76,723,014
Effect of issuance of conversion shares	發行兌換股份之影響	548,812,403	-
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	18,222,409,085	17,073,024,570



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15. (LOSS)/EARNINGS PER SHARE

(Continued)

(b) Diluted (loss)/earnings per share

No diluted loss per share have been presented for year ended 31 December 2008 as the share options and convertible note outstanding during the year had an anti-dilutive effect on the basic loss per share for year ended 31 December 2008.

The calculation of diluted earnings per share for the year ended 31 December 2007 is based on the Group's profit for the year 2007 attributable to equity holders of the Company of approximately HK\$1,117,837,000 as retrospectively restated (HK\$392,726,000 as previously reported) and the adjusted weighted average of 18,490,847,826 as retrospectively restated (18,883,646,858 as previously reported) ordinary shares in issue during the year 2007. Calculated as follows:

Weighted average number of ordinary shares (diluted)

Weighted average number of ordinary shares at 31 December 2007
Effect of exercise of share options
Effect of issuance of conversion shares (net of tax)
Effect of exercise of listed warrants

Weighted average number of ordinary shares at 31 December 2007

普通股加權平均數(攤薄)

於二零零七年十二月三十一日
普通股加權平均數
行使購股權之影響
發行可換股股份之影響
(扣除稅項)
行使已上市認股權證之影響

於二零零七年十二月三十一日
普通股加權平均數

17,073,024,570

62,132,176

824,470,568

531,220,512

18,490,847,826

15. 每股(虧損)/盈利(續)

(b) 每股攤薄(虧損)/盈利

截至二零零八年十二月三十一日止年度並無呈列每股攤薄虧損，乃因年內未行使購股權及可換股票據對截至二零零八年十二月三十一日止年度之每股基本虧損具有反攤薄效應。

截至二零零七年十二月三十一日止年度之每股攤薄盈利乃根據二零零七年集團之公司權益持有人應佔溢利約1,117,837,000港元追溯重列(392,726,000港元(如前呈報))及二零零七年度18,490,847,826股追溯重列(18,883,646,858股(如前呈報))已發行普通股之經調整加權平均數按下列計算：

2007

二零零七年

(restated)

(重列)

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16. OWNER-OCCUPIED LEASEHOLD INTEREST IN LAND

The Group's owner-occupied leasehold interest in land comprises:

16. 業主佔用土地租賃權益

集團根據經營租賃持作自用租賃土地之權益包括：

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Medium-term leasehold land in PRC	於中國之中期租賃土地	52,397	50,575
Analysed for reporting purpose as:	為報告之目的分析為：		
– current assets	– 流動資產	984	760
– non-current assets	– 非流動資產	51,413	49,815
		52,397	50,575

17. GOODWILL

17. 商譽

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Cost	成本		
At 1 January	於一月一日	25,715	–
Arising on acquisition	因收購而產生	–	25,715
At 31 December	於十二月三十一日	25,715	25,715
Accumulated Impairment losses	累計減值虧損		
At 1 January	於一月一日	–	–
Provided for the year	年內撥備	(25,715)	–
At 31 December	於十二月三十一日	(25,715)	–
Carrying Amount	賬面值		
At 31 December	於十二月三十一日	–	25,715

In the year 2008, the Group has provided fully for goodwill that are determined be the zero value.

於二零零八年，集團已就釐定為無價值之商譽全數撥備。



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17. GOODWILL (Continued)

Impairment test for cash-generating unit containing goodwill

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below.

The growth rate does not exceed the long-term average growth rate for the business in which the cash-generating unit operates.

Key assumptions used for value-in-use calculations:

		2007 二零零七年 %
Gross margin	毛利	33
Growth rate	增長率	32
Discount rate	折現率	6.5

Management determined the budgeted gross margin based on past performance and its expectation for market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. The directors concluded that it is appropriate not provide for impairment for the year ended 31 December 2007.

17. 商譽 (續)

對現金產生單位 (包括商譽) 之減值測試

現金產生單位之可回收金額乃根據使用價值之計算而釐定。該等計算乃根據管理層批准之五年期間財務預算使用現金流量預測。超過五年期間之現金流量乃根據下列估計比率推算。

增長率不超過現金產生單位經營之業務之長期平均增長率。

計算使用價值所應用之主要假設：

		2007 二零零七年 %
管理層根據過往表現及其對市場發展之預期釐定預算毛利。所用之折現率均為除稅前且反映相關部門之特殊風險。董事認為，不就截至二零零七年十二月三十一日止年度提撥減值乃為合適。		

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18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

Group	集團	Medium term leasehold Land and Buildings	Construction in progress	Plant and machinery	Leasehold improvements, furniture, office equipment and motor vehicles	Total
		中期租賃土地及樓宇	在建工程	廠房及機器	租賃物業裝修、傢俬、辦公室設備及汽車	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost or valuation	成本或估值					
At 1 January 2007	於二零零七年一月一日	88,760	21,154	154,087	12,693	276,694
Acquired on acquisition of subsidiaries	於收購附屬公司獲得	40,760	-	221,581	3,124	265,465
Additions	添置	-	5,884	2,394	4,989	13,267
Transfer	轉讓	296	(296)	-	-	-
Surplus on revaluation	重估盈餘	3,453	-	-	-	3,453
Write-down of property plant and equipment	撇減物業、廠房及設備	-	-	(5,798)	(80)	(5,878)
Disposals	出售	-	-	(3,405)	(23)	(3,428)
Exchange realignment	匯兌調整	7,011	1,659	17,403	877	26,950
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	140,280	28,401	386,262	21,580	576,523
Additions	添置	-	9,091	3,601	6,606	19,298
Transfer	轉讓	19,311	(19,311)	-	-	-
Deficit on revaluation	重估虧絀	(51,603)	-	-	-	(51,603)
Write-down of property plant and equipment	撇減物業、廠房及設備	(39,876)	-	(243,285)	(832)	(283,993)
Disposals	出售	-	-	(6,405)	(1,324)	(7,729)
Exchange realignment	匯兌調整	8,638	766	22,142	1,103	32,649
At 31 December 2008	於二零零八年十二月三十一日	76,750	18,947	162,315	27,133	285,145
Analysis of cost or valuation	成本或估值分析					
At cost	按成本	-	18,947	162,315	27,133	208,395
At valuation	按估值	76,750	-	-	-	76,750
		76,750	18,947	162,315	27,133	285,145



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18. PROPERTY, PLANT AND EQUIPMENT (Continued)

18. 物業、廠房及設備 (續)

Group	集團	Medium term leasehold Land and Buildings	Construction in progress	Plant and machinery	Leasehold improvements, furniture, office equipment and motor vehicles	Total
		中期租賃土地及樓宇	在建工程	廠房及機器	租賃物業裝修、傢俬、辦公室設備及汽車	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Depreciation	折舊					
At 1 January 2007	於二零零七年一月一日	-	-	53,487	8,611	62,098
Provided for the year	年內撥備	2,420	-	22,314	2,620	27,354
Write-back on revaluation	重估時撥回	(2,420)	-	-	-	(2,420)
Write-down of property plant and equipment	撇減物業、廠房及設備	-	-	(1,439)	(80)	(1,519)
Disposals	出售	-	-	(2,641)	(10)	(2,651)
Exchange realignment	匯兌調整	-	-	4,627	509	5,136
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	-	-	76,348	11,650	87,998
Provided for the year	年內撥備	5,427	-	48,508	4,229	58,164
Write-back on revaluation	重估時撥回	(2,107)	-	-	-	(2,107)
Write-down of property plant and equipment	撇減物業、廠房及設備	(3,322)	-	(41,252)	(183)	(44,757)
Disposals	出售	-	-	(3,534)	(1,241)	(4,775)
Exchange realignment	匯兌調整	92	-	5,784	592	6,468
At 31 December 2008	於二零零八年十二月三十一日	90	-	85,854	15,047	100,991
Net book values	賬面淨值					
At 31 December 2008	於二零零八年十二月三十一日	76,660	18,947	76,461	12,086	184,154
At 31 December 2007	於二零零七年十二月三十一日	140,280	28,401	309,914	9,930	488,525

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18. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group's leasehold land and buildings included above are held under the following lease terms:

Medium-term leases in Hong Kong 於香港之中期租約
Medium-term leases in the PRC 於中國之中期租約

At 31 December 2008, the Group's leasehold land and buildings in Hong Kong were revalued on an open market value, existing use basis, by Malcolm & Associate Appraisal Limited, an independent firm of professional valuers, at HK\$4,900,000 (2007: HK\$5,400,000). The resulting revaluation deficit of approximately HK\$500,000 had been debited to the property revaluation reserve (2007: credited HK\$388,000).

At 31 December 2008, the Group's leasehold land and buildings in the PRC except Hong Kong were revalued on a depreciated replacement costs basis by Malcolm & Associate Appraisal Limited and LCH (Asia Pacific) Surveyors Limited, at HK\$67,500,000 and HK\$40,813,000, respectively (2007: HK\$93,000,000 and HK\$41,880,000 respectively). The resulting revaluation deficit of approximately HK\$941,364 (2007: surplus HK\$469,000) had been charged to the property revaluation reserve and revaluation deficit of approximately HK\$50,074,000 had been charged to the income statement (2007: HK\$2,603,000). A subsidiary of the Group, 綠之嘉木制品制造有限公司, amount of approximately HK\$36,553,000 (2007: Nil) leasehold land and buildings in the PRC had been written-off.

Had the Group's leasehold land and buildings in Hong Kong and elsewhere in the PRC been carried at historical cost or valuation less accumulated depreciation, their carrying amounts would have been approximately HK\$2,596,000 (2007: HK\$2,652,000) and HK\$147,858,000 (2007: HK\$125,956,000), respectively.

18. 物業、廠房及設備 (續)

上文所載之集團租賃土地及樓宇乃根據以下租賃年期持有：

	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Medium-term leases in Hong Kong	4,900	5,400
Medium-term leases in the PRC	71,760	134,880
	76,660	140,280

於二零零八年十二月三十一日，集團位於香港之租賃土地及樓宇由獨立專業估值師行建盟評估有限公司以現時使用基準按公開市值重估為4,900,000港元（二零零七年：5,400,000港元）。因重估產生之重估虧絀約500,000港元已扣除物業重估儲備（二零零七年：計入388,000港元）。

於二零零八年十二月三十一日，集團位於中國（不包括香港）之租賃土地及樓宇由建盟評估有限公司以折舊重置成本基準分別重估為67,500,000港元及40,813,000港元（二零零七年：分別93,000,000港元及41,880,000港元）。因重估產生之虧絀約941,364港元（二零零七年：盈餘469,000港元）已計入物業重估儲備，重估虧絀約50,074,000港元已於收益表扣除（二零零七年：2,603,000港元）。集團附屬公司綠之嘉木制品制造有限公司為數36,553,000港元（二零零七年：無）之中國租賃土地及樓宇已撇銷。

倘集團於香港及中國其他地區之租賃土地及樓宇以歷史成本或估值減累計折舊列賬，則有關租賃土地及樓宇之賬面值分別約為2,596,000港元（二零零七年：2,652,000港元）及約為147,858,000港元（二零零七年：125,956,000港元）。



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19. BIOLOGICAL ASSETS

19. 生物資產

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
At 1 January	於一月一日	3,415,440	-
Acquisition through business combination	透過業務合併收購	-	3,138,375
Direct sales	直接出售	(29,376)	(108,536)
Addition	添置	4,942	-
(Loss)/gain arising from changes in fair value less estimated point-of-sale cost of biological assets	生物資產之公平值減估計銷售點成本變動產生之(虧損)/收益	(344,894)	262,924
Exchange realignment	匯兌調整	180,905	122,677
At 31 December	於十二月三十一日	<u>3,227,017</u>	<u>3,415,440</u>

The analysis of fair value of biological assets by location is as follows:

生物資產之公平值按地區分類如下：

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Hebei	河北	32,588	31,993
Hunan	湖南	-	10,112
Yunnan	雲南	3,194,429	3,373,335
		<u>3,227,017</u>	<u>3,415,440</u>

The Group's biological assets in PRC were independently valued by LCH (Asia-Pacific) Surveyors Limited.

集團於中國之生物資產乃由利駿行測量師有限公司獨立估值。

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19. BIOLOGICAL ASSETS (Continued)

In valuing the inventory of standing trees, the valuer has considered the three approaches to value with reference to inventory of standing trees as well as the accounting standard, and found that market approach i.e. the market-based comparable method is the most reasonable approach to value. This method uses the present market value in terms of price per unit volume of the final product and the total merchantable volume of timber in the concession as basis for coming up with the estimated value. The underlying theory of this approach is existing market price is dependent parameter since it reflects how much the buyer is willing to pay and how much the seller is willing to give up his goods and services.

In using the market approach the valuer has taken the following into consideration:

- Average diameter and length of round logs being sold in the locality;
- The diameter at breast height and the merchantable height of the standing trees;
- Parameters used in classifying young, mid-aged, near mature and mature trees;
- Species of the standing trees;
- The quantity of timber based on the adjusted inventory provided to us; and
- Cutting cost, transportation cost, forestry fund, and other associated costs necessary to process the standing trees to round logs.

The valuer understands, that it is the intention of the Company to sell the biological assets as i) round logs to sawmills in their respective locality, ii) raw material in its solid and engineered wood factory and iii) process some of the harvested timber to sawn timber in its sawmill. Factors considered in selling harvested timber are location of the forest area, species of timber, volume of timber and requirement of the Green & Good Group's owned factories. The valuer has assumed in its valuation that the entire inventory will be sold in their respect locality as round logs since the Green & Good Group's intended to use only a small quantity of the timber for processing in owned factories.

19. 生物資產 (續)

於對現時存活之樹木估值時，估值師曾參考現時存活之樹木之存量及會計準則而考慮三種估值方法，並發覺市場估值法（即以市場為基準之比較方式）是估值有關價值之最合理方法。此估值法乃採用木材的最終產品的每單位數量之現行市值及有關林場內可供出售之木材總數量為計算基準，以計算有關之估計價值。此估值法之基本理論為，現行市價為足以依據之參數，因其反映買方願意付出之價格及賣方就售出及提供貨物及服務而願意收取之價格。

在採用市場估值法時，估值師曾考慮以下各點：

- 在當地出售之圓材之平均圓周及長度；
- 現時存活之樹木之胸高直徑及商用材高；
- 分辨幼樹、半長成樹、接近長成樹及已長成樹之參數；
- 現時存活樹木之種類；
- 根據吾等所獲提供之經調整木材存量計算之木材數量；及
- 把現時存活之樹木處理成為圓材所需動用之採伐成本、運輸成本、林產業基金及其他相關成本。

估值師知悉，公司有意把生物資產作為：i)圓材，售予彼等各自所在地區之鋸木廠；ii)原材料，售予硬木及複合木材廠；及iii)部份已採伐木材售予鋸木廠加以處理成為經鋸切之木材。就出售已採伐木材所考慮之因素為林場之所在地點、木材的樹種、木材存量及是否需要綠之嘉集團本身的廠房加以處理。估值師在估值報告中已假設全部木材存量將會在彼等各自之所在地區以圓材形式出售，因綠之嘉集團僅有意經本身廠房處理少量木材。



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19. BIOLOGICAL ASSETS (Continued)

During the valuer's on-site inspection, the valuer was informed that young and mid-age trees are also marketable but at lower prices compared to near mature, mature and over mature trees. For this reason, the valuer has valued the entire timber inventory in the Forestry Reports.

In valuing the inventory of standing tree using the market approach, the valuer has used the average mill gate round log prices taking into consideration tree species, age and location.

Reasonable recovery rates to allow for losses before and during harvesting as well as costs required to harvest and transport the timber from the forest to local point of sales were then deducted to arrive at its opinion of value. The other costs that were considered in the valuer's valuation are: harvesting and transportation cost to main road or point of sales, local and national taxed fund, forestry road allowance and forest management cost.

20. INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at cost

非上市股份，按成本值

The balances due from (to) subsidiaries included in the Company's current assets and current liabilities are unsecured, interest-free and repayable on demand. The carrying amount of these amounts due from (to) subsidiaries approximate to their fair value.

19. 生物資產 (續)

在實地視察期內，估值師得悉幼樹及半長成樹亦可在市場上出售，惟與接近長成、已長成及年老之樹木相較則價格偏低。基於此理由，估值師已為林產業報告內之全部木材存量進行估值。

估值師在採用市場估值法對現時存活之樹木之存量進行估值時，已採用鋸木廠之圓材平均價（已計入樹木種類、樹齡及所在地點）計算。

估值師之估值意見已計入合理之再購率（已就採伐前及採伐時之損失作準備，並扣除採伐及把木材由樹林運輸至銷售點所需之成本）。估值師在估值時曾考慮之其他成本分別為：採伐及運輸至大路或銷售點之成本、當地及國家稅項基金、林產業津貼及森林管理成本。

20. 於附屬公司之投資

		Company 公司	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元 (restated) (重列)
Unlisted shares, at cost	非上市股份，按成本值	1,036,423	1,036,423

計入公司之流動資產及流動負債之應收（付）附屬公司之結餘為無抵押、免息及無固定償還期限。應收（付）附屬公司之此等金額之賬面值接近其公平值。

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20. INVESTMENTS IN SUBSIDIARIES

(Continued)

Particulars of the principal subsidiaries are as follows:

20. 於附屬公司之投資 (續)

主要附屬公司之詳情如下：

Name 公司名稱	Place of incorporation/ establishment and operations 註冊成立/ 成立及營業地點	Nominal value of paid-up share/ registered capital 實繳股本/ 註冊資本面值	Percentage of equity attributable to the Company 公司應佔 股本百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Green & Good Group Limited ("Green & Good") (Note 1) 綠之嘉集團有限公司 (「綠之嘉」)(附註1)	British Virgin Islands 英屬處女群島	Ordinary US\$100 普通股100美元	70	-	Investment holding 投資控股
Leeka Wood Co., Ltd. (Note 2) 綠之嘉木業有限公司(附註2)	PRC 中國	RMB100,000,000 人民幣100,000,000元	-	70	Manufacture, distribution and sales of timber flooring products and furniture 製造、分銷及銷售木地板產品 及傢具
綠之嘉木制品制造有限公司 (Note 3) 綠之嘉木制品制造有限公司 (附註3)	PRC 中國	US\$12,800,000 12,800,000美元	-	47.39	Manufacture, distribution and sales of flooring product 製造、分銷及銷售地板產品
E-Today Technology Limited ("E-Today") E-Today Technology Limited (「E-Today」)	British Virgin Islands 英屬處女群島	Ordinary US\$600 普通股600美元	100	-	Investment holding 投資控股
Deji Electronic Co., Ltd. Putian County, Fujian ("Deji Electronic") (Note 4) 福建省莆田縣德基電子有限 公司(「德基電子」)(附註4)	PRC 中國	HK\$10,200,000 10,200,000港元	-	100	Manufacture and sales of electronic products 製造及銷售電子產品
Putian Dexing Electronic Co., Ltd. ("Putian Dexing") (Note 5) 莆田德信電子有限公司 (「莆田德信」)(附註5)	PRC 中國	HK\$118,136,944 118,136,944港元	-	100	Manufacture and sales of electronic products 製造及銷售電子產品



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20. INVESTMENTS IN SUBSIDIARIES

(Continued)

20. 於附屬公司之投資 (續)

Name 公司名稱	Place of incorporation/ establishment and operations 註冊成立/ 成立及營業地點	Nominal value of paid-up share/ registered capital 實繳股本/ 註冊資本面值	Percentage of equity attributable to the Company 公司應佔 股本百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Putian Derong Electronic Co., Ltd. ("Putian Derong") (Note 6) 莆田市德榮電子有限公司 (「莆田德榮」) (附註6)	PRC 中國	HK\$60,601,000 60,601,000港元	-	100	Manufacture and sales of electronic products 製造及銷售電子產品
Zhejiang Yiwu Dexing Electronic Co., Ltd. ("Zhejiang Yiwu") (Note 7) 浙江義烏德信電子有限公司 (「浙江義烏」) (附註7)	PRC 中國	US\$9,950,000 9,950,000美元	-	100	Inactive 暫無營業
Tak Shun (Lam's) Company Limited ("Tak Shun Lam") 德信(林氏)有限公司 (「Tak Shun Lam」)	Hong Kong 香港	Ordinary HK\$2 Non-voting deferred HK\$10,000 (Note 8) 普通股2港元 無投票權遞延股 10,000港元 (附註8)	-	100	Investment holding and distribution of electronic products 投資控股及分銷電子產品
Advance Display Technology Limited 創思顯示技術有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100	Sales of Liquid Crystal Display products 銷售液晶體顯示產品
Tak Shun (Lam's) Macao Commercial Offshore Limited 德信(林氏)澳門離岸 商業服務有限公司	Macau 澳門	MOP500,000 500,000澳門幣	-	100	Distribution of electronic products 分銷電子產品

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20. INVESTMENTS IN SUBSIDIARIES

(Continued)

Notes:

Note 1: Green & Good is an investment holding company incorporated in the British Virgin Islands on 2 November 2006 and whose sole asset is the entire equity interest in Leeka Wood Co., Ltd.

Note 2: Leeka Wood Co., Ltd. is a wholly foreign owned enterprise established in the PRC for an operating period from its date of establishment on 29 March 2006 to 21 January 2027. The registered and paid-up capital of Leeka Wood Co., Ltd. amounted to RMB100,000,000.

Note 3: 綠之嘉木制品制造有限公司 is a joint venture funded by Hong Kong, Macau, Taiwan and the PRC (台港澳與境內合資公司) established in the PRC for an operating period of 15 years commencing from its date of establishment on 23 December 2004. The registered and paid-up capital of 綠之嘉木制品制造有限公司 amounted to US\$12,800,000.

Note 4: Deji Electronic is a Sole Foreign Investment Enterprise established in the PRC for an operating period of 20 years commencing from its date of establishment on 27 April 1992. The registered and paid-up capital of Deji Electronic amounted to HK\$10,200,000.

Note 5: Putian Dexing is a Sole Foreign Investment Enterprise established in the PRC for an operating period of 50 years commencing from its date of establishment on 18 May 1998. The registered capital of Putian Dexing amounted to HK\$206,480,000, of which HK\$118,136,944 was paid up by the Group as at 31 December 2008.

Note 6: Putian Derong is a Sole Foreign Investment Enterprise established in the PRC for an operating period of 50 years commencing from its date of establishment on 29 April 2001. The registered of Putian Derong amounted to HK\$63,000,000, of which HK\$60,601,000 was paid up by the Group as at 31 December 2008.

20. 於附屬公司之投資 (續)

附註:

附註1: 綠之嘉為於二零零六年十一月二日在英屬處女群島註冊成立之投資控股公司, 而其唯一資產為於綠之嘉木業有限公司之全部股本權益。

附註2: 綠之嘉木業有限公司為於中國成立之獨資外資投資企業, 由二零零六年三月二十九日成立日期起至二零二七年一月二十一日期間經營。綠之嘉木業有限公司之註冊及繳足資本為人民幣100,000,000元。

附註3: 綠之嘉木制品制造有限公司為於中國成立之台港澳與境內合資公司, 由二零零四年十二月二十三日成立日期起經營年期為15年。綠之嘉木制品制造有限公司之註冊及繳足資本為12,800,000美元。

附註4: 德基電子為於中國成立之獨資外資投資企業, 由一九九二年四月二十七日成立日期起經營年期為20年。德基電子之註冊及繳足資本為10,200,000港元。

附註5: 莆田德信為於中國成立之獨資外資投資企業, 由一九九八年五月十八日成立日期起經營年期為50年。莆田德信之註冊資本為206,480,000港元, 當中118,136,944港元已於二零零八年十二月三十一日由集團支付。

附註6: 莆田德榮為於中國成立之獨資外資投資企業, 由二零零一年四月二十九日成立日期起經營年期為50年。莆田德榮之註冊資本為63,000,000港元, 當中60,601,000港元已於二零零八年十二月三十一日由集團支付。



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20. INVESTMENTS IN SUBSIDIARIES

(Continued)

Notes: (Continued)

Note 7: Zhejiang Yiwu is a Sole Foreign Investment Enterprise established in the PRC for an operating period of 30 years commencing from its date of establishment on 28 November 2003. The registered and paid up capital of Zhejiang Yiwu amounted to US\$9,950,000 (equivalent to HK\$77,610,000).

Note 8: The non-voting deferred shares carry no rights as to dividends, no rights to attend or vote at general meetings and no rights to receive any surplus in a return of capital in a winding-up (other than the nominal amount paid up or credited as paid-up of the non-voting deferred shares, after a sum of HK\$1,000,000,000 per ordinary share has been distributed to the holders of the ordinary shares of Tak Shun Lam in such winding-up).

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

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.

20. 於附屬公司之投資 (續)

附註：(續)

附註7：浙江義烏為於中國成立之獨資外資投資企業，由二零零三年十一月二十八日成立日期起經營年期為30年。浙江義烏之註冊及繳足資本為9,950,000美元（相當於77,610,000港元）。

附註8：無投票權遞延股並無附帶獲派股息之權利，亦無權出席股東大會及於會上投票及無權在清盤時在資本償還中收取任何盈餘（除非在清盤時Tak Shun Lam普通股之持有人已就每股普通股分派1,000,000,000港元之款項後，則可收回已繳或入賬列作繳足股款之無投票權遞延股之面值）。

並無附屬公司於年底或年內任何時間有任何債務證券附屬公司。

董事認為，上表所載列之公司附屬公司，對本年度業績構成主要影響或佔集團資產淨值之主要部分。董事認為，刊載其他附屬公司之詳細資料會令本文過於冗長。

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21. INVENTORIES

21. 存貨

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Raw materials	原料	41,042	42,035
Work in progress	在製品	11,339	17,158
Finished goods	製成品	44,105	47,892
		<u>96,486</u>	<u>107,085</u>

Included in above, none of work in progress (2007: Nil) and finished goods of approximately HK\$4,467,000 (2007: HK\$6,110,000) are carried at net realisable value.

以上不包括在製品(二零零七年:無)及包括製成品約4,467,000港元(二零零七年:6,110,000港元),均以可變現淨值列賬。

22. TRADE RECEIVABLES

22. 應收貿易賬項

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Trade receivables	應收貿易賬項	169,000	105,296
Less: Allowance for bad and doubtful trade receivables	減: 應收貿易賬項呆壞賬撥備	(61,137)	(1,347)
		<u>107,863</u>	<u>103,949</u>

The Group normally allows credit terms ranging from 30 to 90 days to its customers.

集團一般給予客戶30至90日之信貸期。



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22. TRADE RECEIVABLES (Continued)

An aging analysis of the trade receivables net of allowance for bad and doubtful trade receivables as at the balance sheet date, based on the date of recognition of the sale, is as follows:

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
1 – 30 days	1 – 30日	52,019	46,464
31 – 60 days	31 – 60日	27,577	28,523
61 – 90 days	61 – 90日	17,498	17,873
Over 90 days	90日以上	10,769	11,089
		107,863	103,949

The fair values of the Group's trade receivables at 31 December 2008 approximated to the corresponding carrying amounts.

23. AVAILABLE-FOR-SALES FINANCIAL ASSETS

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Listed investments	上市投資		
Equity securities listed in Hong Kong	於香港上市的股票證券	-	11,610
Analysed for reporting purpose as:	分析作呈報目的為:		
Current assets	流動資產	-	11,610

22. 應收貿易賬項 (續)

根據銷售確認日期而劃分之結算日應收貿易賬項(扣除應收貿易賬項呆壞賬撥備)之賬齡分析如下:

集團於二零零八年十二月三十一日之應收貿易賬項之公平值接近其相應之賬面值。

23. 可供出售金融資產

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24. AMOUNT DUE FROM MINORITY INTERESTS/MINORITY SHAREHOLDER OF SUBSIDIARY

Group

The amount due from minority interests is compensation of shortfall from guarantee profit. The effect of changes as described in note 3 to the notes of consolidated financial statements.

The amount is unsecured, interest-free and is repayable within 30 days.

Company

The amount due from a minority shareholder of subsidiary is unsecured, interest-free and is repayable within 30 days.

25. TRADE PAYABLES

An aging analysis of the trade payables as at the balance sheet date, based on the receipt of goods purchased is as follows:

1 – 30 days	1 – 30日
31 – 60 days	31 – 60日
61 – 90 days	61 – 90日
91 – 180 days	91 – 180日
Over 180 days	180日以上

The fair values of the Group's trade payables at 31 December 2008 approximated to the corresponding carrying amounts.

24. 應收少數股東／附屬公司之少數股東款項

集團

應收少數股東款項為溢利保證短缺款額的賠償。變動之影響於綜合財務報表附註3詳述。

有關款項為無抵押、免息及須於30日內償還。

公司

應收附屬公司之少數股東款項為無抵押、免息及須於30日內償還。

25. 應付貿易賬項

根據所購買之貨物收訖日期而劃分之結算日應付貿易賬項之賬齡分析如下：

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
1 – 30 days	1 – 30日	17,661	24,028
31 – 60 days	31 – 60日	11,360	13,024
61 – 90 days	61 – 90日	4,161	6,856
91 – 180 days	91 – 180日	2,750	7,265
Over 180 days	180日以上	7,549	8,407
		43,481	59,580

集團於二零零八年十二月三十一日之應付貿易賬項之公平值接近其相應之賬面值。



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26. INTEREST-BEARING BANK LOAN

26. 計息銀行貸款

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Unsecured bank loan	無抵押銀行貸款	<u>406,780</u>	<u>413,267</u>

The above amount bear interest at prevailing market rates and are repayable as follows:

上述金額乃按現行市場利率計息，並須於以下年期償還：

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Within one year	一年內	406,780	66,587
In the second year	第二年	—	346,680
		<u>406,780</u>	<u>413,267</u>
Less: Amount due within one year shown under current liabilities	減：流動負債所示一年內應付之款項	<u>(406,780)</u>	<u>(66,587)</u>
		<u>—</u>	<u>346,680</u>

The bank loan is a variable-rate borrowing which carries interest rate ranging from 5.25% to 7.56% (2007: 4.75% to 6.47% per annum).

銀行貸款均為浮息借貸，按介乎5.25%至7.56%之利率計息（二零零七年：年利率為4.75%至6.47%）。

The Group's bank loan of HK\$406,779,000 (2007: HK\$385,200,000) is guaranteed by a loan service provider, an independent third party. The Group has given a corporate guarantee in favor of this loan service provider in respect of this bank loan.

集團之銀行貸款406,779,000港元（二零零七年：385,200,000港元）由一名貸款服務提供者（為獨立第三方）提供擔保。集團已就該銀行貸款向此貸款服務提供者作出一項公司擔保。

The directors consider that the carrying amount of bank borrowing is approximated to its fair values.

董事認為銀行借貸的賬面值接近其公平值。

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26. INTEREST-BEARING BANK LOAN

(Continued)

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

		Group 集團	
		2008 RMB'000 二零零八年 人民幣千元	2007 RMB'000 二零零七年 人民幣千元
As at 31 December	於十二月三十一日	<u>360,000</u>	<u>380,000</u>

26. 計息銀行貸款 (續)

以有關集團實體之功能貨幣以外之貨幣列值之集團借貸載列如下：

27. PLEDGE OF ASSETS

At the balance sheet date, none of property, plant and equipment (2007: Nil) were pledged to secure the Group's banking facilities.

28. DEFERRED TAXATION

The following are the major unprovided deferred tax assets by the Group and movements thereon during the year.

27. 資產抵押

於結算日並無物業、廠房及設備(二零零七年：無)已抵押作集團銀行融資之抵押。

28. 遞延稅項資產

以下為集團於年內之主要未撥備遞延稅項資產及其變動：

		Group 集團		
		Difference between depreciation and tax allowances HK\$'000 折舊與其免稅 額之差額 千港元	Estimated tax losses HK\$'000 估計稅務虧損 千港元	Total HK\$'000 總計 千港元
At 1 January 2007	於二零零七年一月一日	(19)	508	489
Movement for the year	年內變動	<u>(197)</u>	<u>90</u>	<u>(107)</u>
At 31 December 2007	於二零零七年 十二月三十一日	(216)	598	382
Movement for the year	年內變動	<u>(195)</u>	<u>37</u>	<u>(158)</u>
At 31 December 2008	於二零零八年 十二月三十一日	<u>(411)</u>	<u>635</u>	<u>224</u>

No provision for deferred tax had been made as the Group did not have any significant unprovided deferred tax assets/(liabilities) in respect of the year (2007: Nil).

集團於年內並無任何重大未撥備遞延稅項資產/(負債)，故並無就遞延稅項作出撥備(二零零七年：無)。



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29. SHARE CAPITAL

29. 股本

Shares	股份	Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之 普通股		
Authorised:	法定：		
At 1 January 2007	於二零零七年 一月一日	4,000,000,000	40,000
Increase in authorised share capital	法定股本增加	96,000,000,000	960,000
At 31 December 2007 and 31 December 2008	於二零零七年 十二月三十一日 及二零零八年 十二月三十一日	100,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2007	於二零零七年 一月一日	2,304,006,720	23,040
Issue of placing shares	發行配售股份	460,800,000	4,608
Issue of new shares upon exercise of options	於購股權獲行使時 發行新股份	16,432,000	164
Issue of new shares upon exercise of warrants	於認股權證獲行使時 發行新股份	190,660,000	1,907
Issue of consideration shares	發行代價股份	556,247,000	5,562
Issue of bonus shares	發行紅股	14,101,782,880	141,018
At 31 December 2007	於二零零七年 十二月三十一日	17,629,928,600	176,299
Issue of new shares upon exercise of options	於購股權獲行使時 發行新股份	44,150,000	442
Issue of new shares upon exercise of warrants (Note (a))	於認股權證獲行使時 發行新股份 (附註(a))	3,900,000	39
Issue of new shares upon conversion of convertible notes (Note (b))	於轉換可換股票據時 發行新股份 (附註(b))	5,774,320,550	57,743
At 31 December 2008	於二零零八年 十二月三十一日	23,452,299,150	234,523

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29. SHARE CAPITAL (Continued)

Notes:

The movements in the ordinary share capital during the year ended 31 December 2008 are as follows:

- (a) During the year ended 31 December 2008, registered warrant holders exercised their rights to subscribe for 3,900,000 ordinary shares at a consideration of HK\$347,100 of which HK\$39,000 was credited to share capital and the balance of HK\$308,100 was credited to the share premium account. The subscription rights attaching to the warrants were expired on 17 October 2008 in accordance with the terms and conditions of the warrants.
- (b) During the year ended 31 December 2008, convertible note holders had converted their convertible notes into 5,774,320,550 ordinary shares.

30. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Option Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, any person or entity providing research, development or other technological support to the Group, and any other person or entity determined by the directors as having contributed or may contribute to the development and growth of the Group. The Option Scheme became effective on 18 September 2001 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

29. 股本 (續)

附註:

截至二零零八年十二月三十一日止年度之普通股本變動如下:

- (a) 於截至二零零八年十二月三十一止年度,註冊認股權證持有人行使彼等之權利以認購3,900,000股普通股,代價為347,100港元,其中39,000港元計入股本,而結餘308,100港元則計入股份溢價賬。根據認股權證的條款及條件,權證附有之認購權已於二零零八年十月十七日到期。
- (b) 於二零零八年十二月三十一日止年度,可換股票據持有人將其可換股票據轉換為5,774,320,550股普通股。

30. 購股權計劃

公司設有購股權計劃(「購股權計劃」)藉此獎勵及回饋對集團營運業績有寶貴貢獻之合資格參與者。購股權計劃之合資格參與者包括公司之董事(獨立非執行董事亦包括在內)、集團其他僱員、集團之貨品或服務供應商、集團客戶、為集團提供研究、開發或其他技術支援之個人或實體以及董事認為曾為或將為集團發展及成長帶來貢獻之任何其他人士或實體。購股權計劃於二零零一年九月十八日生效,除非另有取消或修訂,否則由該日起計10年將一直有效。



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30. SHARE OPTION SCHEME (Continued)

The maximum number of unexercised share options currently permitted to be granted under the Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. At 1 January 2008, the number of shares under the share options issuable under the Option Scheme was 1,762,992,860, which represented 10% of the Company's shares in issue as at the date of extraordinary general meeting of the Company held on 21 December 2007 at which the existing Scheme Mandate Limit was refreshed. The Company had granted 621,000,000 share options during the year ended 31 December 2008 and the number of share options issuable at 31 December 2008 was 1,141,992,860. The maximum number of shares issuable under share options to each eligible participant in the Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the share options.

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

30. 購股權計劃 (續)

日前根據購股權計劃容許授出之未行使購股權之最高數目為相等於購股權行使後公司任何時間之已發行股份之10%。於二零零八年一月一日，根據購股權計劃可供發行之購股權數目為1,762,992,860份，佔公司於二零零七年十二月二十一日舉行股東特別大會當日（於會上已更新現有計劃授權上限）已發行股份10%。截至二零零八年十二月三十一日止年度，本公司已授予621,000,000份購股權，而可供發行之購股權數目於二零零八年十二月三十一日為1,141,992,860份。在十二個月期內根據購股權計劃可向購股權計劃內之合資格參與者發行之最高股份數目不得超出公司已發行股份之1%。任何進一步授出超出此限額之購股權，則須在股東大會上取得股東批准。

授予公司董事、行政總裁或主要股東或任何彼等之聯繫人士購股權均須事先取得獨立非執行董事批准。此外，於任何十二個月期間如授予公司之主要股東或獨立非執行董事或任何彼等之聯繫人士之購股權超出公司任何時間之已發行股份之0.1%或總面值（根據公司股份於授出日期之價格計算）超出5,000,000港元者，均須在股東大會上事先取得股東批准。

授出購股權之建議須於授出購股權建議之日期起計21日內獲接納，承授人亦須就此繳交合共1港元之名義代價。所授出之購股權之行使期由董事決定，期限在購股權歸屬承授人後開始，而屆滿日期不得遲於購股權授出日期起計10年。

購股權之行使價由董事決定，惟不得低於以下之較高者(i)公司股份於授出購股權建議當日（該日必需為營業日）在聯交所每日報價表所列之收市價；(ii)緊接授出購股權建議日期前五個交易日聯交所每日報價表列示之公司股份平均收市價；及(iii)公司股份之面值。

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30. SHARE OPTION SCHEME (Continued)

Share options do not confer rights on the holders to dividends or to vote at shareholder's meetings.

The following share options were outstanding under the Option Scheme during the year:

Name or category of participant	At 1 January 2008	Granted during the year	Number of share options			At 31 December 2008	Date of grant of share options ¹	Exercise period of share options	Exercise price of share options ^{2,3}
			Exercised during the year	Cancelled during the year	購股權數目				
參與者姓名或類別	於二零零八年一月一日	年內已授出	年內已行使	年內已註銷	於二零零八年十二月三十一日	授出購股權日期 ¹	購股權行使期限	購股權行使價 ^{2,3} HK\$ 港元	
Directors	董事								
Lam Ping Kei	林平基	- 20,000,000	-	-	20,000,000	3/3/2008	3/3/2008 to 13/9/2011	0.159	
Li Jun	李珺	75,000,000	-	-	75,000,000	13/10/2007	15/10/2007 to 13/9/2011	0.194	
		- 20,000,000	-	-	20,000,000	3/3/2008	3/3/2008 to 13/9/2011	0.159	
Jing Bin	景濱	75,000,000	-	-	75,000,000	13/10/2007	15/10/2007 to 13/9/2011	0.194	
		- 20,000,000	-	-	20,000,000	3/3/2008	3/3/2008 to 13/9/2011	0.159	
Cheng Man For	鄭文科	50,000,000	-	-	50,000,000	13/10/2007	15/10/2007 to 13/9/2011	0.194	
		- 20,000,000	-	-	20,000,000	3/3/2008	3/3/2008 to 13/9/2011	0.159	
Law Wai Fai	羅偉輝	- 6,000,000	-	-	6,000,000	3/3/2008	3/3/2008 to 13/9/2011	0.159	
Consultants in aggregate	顧問合計	875,000,000	-	-	875,000,000	13/10/2007	15/10/2007 to 13/9/2011	0.194	
		- 344,000,000	-	-	344,000,000	3/3/2008	3/3/2008 to 13/9/2011	0.159	
		- 6,000,000	-	-	6,000,000	3/3/2008	3/3/2009 to 13/9/2011	0.159	
		- 6,000,000	-	-	6,000,000	3/3/2008	3/3/2010 to 13/9/2011	0.159	

30. 購股權計劃 (續)

購股權並不附予其持有人獲派股息及於股東大會上投票之權利。

年內，根據購股權計劃尚未行使之購股權如下：



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30. SHARE OPTION SCHEME (Continued)

30. 購股權計劃 (續)

Name or category of participant	At 1 January 2008	Granted during the year	Number of share options			At 31 December 2008	Date of grant of share options ¹	Exercise period of share options	Exercise price of share options ^{2, 3}
			Exercised during the year	Cancelled during the year	購股權數目				
參與者姓名或類別	於二零零八年一月一日	年內已授出	年內已行使	年內已註銷	於二零零八年十二月三十一日	授出購股權日期 ¹	購股權行使期限	購股權行使價 ^{2, 3} HK\$ 港元	
Employees in aggregate	僱員合計	729,300	-	(364,650)	-	364,650	3/1/2005	24/1/2005 to 25/1/2010	0.05628
		1,093,950	-	(546,975)	-	546,975	3/1/2005	24/1/2006 to 25/1/2010	0.05628
		1,847,200	-	(1,117,900)	-	729,300	3/1/2005	24/1/2007 to 25/1/2010	0.05628
		43,150,250	-	(42,120,475)	(3,400)	1,026,375	3/1/2005	24/1/2008 to 25/1/2010	0.05628
		51,780,300	-	-	(1,458,600)	50,321,700	31/1/2005	24/1/2009 to 25/1/2010	0.05628
		75,000,000	-	-	-	75,000,000	13/10/2007	15/10/2007 to 13/9/2011	0.194
		-	71,600,000	-	-	71,600,000	3/3/2008	3/3/2008 to 13/9/2011	0.159
		-	53,700,000	-	-	53,700,000	3/3/2008	3/3/2009 to 13/9/2011	0.159
		-	53,700,000	-	-	53,700,000	3/3/2008	3/3/2010 to 13/9/2011	0.159
		<u>1,248,601,000</u>	<u>621,000,000</u>	<u>(44,150,000)</u>	<u>(1,462,000)</u>	<u>1,823,989,000</u>			

(1) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

(2) The exercise price of the share option is subject to adjustment in the case of a capitalisation issue, rights issue, sub-division or consolidation of the Company's shares or reduction of the Company's share capital.

(3) The number of share options and exercised price had been adjusted following the completion of bonus issue.

(1) 購股權之歸屬期乃自授出日期起直至行使期開始止。

(2) 購股權之行使價可就資本化發行、供股、公司股份分拆或合併或公司股本削減予以調整。

(3) 購股權數目及行使價於完成發行紅股後已作調整。

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30. SHARE OPTION SCHEME (Continued)

These fair value of the share options granted on 24 January 2005, 13 October 2007 and 3 March 2008 were calculated using the Black-Scholes pricing model. The inputs into the model were at the respective dates of grant of options as follows:

		24 January 2005 二零零五年 一月二十四日	13 October 2007 二零零七年 十月十三日	3 March 2008 二零零八年 三月三日
Weighted average share price	加權平均股價	\$0.31	\$0.194	\$0.156
Exercise price	行使價	\$0.342	\$0.194	\$0.159
Expected volatility	預計波幅	41.94%	91.32%	78.35%
Expected life	預計期限(年)	5	4	3.5
Risk-free rate	無風險利率	4%	3.75%	1.17%
Expected dividend yield	預計股息率	0%	0%	0%
Employee exit rate pre-vesting	歸屬前僱員離職率	10%	N/A不適用	N/A不適用

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 1 year prior to the date of grant of options. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

The Group recognised the total expense of approximately HK\$26,985,000 for the year ended 31 December 2008 (2007: HK\$104,492,000) in relation to share options granted by the Company.

At 31 December 2008, the Company had 1,823,989,000 share options (2007: 1,248,601,000 share options) outstanding under the Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 1,823,989,000 additional ordinary shares of HK\$0.01 each of the Company and additional share capital of HK\$18,239,890 (2007: HK\$12,486,010) and share premium of approximately HK\$84,414,210 (2007: HK\$216,163,254) (before share issue expenses).

30. 購股權計劃(續)

該等於二零零五年一月二十四日、二零零七年十月十三日及二零零八年三月三日發行紅股授出之購股權之公平值乃採用「柏力克-舒爾斯」定價模式進行計算。於授出購股權當日，該定價模式之輸入數值列明如下：

預計波幅乃依據公司股價於授出購股權當日前過往一年內之歷史波幅測算。就非轉讓性、行使限制及行為考慮而言，根據管理層之最佳估計，使用該模式之所使用之預計年期已作出調整。

截至二零零八年十二月三十一日止年度，集團就公司所授出購股權確認之總開支約為26,985,000港元（二零零七年：104,492,000港元）。

於二零零八年十二月三十一日，根據購股權計劃尚未行使之購股權有1,823,989,000份（二零零七年：1,248,601,000份）。根據公司目前之資本架構，倘若尚未行使之購股權獲悉數行將致使額外發行1,823,989,000股每股面值0.01港元之普通股，帶來未計發行股份開支前之額外股本約18,239,890港元（二零零七年：12,486,010港元）及股份溢價約84,414,210港元（二零零七年：216,163,254港元）（未扣除發行股份開支）。



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31. RESERVES

31. 儲備

Company		公司					
	Notes 附註	Share premium 股份溢價 HK\$'000 千港元 (Note) (附註)	Share options reserve 購股權 儲備 HK\$'000 千港元	Warrants reserve 認股權證 儲備 HK\$'000 千港元	Convertible note equity reserve 可換股票 據權益儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2007	於二零零七年 一月一日	157,887	2,766	-	-	48,378	209,031
Premium on issue of placing share	發行配售股份溢價	91,922	-	-	-	-	91,922
Proceed from issue of warrants	發行認股權證 所得款項	-	-	23,728	-	-	23,728
Premium on issue of share upon exercise of options	行使購股權時 發行股份之溢價	4,459	-	-	-	-	4,459
Premium on issue of shares upon exercise of warrant	行使認股權證時 發行股份之溢價	90,555	-	(8,580)	-	-	81,975
Issue of consideration shares	發行代價股份	545,122	-	-	-	-	545,122
Employee share option benefits	僱員購股權福利	-	104,281	-	-	-	104,281
Issue of convertible note	發行可換股票據	-	-	-	93,123	-	93,123
Bonus issues	發行紅股	(141,018)	-	-	-	-	(141,018)
Loss for the year	本年度虧損	-	-	-	-	(88,045)	(88,045)
At 31 December 2007 and 1 January 2008 (as previously stated)	於二零零七年 十二月三十一日及 二零零八年一月一日 (如前重列)	748,927	107,047	15,148	93,123	(39,667)	924,578
Effect of cancellation of restricted convertible note	註銷有限制可換股票據	-	-	-	(30,050)	-	(30,050)
At 31 December 2007 and 1 January 2008 (as restated)	於二零零七年 十二月三十一日及 二零零八年一月一日 (重列)	748,927	107,047	15,148	63,073	(39,667)	894,528
Premium arising from conversion of convertible note into new shares	轉換可換股票據為 新股份產生之溢價	461,947	-	-	(52,055)	-	409,892
Expiry of listed warrants	上市認股權證屆滿	(415)	-	(15,114)	-	15,529	-
Premium on issue of share upon exercise of listed warrant	行使上市認股權證時 發行股份之溢價	342	-	(34)	-	-	308
Premium on issue of shares upon exercise of options	行使購股權時 發行股份之溢價	2,043	-	-	-	-	2,043
Employee share option benefits	僱員購股權福利	-	26,985	-	-	-	26,985
Loss for the year	本年度虧損	-	-	-	-	(42,527)	(42,527)
At 31 December 2008	於二零零八年 十二月三十一日	1,212,844	134,032	-	11,018	(66,665)	1,291,229

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31. RESERVES (Continued)

Note:

The share premium of the Company represents: (i) the excess of the then combined net assets of the subsidiaries acquired pursuant to the Group Reorganisation over the nominal value of the share capital of the Company issued in exchange therefor; (ii) the premium utilised as a result of the capitalisation issue and bonus issue of shares of the Company; and (iii) the premium arising from the new issue of shares of the Company.

In accordance with the Companies Law (Revised) of the Cayman Islands, the share premium is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

32. CONVERTIBLE NOTE PAYABLE

On 17 October 2007, pursuant to the acquisition of 70% interest in Green & Good Group Limited (Green & Good) from Superview International Limited ("Vendor"), the Company issued convertible notes (the "Convertible Notes") as partial settlement of the acquisition consideration.

The principal terms of the Convertible Notes are as follows:

Date of issue	8 October 2007
Aggregate principal amount	HK\$929.7 million
Denomination	HK\$10,000,000
In multiple of Interest rate per annum	1.0%, payable semi-annually in arrears
Conversion price applicable	HK\$0.09 (Note), subject to adjustments
Maturity date	2 years from the date of issue

Note: Conversion price was adjusted from HK\$0.45 to HK\$0.09 for bonus issue of share on 17 October 2007.

31. 儲備 (續)

附註:

公司之股份溢價包括: (i) 根據集團重組收購之附屬公司當時之合併資產淨值超出公司就交換有關資產而發行之股本面值之差額; (ii) 因資本化發行及發行紅股所動用之溢價; 及 (iii) 公司發售新股產生之溢價。

根據開曼群島公司法(經修訂)之規定, 股份溢價可分派予公司股東, 惟緊隨作出股息分派後, 公司須能償付日常業務過程中到期應付之債務。股份溢價賬亦可以繳足紅股之方式分派。

32. 應付可換股票據

於二零零七年十月十七日, 根據向超景國際有限公司(「賣方」)收購綠之嘉集團有限公司(「綠之嘉」)之70%權益, 公司發行可換股票據(「可換股票據」)以結付部分收購代價。

可換股票據之主要條款如下:

發行日期	二零零七年十月八日
本金總額	929,700,000港元
定值倍數	10,000,000港元
年利率	1.0%, 須每滿半年付息一次
適用換股價	0.09港元(附註) (可予調整)
到期日	發行日期起計兩年

附註: 換股價已就於二零零七年十月十七日之發行紅股由0.45港元調整至0.09港元。



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32. CONVERTIBLE NOTE PAYABLE

(Continued)

The movement on the liability component of the convertible note as follows:

Group/Company

		HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	–
Issue of convertible notes	發行可換股票據	836,566
Interest expenses	利息開支	2,165
At 31 December 2007 and 1 January 2008 (as previously stated)	於二零零七年十二月三十一日及 二零零八年一月一日 (如前呈列)	838,731
Less: Cancellation of restricted convertible note	減：註銷有限制可換股票據	(269,950)
At 31 December 2007 and 1 January 2008 (as restated)	於二零零七年十二月三十一日及 二零零八年一月一日(重列)	568,781
Conversion of convertible note	轉換可換股票據	(467,634)
Interest expenses	利息開支	8,818
At 31 December 2008	於二零零八年十二月三十一日	109,965

(a) Conversion period

Apart from the portion of Restricted Convertible Note (as described below), the holders of the Convertible Notes shall have the rights at any time and from time to time, following the date of issue of the Convertible Note, to convert the whole or any part of the outstanding principal amount into new ordinary shares in the Company. The shares to be issued and allotted upon conversion shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue.

(b) Restricted Convertible Note

Part of the Convertible Note in principal amount of HK\$300 million (the "Restricted Convertible Notes") was under security to the Company for the purpose of ensuring that the Profit Guarantee (as described below) is fulfilled.

32. 應付可換股票據 (續)

可換股票據負債部分之變動如下：

集團／公司

		HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	–
Issue of convertible notes	發行可換股票據	836,566
Interest expenses	利息開支	2,165
At 31 December 2007 and 1 January 2008 (as previously stated)	於二零零七年十二月三十一日及 二零零八年一月一日 (如前呈列)	838,731
Less: Cancellation of restricted convertible note	減：註銷有限制可換股票據	(269,950)
At 31 December 2007 and 1 January 2008 (as restated)	於二零零七年十二月三十一日及 二零零八年一月一日(重列)	568,781
Conversion of convertible note	轉換可換股票據	(467,634)
Interest expenses	利息開支	8,818
At 31 December 2008	於二零零八年十二月三十一日	109,965

(a) 換股期

除有限制可換股票據(詳見下文)部分外,可換股票據持有人有權在可換股票據發行日期後隨時及不時把全部或任何部份之有關尚未償還本金額兌換為公司新普通股。於兌換時將予發行及配發之股份將在所有方面各自及與於有配發及發行當日公司之所有其他已發行普通股享有同等地位。

(b) 有限制可換股票據

可換股票據本金額300,000,000港元之部分(「有限制可換股票據」)由公司管存,以確保溢利保證(詳見下文)得以達成。

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32. CONVERTIBLE NOTE PAYABLE

(Continued)

(c) Profit Guarantee

The Vendor and the Guarantors, Mr. Ho Kam Hung, Mr. Yiu Yat On and Ms Qian Mingjin, who are shareholders of the Vendor, jointly and severally undertake to the Company that:

- (1) the aggregate profits after tax shown in the audited consolidated accounts of Green & Good Group in accordance with Hong Kong GAAP compliance for the financial year ended 31 December 2007 and the financial year ending 31 December 2008 shall not be less than HK\$300 million and will compensate the Company for any shortfall between the guaranteed profits and the actual aggregate profits after tax shown in the audited consolidated accounts of Green & Good Group in accordance with Hong Kong GAAP compliance for the financial year ended 31 December 2007 and the financial year ending 31 December 2008. The Restricted Convertible Notes will be stakeheld by the Company for the purpose of ensuring the Profit Guarantee requirement is fulfilled according to the Acquisition Agreement entered into by the Company and the Vendor on 16 May 2007 while the Vendor undertakes not to exercise the conversion rights attaching on the Restricted Convertible Notes during the Profit Guarantee Period and up to 31 March 2009. In the event that the Restricted Convertible Notes under security to the Company is not sufficient to cover the compensation amount due to the shortfall from the Profit Guarantee, the Vendor will be liable to pay the Company in cash for any outstanding compensation amount on a dollar-for-dollar basis after offsetting the amount represented by the Restricted Convertible Notes. Based on the Directors' assessment on the business prospect of Green & Good Group in meeting the Profit Guarantee, the Directors are satisfied that there is reasonable assurance of fulfilling the Profit Guarantee requirement in view of the operational scale and business activities of Green & Good Group with the contractual provisions put in place to safeguard compensation to the Company should the Profit Guarantee cannot be fulfilled by Green & Good Group; and

32. 應付可換股票據 (續)

(c) 溢利保證

賣方與擔保人何錦鴻先生、姚逸安先生及錢銘今女士(彼等為賣方之股東)共同及個別向公司承諾:

- (1) 綠之嘉集團根據香港公認會計準則而編製截至二零零七年十二月三十一日止財政年度及截至二零零八年十二月三十一日止財政年度之經審核綜合賬目所示之除稅後溢利總額不會少於300,000,000港元,而倘有關之保證溢利與綠之嘉集團根據香港公認會計準則而編製截至二零零七年十二月三十一日止財政年度及截至二零零八年十二月三十一日止財政年度之經審核綜合賬目所示之除稅後實際溢利總額相較下出現任何短缺款額,則會向公司作出補償。有限制可換股票據將會由公司管存,以確保溢利保證之規定會根據公司與賣方於二零零七年五月十六日訂立之收購協議獲履行,而賣方亦承諾在溢利保證期內及直至二零零九年三月三十一日為止不會行使有限制可換股票據所附之換股權。倘有限制可換股票據(已抵押予公司)不足以彌償因溢利保證短缺而須予補償之款額,則賣方將按等額現金之基準向公司支付在對銷有限制可換股票據之有關款額後所結欠之任何補償款額。根據董事對綠之嘉集團之業務前景及其達到溢利保證之可能性作出之評估,董事鑑於綠之嘉集團之營運規模及業務活動,加上有約束性的規定以保障公司在綠之嘉集團未能達到溢利保證之情況下獲得補償;故認為可合理確保綠之嘉集團會遵照溢利保證之規定;及



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32. CONVERTIBLE NOTE PAYABLE

(Continued)

(c) Profit Guarantee (Continued)

- (2) the fair market value of the net assets of Green & Good Group, to be assessed by an independent appraiser and to be confirmed in a valuation report, shall be not less than HK\$2,500 million or such other value as may be agreed between the Company and the Vendor. Where the appraised value of the assets held by Green & Good Group is less than HK\$2,500 million, the Company shall be entitled to terminate the Acquisition Agreement at its sole discretion without any compensation to the Vendor. Upon termination, all the deposits stakeheld by the escrow agent together with interest accrued thereon shall be refunded to the Company.

During the year, Convertible Note with total amount of HK\$519,688,850 (2007: Nil) were converted into 5,774,320,550 shares in the Capital of the Company and Restricted Convertible Note of HK\$300,000,000 were cancelled in satisfying the Profit Guarantee given by the Vendor. At 31 December 2008, the aggregate outstanding principal amount of Convertible Note was HK\$50,000,000 (2007: HK\$929,688,850). The fair value of liability component and equity component of the Convertible Note are approximately HK\$45 million (2007: HK\$836.6 million) and HK\$5 million (2007: HK\$93.1 million) respectively. These amounts were ascertained with reference to the professional appraisal. The adopted discount rate of 6.522% in calculation of the liability component, which equals the cost of capital of the Company, was derived by reference to the total of risk-free rate and risk premium.

33. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at the balance sheet date.

34. OPERATING LEASE ARRANGEMENTS

The Group leases certain leasehold land and buildings under operating lease arrangements. The original lease terms for these leasehold land and buildings ranged from eighteen to twenty years.

32. 應付可換股票據 (續)

(c) 溢利保證 (續)

- (2) 綠之嘉集團之資產淨值之公平市值(如獨立估值師所評估及將會以估值報告之形式予以確認)不會少於2,500,000,000港元或由公司與賣方同意之其他價值。倘綠之嘉集團所持之資產之估值少於2,500,000,000港元,則公司可全權酌情終止收購協議,而毋須向賣方作出任何賠償。在終止收購協議時,所有由託管代理人管存之按金連同就此累計之利息將會退還予公司。

年內,總額為519,688,850港元(二零零七年:無)之可換股票據轉換為公司股本中5,774,320,550股股份,並註銷有限制可換股票據300,000,000港元,以支付賣家發出的溢利保證。於二零零八年十二月三十一日,可換股票據之未償還本金總額為50,000,000港元(二零零七年:929,688,850港元)。可換股票據負債及權益部分之公平值分別約為45,000,000港元(二零零七年:836,600,000港元)及5,000,000港元(二零零七年:93,100,000港元)。該等金額乃參考專業評估後確定。計算負債部分所採納之折現率6.522%(其相當於公司之資本成本)乃參考無風險利率及風險溢價之總和得出。

33. 或然負債

集團於結算日並無任何重大或然負債。

34. 經營租約安排

集團根據經營租約安排租賃若干租賃土地及樓宇。該等租賃土地及樓宇之原定租約年期介乎十八年至二十年。

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34. OPERATING LEASE ARRANGEMENTS

(Continued)

At 31 December 2008, the Group had commitment for future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Within one year	一年內	2,801	4,717
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	5,561	6,012
Over five years	超過五年	14,386	16,330
		<u>22,748</u>	<u>27,059</u>

The Company did not have any operating lease arrangements as at 31 December 2008 (2007: Nil).

35. COMMITMENTS

(a) The Group had the following commitments in respect of its property, plant and equipment as at the balance sheet date:

Contracted for, but not provided in: 已訂約但未撥備：
Leasehold land and buildings 租賃土地及樓宇

(b) At 31 December 2008, the Group had contracted commitments in respect of capital investments in the PRC subsidiaries amounting to approximately HK\$90,743,000 (2007: HK\$90,743,000). Details of which were disclosed in note 15 to the financial statements.

The Company did not have any significant commitment as at 31 December 2008 (2007: Nil).

34. 經營租約安排 (續)

於二零零八年十二月三十一日，集團於下列年內屆滿之不可撤銷經營租約之未來最低租金付款承擔總額如下：

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Within one year	一年內	2,801	4,717
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	5,561	6,012
Over five years	超過五年	14,386	16,330
		<u>22,748</u>	<u>27,059</u>

於二零零八年十二月三十一日，公司並無任何經營租約安排（二零零七年：無）。

35. 承擔

(a) 集團於結算日就其物業、廠房及設備之承擔如下：

		Group 集團	
		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元
Contracted for, but not provided in:	已訂約但未撥備：		
Leasehold land and buildings	租賃土地及樓宇	12,155	19,057

(b) 於二零零八年十二月三十一日，集團就中國附屬公司之資本投資所擁有之已訂約承擔約為90,743,000港元（二零零七年：90,743,000港元）。詳情載於財務報表附註15。

公司於二零零八年十二月三十一日並無任何重大承擔（二零零七年：無）。



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36. POST BALANCE SHEET EVENTS

The following events occurred subsequent to 31 December 2008 up to the date of approval of these consolidated financial statements by the Board of Directors:

- (i) On 21 January 2009, an amount of HK\$60 million Convertible Note was converted into 666,666,666 shares in the capital of the Company at conversion price of HK\$0.09 each.
- (ii) On 29 February 2009, the third installment amounting approximately HK\$ 40,678,000 (i.e. RMB 36,000,000) had been expired. Up to the date of this report, the Group had settled the first and second installment interests but had defaulted the payment of principal of the bank loan. The bank loan of principal amounting RMB 360,000,000 is still outstanding as at the date of this report.
- (iii) On 27 April 2009, the Board of Green & Good Group Limited approved the audited consolidated financial statements of Green & Good Group Limited and its subsidiaries ("Green & Good Group") that the audited consolidated net loss after tax of Green & Good Group for the financial year ended 31 December 2008 was approximately HK\$702,824,000 together with the audited net profit after tax of HK\$277,713,000 for the year ended 31 December 2007, which amounted to an overall audited consolidated net loss after tax of Green & Good Group for the two financial years ended 31 December 2007 and 2008 was approximately HK\$425,111,000. As such, the Profit Guarantee has not been met and the Shortfall amounted to approximately HK\$725,111,000.

According to the Acquisition Agreement, the Vendor and the Guarantors are obliged to compensate the Group for the Shortfall of HK\$725,111,000. Pursuant to the terms of the Acquisition Agreement and the confirmation letter dated 27 April 2009 signed by the Vendor and the Guarantors, shortfall amount of HK\$300,000,000 was compensated by way of set off against the Restricted Convertible Notes; the shortfall balance of HK\$100,000,000 was compensated by way of set off against the amount due to the Vendor by the Group; and the remaining shortfall amount of approximately HK\$325,111,000 shall be compensated by way of cash or such other consideration as agreed by the Company.

36. 結算日後事項

以下為於二零零八年十二月三十一日之後及直至董事會批准此等綜合財務報表之日期間發生之事項：

- (i) 於二零零九年一月二十一日，為數60,000,000港元之可換股票據按兌換價每股0.09港元，轉換為公司股本中666,666,666股股份。
- (ii) 於二零零九年二月二十九日，第三期約40,678,000港元（即人民幣36,000,000元）已到期。截至本報告日期，集團已償付第一期及第二期的利息，但拖欠償還銀行貸款本金。銀行貸款本金人民幣360,000,000元於本報告日期尚未償還。
- (iii) 於二零零九年四月二十七日，綠之嘉集團有限公司之董事會批准綠之嘉集團有限公司及其附屬公司（「綠之嘉集團」）之經審核財務報表，綠之嘉集團截至二零零八年十二月三十一日止財政年度之經審核綜合除稅後虧損淨額約為702,824,000港元，連同截至二零零七年十二月三十一日止財政年度之經審核除稅後溢利淨額277,713,000港元，導致綠之嘉集團截至二零零七年及二零零八年十二月三十一日止兩個財政年度之整體經審核綜合除稅後虧損淨額約為425,111,000港元。因此，溢利保證未能達到，而溢利短缺約為725,111,000港元。

根據收購協議，賣方及保證人須向本集團賠償725,111,000港元之溢利短缺款額。根據收購協議之條款，以及賣方及保證人於二零零九年四月二十七日簽立的確認函，300,000,000港元之短缺款額已透過對銷有限制可換股票據作出補償；100,000,000港元之短缺結欠已透過對銷本集團應付賣方之款項作出補償，而餘下約325,111,000港元之短缺款額將以現金或本公司同意之其他代價作出補償。

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36. POST BALANCE SHEET EVENTS

(Continued)

This event has been classified as an adjusted post balance sheet event and the impact on the consolidated financial statements has been disclosed in note 3 to the notes of consolidated financial statements.

37. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 4, management has made the following judgments that have significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Allowances for bad and doubtful debts

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in impairment of their ability to make payments, additional allowances may be required.

Write-down of inventories to net realisable value

The management of the Group reviews an aging analysis at each balance sheet date, and makes provision for obsolete and slow-moving inventory items identified. The management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision for obsolete items.

36. 結算日後事項 (續)

此項事宜已分類為經調整結算日後事項，而對綜合財務報表之影響已於綜合財務報表附註3披露。

37. 關鍵會計判斷及估計不確定性之主要來源

於應用集團之會計政策（如附註4所述）時，管理層作出下列對於財務報表中已確認之數額產生重大影響之判斷。涉及日後之主要假設及於結算日估計不明朗因素之其他主要來源（彼等均擁有導致下個財政年度之資產及負債之賬面值出現大幅調整之重大風險）亦討論如下。

呆壞賬撥備

集團呆壞賬撥備之政策以評估可收回性及賬目之賬齡分析及管理層之判斷為基準。評估此等應收款項之最終變現需要使用一定程度的判斷，包括目前信譽及過往各客戶收回款項的記錄。倘集團客戶的財務狀況變差，導致其支付能力出現減值，則可能須作出額外的撥備。

撇減存貨至可變現價值

集團管理層於各結算日審核賬齡分析，並就已識別之陳舊及滯銷存貨品提供撥備。管理層估計，該等存貨之可變現淨值主要根據最近期之發票價格及現行市況而釐定。集團於各結算日進行存貨盤點，並就陳舊品種作出撥備。



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37. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Estimated impairment of goodwill

Management tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 4. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Management has not identified any indications that the goodwill has or would have suffered any impairment in term of its value to the Group.

Fair values of biological assets

Management estimates the balance sheet date fair values less estimated point-of-sale costs of biological assets of paper mulberry trees and pine trees with reference to market prices and professional valuations. Management considers that these are presently an absence of effective financial instruments for hedging against the pricing risks with the underlying agricultural produce. Un-anticipated volatile changes in market prices of the underlying agricultural produce could significantly affect the fair values of these biological assets and result in fair value re-measurement losses in future accounting periods.

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes borrowings cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, retained profit and reserves. The directors of the Company review the capital structure on a regular basis. As a part of this review, the directors of the Company consider the cost of capital and the associated risks and take appropriate actions to adjust the Company's capital structure. The overall strategy of the Company remain unchanged during the two years ended 31 December 2008 and 2007.

37. 關鍵會計判斷及估計不確定性之主要來源 (續)

商譽之估計減值

管理層每年均按照附註4所述之會計政策之規定，為商譽進行減值檢測。而現金產生單位之可收回金額，則按照使用價值計算。計算過程中須作出估算。管理層並無發現任何顯示商譽對集團之價值已經或將會出現減值之跡象。

生物資產之公平值

管理層乃參考市價及專業估值而估計紙桑樹樹苗及松樹之生物資產之結算日公平值減估計銷售點成本。管理層認為，現時缺乏有效之金融工具對沖有關農產品之價格風險。有關農產品市價之未能預測波動對該等生物資產之公平值造成重大影響，致使於日後會計期間出現公平值重新計量虧損。

38. 資本風險管理

集團管理其資本以確保公司將能夠以持續經營方式營運，同時亦透過達致債務與股本之間最佳的平衡而為股東爭取最大回報。

集團的資本結構包括債務，包括借貸、現金及現金等值物及公司股權持有人應佔權益，包括已發行股本、保留溢利及儲備。公司董事定期檢討資本結構。作為檢討一部分，公司董事考慮資本成本及相關風險，並採取適當行動調整公司之資本結構。截至二零零八年及二零零七年十二月三十一日止兩年內，公司之整體策略維持不變。

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade receivables and other receivables, cash and bank balances, trade and other payables, amounts due to director, other loan and convertible loan notes. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Credit risks

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2008 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group manages its exposure to credit risk through continual monitoring of the credit quality of its customers, taking into account their financial position, collection history, past experience and other relevant factors. In addition, the Group reviews regularly the recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

(b) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk arises from long-term borrowings. The Group does not have policy to maintain a specific level of its borrowings in fixed rate instruments since the board accepts that this neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with interest payments.

39. 金融風險管理目標及政策

集團主要金融工具包括貿易應收款項及其他應收款項、現金及銀行結餘、貿易及其他應付款項、應付董事款項、其他貸款及可換股貸款票據。該等金融工具詳情於各自之附註披露。該等金融工具相關風險及如何減輕風險之政策載列於下文。管理層管理及監察風險承擔，確保以時及有效方式實施適當措施。

(a) 信貸風險

於二零零八年十二月三十一日，在對手方未能履行責任之情況下，就各類別已確認金融資產而言，集團的最高信貸風險承擔為綜合資產負債表所列該等資產之賬面值。集團透過持續監察其客戶之信貸質素管理其信貸風險承擔，並經考慮其財政狀況、追討歷史、過往經驗及其他相關因素。此外，集團定期檢討各個別貿易應收款項之可收回金額，確保不可收回金額計提充足減值虧損。就此，公司董事認為，集團之信貸風險顯著減少。

(b) 現金流及公平值利率風險

由於集團並無重大付息資產，故集團之收入及經營現金流量大部份與市場利率變動無關。

集團之利率風險來自長期借貸。集團並無政策維持其借貸於特定水平之固定利率工具，因董事會認為是項政策不能保障集團完全避免支付超過現有市場利率之利息風險，亦不能完全對銷利息付款相關之現金流量風險。



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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Foreign exchange risk

The Group has transactional currency exposures, primarily with respect to Renminbi for the year 2008. Such exposures arise from provision of service income in currencies other than the Group's functional currency. All of the Group's sales are denominated in Hong Kong Dollar, United States Dollar and Renminbi for the year 2008 and 2007.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The Group conducts its business transactions principally on Hong Kong Dollar, United States Dollar and Renminbi. The exchange rate risk of the Group is not significant.

(d) Natural risk

The Group's revenue depends significantly on the ability to harvest wood at adequate levels. The ability to harvest wood in the concessions and the growth of the trees in the plantations may be affected by unfavorable local weather conditions and natural disasters. Weather conditions such as floods, droughts, cyclones and windstorms and natural disasters such as earthquakes, fire, disease, insect infestation and pests are examples of such events. The occurrence of severe weather conditions or natural disasters may diminish the supply of trees available for harvesting in the concessions, or otherwise impede the Group's logging operations or the growth of the trees in the plantations, which in turn may have a material adverse effect on the Group's ability to produce the products in sufficient quantities and in a timely manner.

39. 金融風險管理目標及政策 (續)

(c) 外匯風險

於二零零八年，集團承擔之交易貨幣風險主要與人民幣有關。有關風險源自按集團功能貨幣以外貨幣計提供服務收入。於二零零八年及二零零七年，集團所有銷售均以港元、美元及人民幣計值。

集團現時並無外幣對沖政策。然而，管理層密切監察外匯風險承擔，並將考慮在必要時對沖重大外幣風險。

集團主要以港元、美元及人民幣進行業務交易。集團之匯率風險輕微。

(d) 自然風險

集團之收益主要有賴於伐木效率之充足水平。於有關伐木場中之伐木效率及人工林場中之樹木成長均受當地不利天氣狀況及自然災害所影響。天氣狀況如洪水、乾旱、龍卷風及風暴等，而自然災害如地震、火災、疾病、蟲災及瘟疫等。發生惡劣天氣或自然災害或會減少有關伐木場中可供採伐樹木之供應量，或其他情況妨礙集團之伐木業務或人工林場中之樹木成長，從而對集團及時生產足夠數量產品之能力造成重大不利影響。

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Natural risk (Continued)

Moreover, bad weather may adversely affect the condition of the Group's transportation infrastructure, which is critical for the Group to supply timber from the timber concessions to the Group's manufacturing plants and customers. The Group has developed a strategy for utilizing different transportation modes and stockpiling, but its daily operations may be unfavorably affected by interruption of transportation due to bad weather or other reasons.

(e) Liquidity risk

Regarding the present policy in the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

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

Internally generated cash flow and bank loans are the general sources of funds to finance the operations of the Group. The Group liquidity risk management includes making available standby banking facilities and diversifying the funding sources. The Group regularly reviews its major funding positions to ensure it has adequate financial resources in meeting its financial obligations.

39. 金融風險管理目標及政策 (續)

(d) 自然風險 (續)

此外，惡劣天氣亦會對集團之運輸基本設施之狀況造成不利影響，而運輸基本設施乃集團把從伐木場採伐之木材供應予集團之製造廠及客戶之關鍵一環。雖然集團已設計一套運用不同運輸模式及儲存之策略，但其日常經營業務仍會因惡劣天氣或其他原因而受到運輸中斷之不利影響。

(e) 流動資金風險

就管理層有關流動資金之現行政策而言，集團監察及維持管理層視作充足之現金及現金等值物水平，以撥付公司營運及減低現金流量波動之影響。

下表詳細載列公司金融負債之餘下合約到期日。就非衍生金融負債而言，下表乃根據金融負債之未折現現金流量及根據公司須付款之最早日期編製而成。下表包括利息及主要現金流量。

集團一般以內部產生之現金流量及銀行貸款為業務提供資金。集團之流動資金風險管理包括可供動用之備用銀行融資及多元化之資金來源。集團定期審閱其主要資金狀況，以確保擁有足夠之財務資源應付財務責任。



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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Liquidity risk (Continued)

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the available of funding through an adequate amount of committed credit facilities and the ability to close our market positions. Due to the dynamic nature of the underlying business, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

39. 金融風險管理目標及政策 (續)

(e) 流動資金風險 (續)

審慎流動資金風險管理包括維持充足現金及可出售證券、透過已承諾信貸融資之足夠金額提供可動用資金以及提升集團市場地位之能力。由於相關業務之互動性質，集團致力保持可動用之已承諾信貸，藉以維持資金供應之靈活性。

	Weighted average effective interest rate	Undiscounted cash flows within 1 year	Carrying amounts at 31 December 2008
	加權平均實際利率	一年內未折現現金流量	於二零零八年十二月三十一日之賬面值
		HK\$ 港元	HK\$ 港元
2008			
Non-derivative financial liabilities			
Tax payables		36,547	36,547
Trade payables		43,481	43,481
Other payables and accruals		191,823	191,823
Interest-bearing loans		406,780	406,780
Convertible note payable		109,965	109,965
		<u>788,596</u>	<u>788,596</u>

(f) Fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities reported in the balance sheet of the Group and the Company approximate their carrying amounts.

(f) 金融資產及金融負債之公平值

於集團及公司資產負債表呈報之金融資產及金融負債之公平值與其賬面值相若。

40. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.

40. 比較數字

若干數字已重新分類以符合本年度之呈列。