

JACKIN

JACKIN INTERNATIONAL HOLDINGS LIMITED

(輝影國際集團有限公司)*

(Stock Code 股份代號 : 630)

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)



Annual Report 2008 年報

MISSION STATEMENT

Our mission as a global “green” supplier is to provide quality remanufactured toner cartridges/recycled products that agree with our commitment to the 3R – Reduce, Reuse and Recycle.

使命

作為全球性環保產品供應商，我們的使命是謹守3R—即減用、再用及再造的宗旨，為客戶提供循環再造碳粉匣／循環再造產品。



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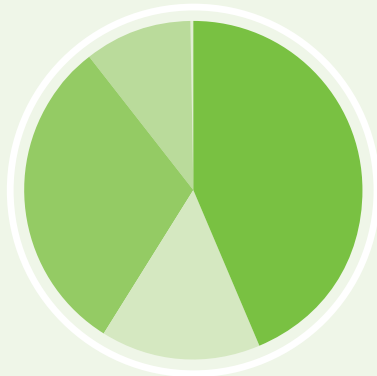
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Financial Highlights

財務摘要

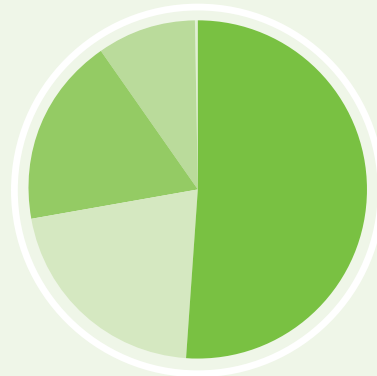
TURNOVER BY GEOGRAPHICAL MARKET FOR THE YEAR 年內按地區市場劃分之營業額

2008
二零零八年



● PRC including Hong Kong 中國 (包括香港)	43.87%
● Other regions in Asia Pacific 亞太其他地區	15.08%
● North and South America 北美洲及南美洲	30.76%
● Europe 歐洲	10.19%
● Others 其他	0.10%

2007
二零零七年



● PRC including Hong Kong 中國 (包括香港)	51.36%
● Other regions in Asia Pacific 亞太其他地區	20.92%
● North and South America 北美洲及南美洲	18.17%
● Europe 歐洲	9.34%
● Others 其他	0.21%

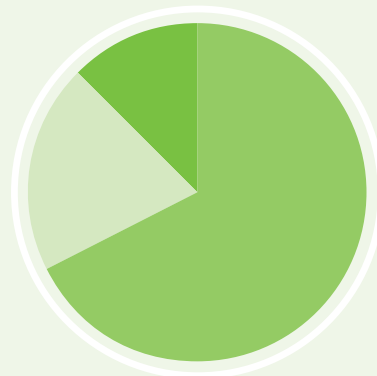
TURNOVER BY PRINCIPAL ACTIVITIES FOR THE YEAR 年內按主要業務劃分之營業額

2008
二零零八年



● Remanufacture and sale of computer printing and imaging products 再造及買賣電腦打印及影像產品	68.12%
● Manufacture and sale of data media products 製造及買賣數據媒體產品	22.85%
● Distribution and sale of data media products 分銷及銷售數據媒體產品	9.03%

2007
二零零七年



● Remanufacture and sale of computer printing and imaging products 再造及買賣電腦打印及影像產品	67.73%
● Manufacture and sale of data media products 製造及買賣數據媒體產品	19.90%
● Distribution and sale of data media products 分銷及銷售數據媒體產品	12.37%

FINANCIAL AND OPERATING RESULTS
HIGHLIGHTS

財務及經營業績概要

OPERATING RESULTS (HK\$'000) 經營業績 (千港元)		2008 二零零八年	2007 二零零七年	2006 二零零六年	2005 二零零五年	2004 二零零四年
Turnover	營業額	455,531	418,159	345,552	329,745	363,765
Turnover increase/(decrease) (%)	營業額增加/(減少) (%)	9	21	5	(9)	13
Net (loss)/profit attributable to equity shareholders of the Company	本公司權益股東應佔 (虧損)/溢利	(159,787)	33,476	64,965	(135,219)	20,117
Net (loss)/profit attributable to equity shareholders of the Company increase/(decrease) (%)	本公司權益股東應佔 (虧損)/溢利 增加/(減少) (%)	(577)	(48)	148.0	(72.2)	66.8

FINANCIAL POSITION (HK\$'000) 財務狀況 (千港元)		2008 二零零八年	2007 二零零七年	2006 二零零六年	2005 二零零五年	2004 二零零四年
Shareholders' funds	股東資金	178,452	336,848	277,190	208,409	318,798
Total assets	總資產	588,912	684,410	553,235	525,031	570,250
Net assets	資產淨值	178,452	336,848	277,190	208,409	318,798
Net asset value per share (cents)	每股資產淨值 (仙)	22.3	42.3	40.3	30.3	69.6

FINANCIAL STATISTICS 財務統計		2008 二零零八年	2007 二零零七年	2006 二零零六年	2005 二零零五年	2004 二零零四年
Current ratio	流動比率	1.2	2.2	1.5	1.1	1.3
Bank and other borrowings to equity ratio	銀行及其他借貸 資本比率	1.7	0.8	0.7	1.1	0.6
Total debt to equity ratio	總債項與資本比率	2.3	1.0	1.0	1.5	0.8
Inventory turnover on sales (days)	銷售存貨週期 (日)	178.9	171.4	136.2	81.0	56.0
Return on total assets (%)	總資產回報率 (%)	(27.1)	4.9	11.7	(25.8)	3.5
Return on sales (%)	銷售回報率 (%)	(35.1)	8.0	18.8	(41.0)	5.5
(Loss)/earnings per share (cents)	每股 (虧損)/盈利 (仙)	(20.0)	4.5	9.4	(19.8)	4.0
Dividend per share (cents)	每股股息 (仙)	-	-	-	-	-

Corporate Information 公司資料

DIRECTORS

Executive directors

HO Yin King, Helena (*Chairman and Managing Director*)

HO Fai Keung, Jacky (*Deputy Chairman*)

CHEUNG Sze Ming

LO Suk King

Independent non-executive directors

LI Sau Hung, Eddy

LEUNG Ka Kui, Johnny

CHAN Kam Kwan, Jason

COMPANY SECRETARY

CHAN Kwong Leung, Eric

AUTHORISED REPRESENTATIVES

HO Yin King, Helena

CHAN Kwong Leung, Eric

PRINCIPAL PLACE OF BUSINESS

Unit 8, 10/F

Riley House

88 Lei Muk Road

Kwai Chung

New Territories

Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

董事

執行董事

何燕琼 (主席兼董事總經理)

何輝強 (副主席)

張詩敏

盧淑琼

獨立非執行董事

李秀恆

梁家駒

陳錦坤

公司秘書

陳鄭良

法定代表

何燕琼

陳鄭良

主要營業地點

香港

新界

葵涌

梨木道88號

達利中心

10樓8室

註冊辦事處

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

PRINCIPAL BANKERS

Citic Ka Wah Bank Limited, Macau Branch
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
Fubon Bank (Hong Kong) Limited
Orix Asia Limited

AUDITORS

KPMG

SOLICITORS

K&L Gates LLP
Wong and Chan

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

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

WEBSITE

www.irasia.com/listco/hk/jackin/index.htm

主要往來銀行

中信嘉華銀行有限公司澳門分行
星展銀行(香港)有限公司
恒生銀行有限公司
富邦銀行(香港)有限公司
歐力士(亞洲)有限公司

核數師

畢馬威會計師事務所

律師

高蓋茨律師事務所
黃新民律師行

主要股份登記處及過戶辦事處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

香港股份登記分處及過戶辦事處

卓佳標準有限公司
香港
皇后大道東28號
金鐘匯中心26樓

網址

www.irasia.com/listco/hk/jackin/index.htm

Chairman's Statement

主席報告書

RESULTS

For the year ended 31 December 2008, the Group recorded a turnover of HK\$455,531,000, representing an increase of 9% compared with HK\$418,159,000 in 2007. The Group's loss attributable to equity shareholders amounted to HK\$159,787,000 in 2008 (2007: profit attributable to equity shareholders amounted to HK\$33,476,000) which include the impairment losses of assets amounted to HK\$128,369,000 (2007: nil). Basic loss per share in 2008 was HK20.0 cents as compared with basic earnings per share of HK4.5 cents in 2007.

REVIEW OF OPERATIONS

Although the world economy and most industries were hit by the financial crisis in late 2008, certain businesses including those of the Group actually benefited from the situation. The core business segment of the Group, which is production of remanufactured/recycled toner cartridges, recorded continuous growth during the year, as more corporations chose to use recycled products for cost control reasons. Despite a slight decrease in turnover during the fourth quarter of last year, the overall turnover of the year recorded satisfactory growth.

REMANUFACTURED/RECYCLED TONER CARTRIDGE PRODUCTION

During the year, the segment achieved sales growth of 10% to HK\$310 million (2007: HK\$283 million), accounting for 68% of the Group's total turnover, which was attributable to the increase in number of clients and sales orders as well as rise in average selling price. The increase in sales of colour toner cartridges with higher selling price and gross profit margin than black toner cartridges also contributed to the turnover growth.

業績

截至二零零八年十二月三十一日止年度，本集團的營業額為455,531,000港元，較二零零七年的418,159,000港元增長9%。於二零零八年，權益股東應佔本集團虧損達159,787,000港元（二零零七年：權益股東應佔溢利達33,476,000港元），其包括資產減值虧損128,369,000港元（二零零七年：無）。二零零八年的每股基本虧損為20.0港仙，而二零零七年的每股基本盈利為4.5港仙。

業務回顧

儘管全球經濟及眾多行業均受二零零八年底爆發的金融危機打擊，但其他若干業務包括本集團經營的業務卻因此受惠。由於更多企業選擇使用循環再造產品以控制成本，故集團的核心業務生產環保再造／循環再造碳粉匣業務於年內錄得持續增長。儘管去年第四季營業額輕微下跌，去年的總營業額仍錄得滿意增長。

環保再造／循環再造碳粉匣產品

年內，此業務的銷售額增長10%至310,000,000港元（二零零七年：283,000,000港元），佔本集團總營業額的68%。這是由於客戶數目及銷售訂單增加，而平均售價亦有所提升所致。加上彩色碳粉匣銷售額上升，而其售價及毛利率均較黑色碳粉匣為高，亦導致營業額增長。

REMANUFACTURED/RECYCLED TONER CARTRIDGE PRODUCTION *(continued)*

Sales to major markets, being the United States ("US"), Asia Pacific and Europe, represented 53%, 36% and 11% of the Group's total turnover respectively. For the year under review, sales grew the strongest in the US market as more corporations shifted to use environmental friendly and competitively priced recycled toner cartridges to control cost during the economic downturn. The Group was able to seize business opportunities and secured sizeable orders from new clients with the support of its distribution network in the market and due to its superior product quality at competitively prices when compared with those offered by its US competitors. Moreover, the tightened enforcement of prohibited importation of patent-infringing compatible toner cartridges in the US has indirectly stimulated the sales of the Group's products which meet international standards in every technical aspect.

In the Asia Pacific markets, sales grew faster in Japan as more clients turn to outsource production of recycled toner cartridges to region with lower production costs and the Group is one of the major suppliers in Asia. Moreover, the Group is the only company in South China which possesses a unique license to import used toner cartridges for remanufacturing. The Group's license is recently extended by the local authority for 30 years, which will benefit the Group's long-term development.

During the year, the Group commenced production for a long-term OEM supply contract of recycled toner cartridges for a US-based multinational company with a worldwide customer network. The first batch of toner cartridges was shipped to the US in the last quarter of 2008. The Group expects the customer, who is targeting a number of corporate sales networks and markets, will increase order volume in the coming year and thus allow the Group to generate significant and stable revenue.

環保再造／循環再造碳粉匣產品 (續)

美國、亞太區及歐洲等主要市場的銷售額分別佔本集團總營業額的53%、36%及11%。於回顧年內，美國市場的銷售額增長最為強勁，乃因為越來越多企業在經濟低迷時期轉用環保且價格相宜的循環再造碳粉匣以控制成本。在本集團的市場分銷網絡支持下，由於本集團的產品優質兼且價格較美國競爭對手相宜，使其成功把握業務商機，並贏得大量新客戶訂單。此外，美國加緊執行禁止冒充專利的相容碳粉匣之入口條例，間接刺激了本集團完全符合國際技術標準的產品銷量。

亞太區市場方面，日本錄得較快銷售額增長，原因為越來越多客戶外判循環再造碳粉匣的生產工序至成本較低的地區，而集團為亞洲區內的主要供應商之一。此外，集團為唯一於中國南方持有舊碳粉匣進口再造特別牌照的公司，該牌照於近期獲內地部門續期30年，有助集團的長遠發展。

年內，本集團就與美國一家客戶網絡覆蓋全球的跨國公司簽訂之合約展開生產，向其長期供應原設備製造循環再造碳粉匣。首批碳粉匣已於二零零八年最後一季付運往美國。集團預期該客戶的訂單數量於來年將逐步上升，加上該客戶銳意進軍多個企業銷售網絡及市場，此合約將為集團帶來龐大及穩定收入。

COMPUTER MEDIA PRODUCTION

The Group is currently the largest OEM manufacturer of computer media products in the world, supplying to OEM customers which own worldwide brand names. The Group obtained a few new orders during the year, although the segment's turnover decreased in the fourth quarter of 2008 because of the financial crisis. Sales from the segment reached HK\$104 million, accounting for 23% of the total turnover of the Group. Despite the growth in turnover, gross profit margin was squeezed due to lower selling price and segment loss was recorded from this business sector. As a result of the unsatisfactory performance, value of the assets employed in this segment was impaired. During the year under review, the Group recorded impairment of fixed assets of HK\$59 million and impairment of trade and other receivables of HK\$4 million for this segment.

DISTRIBUTION OF MEDIA PRODUCTS

Turnover from distribution of media products amounted to HK\$41 million, accounting for 9% of the Group's total revenue. The Group has been manufacturing and distributing an additional data media product line for a major computer product vendor after securing the sole distribution right for the product line in China since 2005. During the year under review, the Group recorded an impairment of goodwill of HK\$40 million for this segment.

AUDIT OPINION

The auditors of the Company have issued a disclaimer of opinion on the financial statements of the Group for the year under review. Details of the auditor's report are set out in the "Independent Auditor's Report" and the matters referred to therein are discussed below.

電腦媒體產品

目前，本集團是全球最大的電腦媒體產品原設備製造生產商，供應予擁有國際品牌的原設備製造客戶。雖然此業務受金融危機影響，以致營業額於二零零八年第四季下跌，但集團於年內取得若干新訂單。此業務的銷售額為104,000,000港元，佔本集團總營業額的23%。雖營業額有所增長，但因售價下跌，故毛利率縮減，而此業務亦錄得虧損。由於業績差強人意，故此業務所用的資產價值已予減值。回顧年內，本集團於此業務錄得固定資產減值59,000,000港元以及貿易及其他應收款項減值4,000,000港元。

媒體產品分銷

媒體產品分銷業務錄得營業額41,000,000港元，佔本集團總收入的9%。自集團於二零零五年取得一家主要電腦產品供應商的新數據媒體產品系列之國內獨家分銷權後，集團便一直為其生產及分銷該產品系列。於回顧年度，本集團就此分部錄得之商譽減值為40,000,000港元。

審核意見

本公司核數師已就本集團於年度的財務報表不表示意見。核數師報告的詳情載於獨立核數師報告，而當中所述的事宜於下文討論。

AUDIT OPINION *(continued)*

(a) Trading and related settlement of electronic wastes and imaging products

The Group is a well-established producer of remanufactured/recycled cartridges and generally purchases electronic wastes and imaging products as parts and components for its products. To meet the production demand from its broad customer base in Hong Kong, China and overseas markets, the Group has been sourcing electronic wastes and imaging products from a large number of suppliers. As a result of the overwhelming attention on environmental protection in recent years, there has been a significant growth in the remanufacturing production industry, thus creating demand for electronic wastes and imaging products. With a view to capturing market opportunities with its established connection with electronic wastes and imaging products traders, the Group commenced the business of trading of electronic wastes and imaging products through a wholly-owned subsidiary since 2007 to conduct this business. This subsidiary recorded sales and purchases amounting to approximately HK\$105.1 million and HK\$100.8 million respectively for the year ended 31 December 2008. Due to the variety of product models and the market channels for sourcing electronic wastes and imaging products, there are a large number of traders in the market who may sell a particular type of electronic wastes and imaging products to the Group as raw materials and purchase other types of electronic wastes and imaging products or recycled products from the Group. Accordingly, traders may on one hand be a supplier of the Group and on the other a customer of the Group, and the relevant trade debtors and creditors resulting from the sales and purchases of the Group with these traders are set-off against each other and some of the balances are settled in cash. These settlement methods are consistently adopted by the Group for this business segment.

審核意見 (續)

(a) 電子廢料及影像產品的買賣及相關結付

本集團為環保再造／循環再造碳粉匣的著名生產商，一般會採購電子廢料及影像產品作為其產品的組件及元件。為應付香港、中國及海外市場的廣大客戶基礎的生產需求，本集團一直向大量供應商採購電子廢料及影像產品。由於近年大眾的環保意識日漸加強，環保再造業錄得顯著增長，因而衍生對電子廢料及影像產品的需求。本集團為透過其與電子廢料及影像產品買賣商建立的關係而抓緊商機，自二零零七年起透過一間全資附屬公司，展開買賣電子廢料及影像產品的業務，進行此業務。該附屬公司截至二零零八年十二月三十一日止年度錄得銷售額及採購額分別約105,100,000港元及100,800,000港元。基於產品型號及採購電子廢料及影像產品的市場渠道繁多，市場上有多名買賣商可向本集團出售特定種類的電子廢料及影像產品作為原材料，並自本集團採購其他種類的電子廢料及影像產品或循環再造產品。因此，買賣商可一方面為本集團的供應商，另一方面則為本集團的客戶，而本集團與此等買賣商進行買賣所產生的應收賬款及應付賬款會互相抵銷，部份結餘則以現金結付。本集團已就此業務分部貫徹採用此等結付方式。

AUDIT OPINION *(continued)*

(a) Trading and related settlement of electronic wastes and imaging products *(continued)*

The Group has adopted a set of internal control procedures and policies in respect of the conduct and recording of the electronic wastes and imaging products trading business, which are largely the same as those for the other business segment of the Group. These procedures and policies have been consistently adopted by the subsidiary since 2007. The Directors believe that the Group has sufficient internal control measures to govern the proper conduct of the electronic wastes and imaging product trading and has maintained proper supporting and documentary evidence in relation to these transactions which include, among other things, purchase orders, sales invoices, delivery notes, shipping documents, acknowledgements of goods receipt, and payment records. In view of the auditor's opinion, the Company has engaged an independent professional advisor to conduct a thorough review of the Group's internal control system on the sales and purchases cycles of the electronic wastes and imaging product trading business with a view to improving its record keeping and bookkeeping procedures particularly for cash transactions.

審核意見 *(續)*

(a) 電子廢料及影像產品的買賣及相關結付 *(續)*

本集團已就進行電子廢料及影像產品買賣業務及其列賬採納一套內部監控程序及政策，其很大程度上與本集團的其他業務分部所採納者相同。附屬公司已自二零零七年起一直貫徹採納該等程序及政策。董事相信，本集團有足夠內部監控措施以監管電子廢料及影像產品買賣的妥善進行，並已就有關交易存置妥善的支持及文件憑證，其包括（其中包括）訂單、銷售發票、交付單據、付運文件、收貨確認收據及付款記錄。基於核數師的意見，本公司已委聘獨立專業顧問對本集團有關電子廢料及影像產品買賣業務的銷售及採購週期的內部監控系統進行詳盡審閱，以便改善記錄保存及賬冊存置程序，特別是現金交易方面。

AUDIT OPINION (continued)

(b) Sales of media products and recycled toner cartridges to certain customers

Included in the Group's turnover for the year ended 31 December 2008 were reported sales of approximately HK\$24.4 million and HK\$5.6 million to certain customers in respect of the sales of floppy disks and recycled toner cartridges respectively. The Group is currently the only major OEM manufacturer that produces floppy disks in the world. Notwithstanding the advancement in the digital storage media market, there are demands for the Group's floppy disk products from customers in the PRC because of the limited supply. For the year ended 31 December 2008, the Group recorded sales of floppy disks of approximately HK\$24.4 million to several customers in the PRC. As these customers are small scale domestic companies or individuals, they are usually slow in payment and some of the purchases were settled in cash. As at 31 December 2008, the unsettled balance from these customers amounted to approximately HK\$28.4 million. The Group has been continuously receiving settlement from these customers after 31 December 2008 and is satisfied with the credit worthiness of these clients. In respect of the sales of recycled toner cartridges of HK\$5.6 million, the transactions were carried out in usual course of business and the Directors consider that there would not be any material recoverability issue relating to the outstanding balances of these transactions.

The Directors consider that proper books, records and documents such as purchase orders, sales invoices, delivery notes and receipts, shipping documents, and banking documents have been maintained by the Group to account for these transactions. The internal control system review to be performed by the independent professional advisor as mentioned in (a) above will also cover this business segment of the Group.

審核意見 (續)

(b) 向若干客戶銷售媒體產品及循環再造碳粉匣

本集團截至二零零八年十二月三十一日止年度的營業額分別錄得向若干客戶銷售磁碟約24,400,000港元的銷售額及向若干客戶銷售循環再造碳粉匣約5,600,000港元的銷售額。本集團現時為全球唯一生產磁碟的主要原設備製造生產商。儘管數碼儲存媒體市場發展一日千里，惟中國客戶基於供應有限仍對本集團的磁碟有所需求。截至二零零八年十二月三十一日止年度，本集團錄得向多名中國客戶銷售磁碟約24,400,000港元的銷售額。由於該等客戶為小型內資公司或個體，故一般付款需時，而部分採購會以現金結付。於二零零八年十二月三十一日，該等客戶的未結付結餘約為28,400,000港元。本集團於二零零八年十二月三十一日後仍繼續自該等客戶收取款項，並對該等客戶的信貸表現感到滿意。就循環再造碳粉匣約5,600,000港元的銷售額而言，交易乃按日常業務過程進行，董事認為有關該等交易的未償付結餘不會出現重大收回問題。

董事亦認為本集團已存有妥善賬冊、記錄及文件如訂單、銷售發票、交付單據及收據、付運文件及銀行文件，以為有關交易記錄。將由上文(a)段所述獨立專業顧問進行的內部監控系統審閱亦將涵蓋本集團的這一個業務分類。

AUDIT OPINION (continued)

(c) Acquisition of technical know-how and distribution channels

To maintain its competitive edge, the Group continues to strive for technological advancement in its production process and expanding its distribution network and client base. During the year under review, the Group has negotiated with two companies which possessed certain technical know-how that could enhance the efficiency of the production process, and another company which possessed a sizeable client base. The Group successfully entered into three agreements to acquire the technical know-how for a total consideration of HK\$26.0 million and the distribution channel for a consideration of HK\$15.8 million from these companies in the second half of 2008. In order to preserve cash position, the Group had negotiated the payment terms with them and the total consideration was settled in installments by off-setting against the trade receivables arising from sale of electronic wastes and imaging products and recycled products by the Group to their respective related companies.

The Directors believe the acquisition of the above technical know-how would greatly enhance the efficiency of the production process of computer printing and imaging products and lead to improved product quality as well as significant cost savings. The economic benefits from the acquisition of the technical know-how have been reflected in a substantial decrease in the total purchases of raw materials and increased revenue in the second half of the year. The technical know-how suppliers will continuously provide technical support and training to the Group by sending well-trained and experienced engineers and technicians to the Group's factory. The Directors also believe that the acquisition of the distribution channel would not only enable the Group to expand its customer base but also result in savings in commission expenses which would otherwise be payable to the distribution channel providers.

審核意見 (續)

(c) 收購技術知識及分銷渠道

為保持競爭優勢，本集團不斷力求生產過程的技術改進，並擴充其分銷網絡及客戶基礎。於回顧年內，本集團與兩間具備可提升生產過程效益的若干專門技術知識的公司以及一間擁有龐大客戶基礎的公司磋商。於二零零八年下半年，本集團成功訂立三份協議，以向該等公司收購技術知識（總代價為26,000,000港元）及分銷渠道（代價為15,800,000港元）。為保留較充足現金，本集團已與彼等商討付款條款，總代價會分期透過抵銷本集團向彼等各自之關連公司銷售電子廢料及影像產品以及循環再造產品產生的貿易應收賬款而結付。

董事認為收購上述技術知識將大大提高電腦打印及影像產品生產過程的效益，並可改善產品質素及節省大量成本。收購技術知識的經濟得益已於本年度下半年藉著大幅減少原材料採購總額及收益上升而反映出來。技術知識供應商將繼續藉委派受培訓及富經驗的可靠工程師及技術人員到本集團的廠房而向本集團提供技術支援及培訓。董事亦認為，收購分銷渠道不但有助本集團擴展其客戶基礎，亦可節省原應支付予分銷渠道供應商的佣金開支。

AUDIT OPINION *(continued)*

(c) Acquisition of technical know-how and distribution channels *(continued)*

The Company has engaged a technical adviser who has opined that the technical know-how that the Group acquired is a valuable know-how for the Group's production. In addition, the Group had engaged an independent professional valuer to perform valuations of the technical know-how and distribution channels based on the expected cost savings to be generated. The values of the technical know-how and distribution channels as at 31 December 2008 as appraised by the independent professional valuer were HK\$51.8 million and HK\$17.7 million respectively, but the said values have not been reflected in the financial statements of the Group for the year under review.

(d) Acquisition and prepayment of certain fixed assets

Apart from acquiring the technical know-how, the Group had also purchased machinery from one of the technical know-how suppliers. As this supplier fully understands the technical requirements of the Group's production process as well as various conditions as imposed by the environmental protection bodies of the PRC government, the Directors considered that this supplier is in a position to source the appropriate machinery for the Group. In addition, the machinery supplier also provides advices on measures to improve the treatment and disposal of solid wastes generated from the Group's production process which is subject to stringent requirements from the regulatory bodies of environmental protection in the PRC. The machinery has been installed at the Group's production facilities at Shenzhen and Zhuhai and can be clearly identified. The terms of the purchase including the price and payment terms were negotiated on an after arm's length basis taking into account the valued-added services provided by the machinery supplier, and subsequent leasing arrangement with independent financial institutions who verified the existence and valuation of the machinery.

審核意見 *(續)*

(c) 收購技術知識及分銷渠道 *(續)*

本公司已委聘用一名技術顧問，該名顧問認為，本集團所收購的技術知識對本集團之生產而言十分寶貴。此外，本集團已委聘獨立專業估值師按預期將節省之成本為基準，對技術知識及分銷渠道進行估值。按獨立專業估值師評估，技術知識及分銷渠道於二零零八年十二月三十一日的公平價值分別為51,800,000港元及17,700,000港元。然而，有關價值並未反映在回顧年度的本集團財務報表內。

(d) 收購部分固定資產及有關預付款項

本集團除了獲取專門技術知識外，亦向一家專門技術知識供應商購入機器。由於該名供應商完全了解本集團生產流程的技術要求及中國政府環保事務部門所施加的各種條件，董事認為此名供應商能夠為本集團採購合適之機器。另外，中國環保監管部門對本集團生產過程中產生的固體廢物的處理及處置的規定十分嚴格，而該名機器供應商就有關改善的方法提供建議。機器已安裝於本集團位於深圳及珠海的生產廠房，並能明確識別。購買機器的條款（包括價格及付款細則）按公平原則磋商，並已考慮機器供應商提供的增值服務，以及與核實機器存在及其估值的獨立財務機構訂立的隨後租用安排。

AUDIT OPINION *(continued)*

(e) Internal costing system for inventory

The Group has maintained a computerised inventory management system and applied weighted average costing approach consistently for its inventory valuation for over three years. The management of the Group has been satisfied with the system and no material deficiency has been identified in the past. Due to the volatility in the prices of raw materials and components during the year under review, certain discrepancies in inventory costing system were noted during the course of audit. The Company has subsequently adjusted the valuation of the inventories based on weighted average purchase costs. The Company has engaged an independent professional advisor to perform an agreed-upon due diligence procedures at the costing of the inventory under the current system and the results of such procedures have been found satisfactory in all material aspects.

(f) Subsequent events

The Directors consider that adequate disclosures have been made herein in respect of any significant transactions or events which occurred following 31 December 2008 to the date of this Annual Report.

審核意見 *(續)*

(e) 存貨的內部成本計算系統

本集團設立一個電腦化存貨管理系統，並貫徹地應用加權平均成本計算法就存貨進行估值逾三年。過往，本集團管理層滿意系統的表現，亦無察覺其存有任何重大漏洞。由於回顧年度內原材料及元件價格大幅波動，在審核過程中發現存貨成本系統有若干歧異之處。本公司隨後已根據加權平均購買成本調整存貨的估值。本公司已委聘一名獨立專業顧問對現有系統下的存貨成本計算進行協定之盡職審查程序，而有關工作之結果在各重大方面均屬滿意。

(f) 結算日後事項

董事認為已於本文就二零零八年十二月三十一日後至本年報日期發生的任何重大交易或事件作出足夠披露。

AUDIT OPINION (continued)

(g) Going concern

As at 31 December 2008, the Group has outstanding bank loans, bonds and finance lease obligations of approximately HK\$287 million. On the basis of the balance of total equity of the Group as at 31 December 2008 as shown in the consolidated balance sheet above, and according to the terms of a bank loan (with outstanding balance of approximately HK\$14 million as at 31 December 2008 and also the date of this Annual Report) and a bond (with outstanding balance of approximately HK\$31 million as at 31 December 2008 and also the date of this Annual Report), the Group has breached certain covenants in relation to the gearing ratio of the Group. The holder of the bond has confirmed to the Company that despite the breach of covenants, currently it will not request repayment of the bonds. In addition, on 21 May 2009, the Company has entered into a placing agreement under which net proceeds of approximately HK\$21 million will be raised following completion of the placing. Please refer to the separate announcement of the Company dated 22 May 2009 for details of the placing. The Company has also negotiated with an independent third party who intends to provide a working capital loan facility of up to US\$10,000,000. As at the date of this Annual Report, the Group's total bank and other borrowings plus finance lease obligations were HK\$111 million, a substantial decrease of HK\$86 million since 31 December 2008. The net current assets of the Group as at 31 December 2008 were approximately HK\$67.62 million. The Directors are satisfied that taking into account the facilities currently available to the Group and the confirmations and the possible financial support as mentioned above, the Group has sufficient working capital to meet its requirements for the coming year, barring unforeseen circumstances.

審核意見 (續)

(g) 持續經營

於二零零八年十二月三十一日，本集團的未償還銀行貸款、債券及融資性租賃負債約有287,000,000港元。按上文綜合資產負債表所示本集團於二零零八年十二月三十一日之權益總額之結餘之基準，及根據一項銀行貸款（於二零零八年十二月三十一日及本年報日期的未償還餘額約為14,000,000港元）及一份債券（於二零零八年十二月三十一日及本年報日期的未贖回餘額約為31,000,000港元）的條款，本集團已違反若干與本集團的資本負債比率有關的契約。債券持有人已向本公司確認，儘管違反有關契約，現時其不會要求償還該等債券。另外，於二零零九年五月二十一日，本公司已訂立配售協議，據此，於配售完成後將籌集所得款項淨額約21,000,000港元。有關是項配售的詳情，請參閱本公司於二零零九年五月二十二日另外獨立刊發的公佈。本公司亦與一位獨立第三方磋商，彼有意提供最多10,000,000美元營運資金備用貸款。於本年報日期，本集團的銀行及其他借貸總額加上融資性租賃負債達111,000,000港元。自二零零八年十二月三十一日以來，負債顯著減少了86,000,000港元。本集團於二零零八年十二月三十一日的流動資產淨值約為67,620,000港元。董事信納在並無發生不可預見的狀況下，計及本集團目前可供動用的備用信貸額以及上述的確認書及可能獲取的財務支援，本集團具備充足營運資金應付未來一年的需要。

OUTLOOK AND PROSPECTS

Although the financial crisis is expected to continue to affect the world economy, the Group believes global demand for recycled digital imaging products will experience a double-digit growth in early year of 2009, driven by the growing amount of activities on the Internet and an increasing awareness of environmental protection. Expecting more outsourcing of production to occur and OEM contract customers to increase, the Group is optimistic towards the growth of the recycled products industry. The increasing demand for recycled toner cartridges is expected to fuel a sustainable growth of the Group's business. The Group has seen encouraging growth of the business in the first quarter of 2009 and the amount of sales orders even doubled that of the same period in last year. The Group becomes the major and significant player in the recycled toner cartridges industry in Asia where as the other players are usually based in US and Mexico.

The Group will strive to expand its distribution networks in the US, Europe and Asia Pacific as well as extend business coverage geographically. It has entered markets such as India and Sri Lanka this year and will continue to explore new markets in China, Eastern Europe and South Africa in the near future. These markets will not only give the Group a wider customer base and new revenue streams, but can also allow it to improve the inventory turnover for lower end products which are of greater demand in these markets.

More models of recycled toner cartridges, in particular colour products of higher profit margin, will be developed to widen the product mix of the Group. Efforts will also be made to increase production capacity and efficiency. Furthermore, the Group will continue to enhance R&D, staff training and environmental protection facilities, with the aim to strengthening the Group's overall competence. It will adopt prudent expansion strategies based on careful sales projections while maintaining healthy cashflow.

前瞻及展望

儘管預料金融危機將持續影響環球經濟，但由於互聯網活動越趨頻繁及普遍環保意識提升，本集團相信，於二零零九年初，全球市場對循環再造數碼影像產品的需求將達到雙位數增長。集團並預期環保產品的外判工序及原設備製造的合約客戶數目將會增加，因而看好環保產品業務的發展前景，循環再造碳粉匣業務的需求增長料將帶動集團業務的可持續增長。集團業務於二零零九年首季錄得顯著升幅，訂單數字較去年同期有雙倍增長，成績令人鼓舞。在其他同業多數以美國和墨西哥為根據地，本集團已成為亞洲區循環再造碳粉匣行業的主要重量級企業。

本集團將積極在歐美及亞太區市場拓展分銷網絡，並擴大業務的地理覆蓋範圍。除已於年內進軍印度及斯里蘭卡市場，集團亦將於短期內繼續在中國、東歐及南非等地發展新市場。由於這些市場對等級較低或型號較舊的碳粉匣有較大需求，此舉不單可拓闊集團的客源及加添新收入來源，更可藉此改善該等產品的存貨周轉量。

本集團將開發更多型號的循環再造碳粉匣，尤其是邊際利潤較高的彩色碳粉匣，以加強集團的產品組合。集團並將致力提高產能及生產效益。另外，為鞏固整體競爭力，集團會繼續加強研發工作及員工培訓，以及提升環保設施。集團在保持穩健的現金流量之餘，亦會因應仔細嚴謹的銷售數據預測而審慎地擴展業務。

OUTLOOK AND PROSPECTS *(continued)*

For computer media production, the Group has taken immediate measures to downsize the operation scale and control cost to mitigate the impact of the financial crisis. The Group will adopt a prudent approach in managing the computer media production business.

Unlike most businesses which have been adversely affected by the financial crisis, the Group has been presented with valuable opportunities to expand its recycled toner cartridge business. The poor economic conditions in many regions have actually helped the Group to lower production and distribution costs. With cost savings, the Group was able to boost production capacity. The economic slowdown which caused the close down of many production plants in the Pearl River Delta has increased labour supply in the region where the Group's production base is located. This phenomenon has resulted in wage level coming down to a more reasonable level, thus giving the Group greater flexibility in capturing business opportunities ahead. The Group will seek to build long-term relationship with reputable corporations that can allow it to derive significant and stable revenues and generate strong returns to shareholders.

FINANCIAL REVIEW

Capital and Debt Structure

As at 31 December 2008, the Group's total net assets was approximately HK\$178 million (31 December 2007: HK\$337 million), representing approximately HK\$159 million decrease compared with that of previous year, mainly due to the net loss for the year.

前瞻及展望 *(續)*

於電腦媒體產品業務方面，本集團已即時採取措施縮減規模及控制成本，以緩和金融危機對業務的影響。同時，集團將加倍審慎地發展電腦媒體產品分銷業務。

金融風暴對大部分行業構成了不利影響，但本集團的業務卻能獨善其身，並藉機擴展循環再造碳粉匣業務。多個地區的經濟疲弱更有助集團降低生產及分銷成本，而節省的成本則可用於提高產能。同時，經濟放緩導致珠江三角洲多家工廠關閉，故當地勞工供應變得充裕，工資水平亦因此降至較合理的水平，這令到集團設於當地的生產基地得以受惠，並能夠以更靈活的方式抓緊日後的商機。本集團將尋求與知名企業建立長遠的合作關係，以賺取穩定而可觀的收入，以及為股東謀求理想回報。

財務回顧

資本及債務架構

於二零零八年十二月三十一日，本集團之資產淨值總額約為178,000,000港元（二零零七年十二月三十一日：337,000,000港元），較去年減少約159,000,000港元，主要由於年內之虧損淨額所致。

FINANCIAL REVIEW (continued)

Capital and Debt Structure (continued)

As at 31 December 2008, the Group's total bank and other borrowings plus finance lease obligations decreased by HK\$8 million to HK\$197 million (31 December 2007: HK\$205 million), of which HK\$167 million was payable within one year and HK\$30 million was payable after one year. The majority of the Group's borrowings were import and export loans and term loans that amounted to HK\$98 million and HK\$62 million respectively (2007: HK\$93 million and HK\$84 million respectively). Term loans were substantially decreased by HK\$22 million. Most of the Group's borrowings are denominated in Hong Kong dollars and subject to floating interest rates. Hence the risk of currency exposure was minimal. The Group's total cash and bank balances included bank deposits pledged amounted to approximately HK\$23 million (31 December 2007: approximately HK\$39 million), representing a decrease of approximately HK\$16 million.

The Group's net debt to equity ratio was kept at 1.7 (31 December 2007: 0.8), which is determined by total bank and other borrowings, notes payable and obligation under finance leases over total net assets.

Working Capital and Liquidity

As at 31 December 2008, the Group's current ratio and quick ratio were 1.2 and 0.6 respectively (2007: 2.2 and 1.3). Inventory turnover on sales increased to 179 days (31 December 2007: 171 days) primarily due to the expansion of remanufactured toner business which raised the required inventory level for production especially for the inventories in its distribution channels to provide quick delivery service to some large OEM customers in US. Receivable turnover decreased to 144 days (31 December 2007: 171 days).

財務回顧 (續)

資本及債務架構 (續)

於二零零八年十二月三十一日，本集團之銀行借貸及其他借貸總額加融資租約承擔減少8,000,000港元至197,000,000港元（二零零七年十二月三十一日：205,000,000港元），其中167,000,000港元須於一年內償還，而30,000,000港元須於一年後償還。本集團大部分借貸為進出口貸款及有期貨款，分別達98,000,000港元及62,000,000港元（二零零七年：分別為93,000,000港元及84,000,000港元）。有期貨款大幅減少22,000,000港元。本集團大部分借貸均以港元計值，並按照浮動息率計息。因此，本集團之匯兌風險較低。本集團之現金及銀行結存總額包括已抵押銀行存款約23,000,000港元（二零零七年十二月三十一日：約39,000,000港元），減少約16,000,000港元。

本集團之債務淨額與股權比率維持於1.7（二零零七年十二月三十一日：0.8），乃以銀行及其他借貸、應付票據以及融資性租賃負債總額，除以資產淨值總額計算。

營運資金及流動資金

於二零零八年十二月三十一日，本集團之流動比率及速動比率分別為1.2及0.6（二零零七年：2.2及1.3）。存貨銷售周轉期增加至179日（二零零七年十二月三十一日：171日），主要由於本集團於期內擴充再造碳粉匣業務，因此需增加年內存貨水平以供生產，當中尤其為須於分銷渠道存貨以向美國一些大型原設備製造顧客提供迅速的交貨服務。應收賬款周轉期減少至144日（二零零七年十二月三十一日：171日）。

FINANCIAL REVIEW (continued)

Contingent Liabilities and Charges on the Group's Assets

The Group had pledged its assets with an aggregate net book value of HK\$44 million (2007: HK\$41 million) to secure bank loans granted and finance lease obligations.

Issuance of Secured Bonds and Warrants

On 10 October 2008, the Company issued, and Martin Currie China Hedge Fund L.P. (the "Subscriber"), the Company's substantial shareholder, subscribed for guaranteed bonds (the "Guaranteed Bonds") in the aggregate principal amount of HK\$31.2 million. The Guaranteed Bonds were guaranteed by Sun Union Enterprises Limited, the Company's substantial shareholder, carried interest at 15% per annum and repayable on 27 June 2010.

On 27 June 2007, the Company issued, and the Subscriber subscribed for secured bonds (the "Secured Bonds") in the aggregate principal amount of HK\$78 million. The Secured Bonds were secured, carried interest at 10% per annum and repayable three years after the date of issue of the Secured Bonds. On the same date, the Company issued, by way of bonus, to the Subscriber of unlisted warrants (the "Warrants") of the Company conferring rights entitling the holders to subscribe for up to HK\$31.2 million in aggregate in cash for 56,317,689 new shares of HK\$0.10 each of the Company at an initial subscription price of HK\$0.554 per share, subject to adjustment. The Warrants are exercisable within a period from 28 December 2007 to 27 June 2010.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2008, the number of employees of the Group was approximately 960. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account the current industry practices. Remuneration package of employees includes salaries, insurance and medical cover, mandatory provident fund and share option scheme. Other employee benefits include educational allowance and discretionary bonuses.

財務回顧 (續)

或然負債及本集團資產抵押

本集團已抵押其總賬面淨值44,000,000港元(二零零七年: 41,000,000港元)之資產作為銀行貸款及融資租約承擔之抵押。

發行有抵押債券及認股權證

於二零零八年十月十日,本公司已發行而本公司主要股東Martin Currie China Hedge Fund L.P. (「認購人」)已認購本金總額為31,200,000港元之已擔保債券(「已擔保債券」)。已擔保債券由本公司主要股東Sun Union Enterprises Limited擔保,按年息率15厘計息,並須於二零一零年六月二十七日償還。

於二零零七年六月二十七日,本公司已發行而認購人已認購本金總額為78,000,000港元之有抵押債券(「有抵押債券」)。有抵押債券為有抵押,按年息率10厘計息,並須於有抵押債券發行日期後三年償還。同日,本公司以紅利形式向認購人發行本公司非上市認股權證(「認股權證」),賦予持有人權利以現金認購56,317,689股每股面值0.10港元之本公司新股,最高認購金額總計為31,200,000港元,初步認購價為每股0.554港元,並可作調整。認股權證可於二零零七年十二月二十八日至二零一零年六月二十七日期間行使。

僱員及薪酬政策

於二零零八年十二月三十一日,本集團僱員人數共約960人。本集團給予僱員之薪酬主要按表現及經驗而定,並參考行內目前之做法。僱員薪酬包括薪金、保險及醫療、強制性公積金及購股權計劃。其他僱員福利包括教育津貼及酌情花紅。

Chairman's Statement 主席報告書

POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, a total of 50,000,000 new shares were issued on 24 February 2009 and the Company received the net proceeds of approximately HK\$13,800,000.

Subsequent to the balance sheet date, a wholly-owned subsidiary of the Company (the "Issuer") issued and The China Fund, Inc. subscribed for convertible bonds (the "Convertible Bonds") in the aggregate principal amount of HK\$177 million. The Convertible Bonds were secured, carried interest at 12% per annum and repayable three years after the issue date of the Convertible Bonds. Pursuant to the terms and conditions of the subscription agreement, the Convertible Bonds are convertible into the Issuer's shares representing 30% of its enlarged issued share capital. Given that the terms of the Convertible Bonds limit the maximum number of the Issuer Shares to be issued to not more than 49% of the Issuer's enlarged issued share capital.

Subsequent to the balance sheet date, pursuant to the terms of the subscription agreement of the Convertible Bonds, the Secured Notes of HK\$78 million were fully re-purchased and their accrued interest were fully repaid upon closing.

On 21 May 2009, the Company entered into an agreement with an independent party in relation to the subscription at a price of HK\$0.195 per subscription share of 109,000,000 new shares to be allotted and issued.

By Order of the Board

Ho Yin King, Helena
Chairman

Hong Kong, 22 May 2009

結算日後事項

於結算日後，合共50,000,000股新股份於二零零九年二月二十四日獲發行，而本公司已收取所得款項淨額約13,800,000港元。

於結算日後，本公司一家全資附屬公司（「發行人」）已發行而The China Fund, Inc.已認購本金總額為177,000,000港元之可換股債券（「可換股債券」）。可換股債券為有抵押，按年息率12厘計息及須於可換股債券發行日期後三年償還。根據認購協議之條款及條件，可換股債券可轉換為發行人股份，佔其經擴大已發行股本30%；惟可換股債券之條款限制將予發行之發行人股份最高數目不得超過發行人之經擴大已發行股本49%。

於結算日後，根據可換股債券認購協議之條款，於完成後，78,000,000港元的有抵押票據已獲悉數購回，而其應計利息已獲悉數償還。

於二零零九年五月二十一日，本公司與獨立第三方訂立協議，內容有關按0.195港元之認購價認購109,000,000股將予配發及發行之新股。

承董事會命

主席
何燕琮

香港，二零零九年五月二十二日

Profile of Directors and Senior Management 董事及高級管理人員簡介

DIRECTORS

Executive directors

Ms. HO Yin King, Helena, aged 51, is a co-founder of the Group and the Chairman and Managing Director of the Company, and is responsible for the Group's strategic planning. Ms. Ho graduated from the University of Toronto, Canada, with a Bachelor Degree in Commerce in 1981. She had two years' experience in financial analysis and foreign exchange dealing prior to the establishment of the Group in 1983. Ms. Ho was elected the Winner of Young Industrialist Awards of Hong Kong 1993 by the Federation of Hong Kong Industries. She is the sister of Mr. Ho Fai Keung, Jacky and the sister-in-law of Ms. Lo Suk King.

Mr. HO Fai Keung, Jacky, aged 46, is a co-founder of the Group and the Deputy Chairman of the Company. He is responsible for marketing of the Group's products. Mr. Ho is the brother of Ms. Ho Yin King, Helena and the husband of Ms. Lo Suk King.

Mr. CHEUNG Sze Ming, aged 40, is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Fellow Member of the Association of Chartered Certified Accountants and holds a Bachelor Degree in Accountancy from the Hong Kong Polytechnic University. He joined the Group in 2001 and is currently the Finance Director of the Group responsible for overall financial control and treasury function over the Group. Mr. Cheung has over 16 years' working experience in international audit firm and listed companies.

Ms. LO Suk King, aged 46, joined the Group in 1990 and has been a director of Jackin Video Cassette Co. Limited since 1994 and Feitian Magnetic Information-Technology (Shenzhen) Co., Ltd. since 2004 respectively, both being wholly owned subsidiaries of the Company. Ms. Lo is responsible for the overall control and business management of the two subsidiaries. She is the spouse of Mr. Ho Fai Keung, Jacky, and the sister-in-law of Ms. Ho Yin King, Helena.

董事

執行董事

何燕琮女士，五十一歲，為本集團聯合創辦人及本公司主席兼董事總經理，負責本集團之策略規劃。何女士於一九八一年畢業於加拿大多倫多大學，持有商業學士學位。彼於一九八三年建立本集團之前，曾在財務分析及外匯買賣方面具備兩年經驗，何女士於一九九三年獲香港工業總會香港青年工業家獎。彼為何輝強先生之胞姊，亦為盧淑琮女士之大姑。

何輝強先生，四十六歲，為本集團聯合創辦人及本公司副主席。彼負責本集團產品之市場推廣。何先生為何燕琮女士之胞弟，亦為盧淑琮女士之丈夫。

張詩敏先生，四十歲，為香港會計師公會會計師及英國特許公認會計師公會資深會員，持有香港理工大學會計學學士學位。彼於二零零一年加盟本集團，現為本集團之財務董事，專責處理集團之整體財務監控及庫務職能工作。張先生於國際核數師事務所及上市公司擁有十六年工作經驗。

盧淑琮女士，四十六歲，於一九九零年加盟本集團，自一九九四年起一直擔任輝聲影帶有限公司之董事，自二零零四年起一直擔任輝電磁訊(深圳)有限公司之董事。上述兩間公司均為本公司全資附屬公司。盧女士負責該兩間附屬公司之整體監控及業務管理工作。盧女士為何輝強先生之配偶，亦為何燕琮女士之弟婦。

Profile of Directors and Senior Management 董事及高級管理人員簡介

DIRECTORS (continued)

Independent non-executive directors

Dr. LI Sau Hung, Eddy, aged 54, has over 20 years' experience in the manufacturing industry. He is a member of the National Committee of The Chinese People's Political Consultative Conference and the president of Hong Kong Economic & Trade Association Ltd. He holds a Master Degree in Business Administration and a PhD Degree in economics. He was elected one of the Ten Outstanding Young Persons in Hong Kong in 1991 and the Winner of Young Industrialist Awards of Hong Kong 1993. Dr. Li is currently an independent non-executive director of Midas International Holdings Limited, Oriental Watch Holdings Limited and Man Yue International Holdings Limited, all of which companies are listed on the Stock Exchange.

Mr. LEUNG Ka Kui, Johnny, aged 52, Bachelor of Laws of the University of London, is a qualified solicitor in Hong Kong, England & Wales and Singapore, and is a Notary Public and China Appointed Attesting Officer. He has over 22 years of experience in legal field and is the senior partner of Messrs. Johnny K.K. Leung & Co., Solicitors & Notaries.

Mr. CHAN Kam Kwan, Jason, aged 35, holds a Bachelor Degree in Commerce from University of British Columbia, Canada and is a member of the American Institute of Certified Public Accountants. Mr. Chan has over 10 years' experience in accounting and corporate finance. He has been working in a big-4 multinational audit firm and served a numbers of listed corporation. Mr. Chan is currently an executive director and the company secretary of China WindPower Group Limited and Wah Nam International Holdings Limited. He is also the Company Secretary of DVN (Holdings) Limited and MAE Holdings Limited. All the four companies are listed on the Stock Exchange.

董事 (續)

獨立非執行董事

李秀恆博士，五十四歲，於製造業方面積逾二十年經驗。彼為中國人民政治協商會議全國委員及香港經貿商會會長。彼持有工商管理碩士及經濟學博士學位。彼於一九九一年獲選為香港十大傑出青年及為一九九三年香港青年工業家獎得主。李博士現為勤達集團國際有限公司、東方表行集團有限公司及萬裕國際集團有限公司之獨立非執行董事，該等公司全部於聯交所上市。

梁家駒先生，五十二歲，持有英國倫敦大學法律學士學位，為香港、英國及星加坡之註冊律師，亦為國際公證人及中國司法部委任公證律師。彼為梁家駒律師行之高級合夥人，具有逾二十二年法律事務經驗。

陳錦坤先生，三十五歲，持有英屬哥倫比亞大學商業學士學位及美國公認會計師公會會員。陳先生在會計事務及公司財務方面擁有逾十年經驗，曾於四大跨國核數師樓及多間上市公司工作，並一直任職於多家上市公司。陳先生現為中國風電集團有限公司及華南投資控股有限公司之執行董事兼公司秘書。陳先生亦為天地數碼（控股）有限公司及建美集團有限公司之公司秘書。上述四家公司全部均於聯交所上市。

Profile of Directors and Senior Management 董事及高級管理人員簡介

SENIOR MANAGEMENT

Mr. DUVA Mark Edward, aged 37, is the Vice President of Afex International (HK) Limited. He is responsible for oversight the distribution centre of Jackin U.S.A. Inc. and manages the North American operation of Afex International (HK) Limited and Jackin U.S.A. Inc., both being wholly owned subsidiaries of the Company. He graduated from Tempe Arizona College of Business, Arizona State University. Mr. Duva has over 12 years' experience in remanufacture industry. He joined the Group in 2005.

Mr. WONG Yiu Kay, aged 54, is the Plant Manager of the floppy disks manufacturing operation and a toner cartridge remanufacturing factory in PRC. He is responsible for overall production operation in the PRC factories. He graduated from the University of East Asia, Macau and has over 27 years' experience in the industry. Mr. Wong joined the Group in 1995.

Mr. NATAL Joe Luis, aged 39, is the Senior Technical Engineer for US sales and remanufacturing in PRC. He is responsible to work closely with industry suppliers to design new remanufacturing processes and components. He is highly respected and well known across the US toner remanufacturing industry. He has over 18 years' experience and has worked for 7 different remanufacturing companies. He has extensive experience in all aspects of the business including product development, quality control, manufacturing and material procurement.

高級管理人員

DUVA Mark Edward先生，三十七歲，為榮輝國際（香港）有限公司副總裁。彼負責監督Jackin U.S.A. Inc.之分銷中心，並管理榮輝國際（香港）有限公司及Jackin U.S.A. Inc.北美業務，而上述兩家公司均為本公司之全資附屬公司。彼畢業於亞利桑那州立大學Tempe Arizona商學院。Duva先生於再造業積逾十二年經驗，於二零零五年加盟本集團。

黃耀基先生，五十四歲，為中國專門生產磁碟及其一環保再造碳粉匣廠之廠房經理，專責本集團於中國工廠整體生產業務。彼畢業於澳門東亞大學，在生產業界擁有逾二十七年經驗。黃先生於一九九五年加盟本集團。

NATAL Joe Luis先生，三十九歲，為美國銷售及中國再造業務高級技術工程師。彼負責與行業供應商緊密合作，以設計新的再造工序及配件。彼於美國碳粉再造業聲望及知名度甚高。彼積逾十八年經驗，並曾任職於七間再造公司。彼於業務之各個方面包括產品開發、品質監控、製造及物料採購均具豐富之經驗。

Profile of Directors and Senior Management 董事及高級管理人員簡介

SENIOR MANAGEMENT *(continued)*

Mr. YIP Chun On, aged 34, is the Financial Controller of the Group. He is responsible for financial control, taxation and coordination with Company Secretary to oversee the company secretarial matters of the Group. Mr. Yip is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Fellow Member of the Association of Chartered Certified Accountants. He holds a Bachelor Degree in Accountancy from the Hong Kong Polytechnic University. He joined the Group in 2005 and has over 10 years' experience in international audit firm, merchant bank and listed company.

Mr. WONG Yick Chuen, Danny, aged 41, is the Assistant General Manager of the Group. He is responsible for the marketing of the data media products. Mr. Wong graduated from the University of Toronto, Canada, with a Bachelor Degree in Science in 1993. He joined the Group in 1994.

高級管理人員 (續)

葉俊安先生，三十四歲，為本集團財務總監。彼負責本集團之整體財務監控及稅務工作，並與公司秘書合作監督集團之公司秘書事務。葉先生為香港會計師公會會計師及英國特許公認會計師公會資深會員。彼持有香港理工大學會計學學士學位。彼二零零五年加盟本集團，於國際核數師事務所、商人銀行及上市公司擁有超過十年工作經驗。

黃奕俊先生，四十一歲，為本集團助理總經理。彼負責數據媒體產品之市場推廣。黃先生於一九九三年在加拿大多倫多大學畢業，取得科學學士學位。彼於一九九四年加盟本集團。

Corporate Governance Report

企業管治報告

In the opinion of the board of directors of the Company (the “Board”), the Company has complied with the Code of Corporate Governance Practices (the “Code”) set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2008 except for certain deviations disclosed herein.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the year.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Group and oversees the Group’s businesses, strategic decisions and performance. The Board has delegated the day-to-day responsibility to the Executive Directors and senior management who perform their duties under the leadership of the Managing Director.

As at 22 May 2009, the Board comprised four Executive Directors and three Independent Non-executive Directors.

本公司董事會（「董事會」）認為，於截至二零零八年十二月三十一日止年度，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「守則」）所列之條文，惟本文所披露之若干偏離除外。

董事之證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」），作為其董事進行有關證券交易之行為守則。經向全體董事作出特定查詢後，所有董事已確認彼等於年內一直遵守標準守則所載之規定。

董事會

董事會負責領導和管理本集團並監督本集團之業務、決策及表現。董事會已將日常責任授權給執行董事及高級管理人員，而彼等於董事總經理領導下履行職責。

於二零零九年五月二十二日，董事會由四名執行董事及三名獨立非執行董事組成。

BOARD OF DIRECTORS *(continued)*

During the year, the Board held four regular meetings. The Company Secretary assists the Chairman and the Executive Directors in establishing the meeting agenda, and each Director may request inclusion of items in the agenda. All such meetings were convened in accordance with the Bye-laws of the Company. Adequate and appropriate information are circulated normally three days in advance of board meetings to the Directors. The members of the Board and the attendance of each member are as follows:

Directors and number of attendance

Executive directors	執行董事	Attendance 出席率
Ms. Ho Yin King, Helena <i>(Chairman and Managing Director)</i>	何燕琼女士 (主席兼董事總經理)	4/4
Mr. Ho Fai Keung, Jacky <i>(Deputy Chairman)</i>	何輝強先生 (副主席)	4/4
Mr. Cheung Sze Ming	張詩敏先生	4/4
Ms. Lo Suk King	盧淑琼女士	3/4
Independent non-executive directors	獨立非執行董事	
Dr. Li Sau Hung, Eddy	李秀恆博士	3/4
Mr. Leung Ka Kui, Johnny	梁家駒先生	4/4
Mr. Chan Kam Kwan, Jason	陳錦坤先生	4/4

The Company has received annual confirmations of independence from Dr. Li Sau Hung, Eddy, Mr. Leung Ka Kui, Johnny and Mr. Chan Kam Kwan, Jason and the Company considers them to be independent.

Given the nature and business objective of the Company, the Board has a balance of skill and experience appropriate for the requirements of the business of the Company. The list of Directors and their respective biographies are set out on pages 21 to 22 of this Annual Report respectively.

董事會 (續)

於年內，董事會舉行了四次常規會議，公司秘書協助主席編製會議議程，各董事可要求於議程中加入其他項目。所有該等會議均根據本公司細則召開，一般在董事會會議舉行前三天會向董事傳閱充足及適用資料。董事會成員及各董事之出席情況如下：

董事及出席次數

本公司已收到李秀恆博士、梁家駒先生及陳錦坤先生之本年度獨立性確認函，而本公司亦認同彼等之獨立地位。

董事會已根據本公司性質及業務目標，維持適合本公司業務需要之均衡技能及經驗。現任董事名單及彼等各自的簡歷分別載於本年報第21至第22頁。

CHAIRMAN AND MANAGING DIRECTOR

Ms. Ho Yin King, Helena is the Chairman and the Managing Director of the Company. In the opinion of the Board, the roles of the managing director and the chief executive officer are the same. Although under A.2.1 of the Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual, the Company considers that the extensive experience and marketing network established by Ms. Ho is critical for the business and future development of the Company. Hence, the Company believes that it is in the best interest of its shareholders that Ms. Ho Yin King, Helena will continue to assume the roles of the Chairman of the Board and the Managing Director of the Company. However, the Company will review the current structure as and when it becomes appropriate in the future.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Under A.4.1 of the Code, the non-executive directors should be appointed for a specific term, subject to re-election.

Currently, the three Independent Non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company, and their appointment will be reviewed when they are due for re-election.

REMUNERATION COMMITTEE

The Remuneration Committee was established with a specific written terms of reference.

The Remuneration Committee is responsible for making recommendations to the Board on, among other things, the Company's policy and structure for the remuneration of all Directors and senior management of the Company and is delegated by the Board with the responsibility to determine on behalf of the Board the specific remuneration packages for all Executive Directors and senior management of the Company.

主席及董事總經理

何燕琼女士為本公司主席及董事總經理。董事會認為，董事總經理與行政總裁之角色相同。雖然根據守則第A.2.1條之規定，主席及行政總裁之角色應各自獨立，並不應由同一人士擔任，然而，本公司認為何燕琼女士累積的豐富經驗和建立的市場網路對本公司的業務和未來發展十分重要。因此，本公司相信何燕琼女士繼續擔任本公司董事會主席和董事總經理職務符合股東最佳利益。然而，本公司於未來適當時候將檢討目前的架構。

獨立非執行董事

根據守則第A.4.1條，非執行董事應有指定委任期，並可予重選。

目前，三名獨立非執行董事的委任任期並非指定，而是根據公司細則條文最少每三年於本公司股東週年大會輪值辭任和重選。他們的任期將於須重選時檢討。

薪酬委員會

本公司已設立薪酬委員會，並書面訂立特定職權範圍。

薪酬委員會負責向董事會提出有關（其中包括）本公司所有董事及高級管理人員薪酬政策及結構之建議，並獲董事會授權責任，代表董事會釐定本公司所有執行董事及高級管理人員之具體薪酬。

REMUNERATION COMMITTEE (continued)

The Remuneration Committee comprises four Directors including the three Independent Non-executive Directors, namely Mr. Leung Ka Kui, Johnny (*Chairman*), Dr. Li Sau Hung, Eddy and Mr. Chan Kam Kwan, Jason, and the Chairman and Managing Director of the Company, Ms. Ho Yin King, Helena.

During the year, the Remuneration Committee held one meeting.

Members of the Remuneration Committee and the attendance of each member are as follows:

Directors and Number of attendance

Independent non-executive Directors	獨立非執行董事	Attendance 出席率
Mr. Leung Ka Kui, Johnny (<i>Chairman</i>)	梁家駒先生 (主席)	1/1
Dr. Li Sau Hung, Eddy	李秀恆博士	1/1
Mr. Chan Kam Kwan, Jason	陳錦坤先生	1/1
Executive Director	執行董事	
Ms. Ho Yin King, Helena	何燕琮女士	1/1

During the year, the Remuneration Committee has performed the following duties:

- (1) reviewed and recommended that the remuneration packages of the Directors and senior management for the year ended 31 December 2008 should be frozen and kept in line with the same level as they were for the year ended 31 December 2007; and
- (2) reviewed and recommended the grant of incentive share options to the Directors and management staff of the Company to reward their contributions in the past years.

NOMINATION OF DIRECTORS

The Company has not established a Nomination Committee. The duties and functions of the Nomination Committee recommended in the Code are performed by the Board collectively with no Director being involved in fixing his/her own terms of appointment and no Independent Non-executive Director being involved in assessing his/her own independence.

薪酬委員會 (續)

薪酬委員會由四名董事組成，包括三名獨立非執行董事梁家駒先生 (主席)、李秀恆博士及陳錦坤先生以及本公司主席兼董事總經理何燕琮女士。

於年內，薪酬委員會舉行了一次會議。

薪酬委員會成員及各成員之出席情況如下：

董事及出席次數

於年內，薪酬委員會履行以下職責：

- (1) 審閱及建議截至二零零八年十二月三十一日止年度董事和高級管理人員之薪酬應凍結在截至二零零七年十二月三十一日止年度之水平；及
- (2) 審閱及建議授予本公司董事及管理層獎勵購股權以獎勵彼等於過去幾年之貢獻。

董事之提名

本公司並未設立提名委員會。守則建議之提名委員會職責及職能由董事會集體履行，且概無董事參與釐定本身之委任條款，亦無獨立非執行董事參與評核本身之獨立性。

AUDITORS' REMUNERATION

The Group was charged by the auditors, KPMG, the following auditing and non-auditing services during the year:

Services rendered	提供的服務	Fees paid/payable 已付／應付費用 HK\$ 港元
Audit services	核數服務	2,500,000
Non-audit services:	非核數服務：	
Taxation services	稅項服務	81,700

AUDIT COMMITTEE

The Audit Committee was established with a specific written terms of reference.

The Audit Committee is responsible for reviewing and supervising the financial reporting process and internal control system of the Group and providing advice and comments to the Board.

During the year, the Audit Committee held two meetings.

Members of the Audit Committee and the attendance of each member are as follows:

Directors and number of attendance

Independent non-executive directors	獨立非執行董事	Attendance 出席率
Dr. Li Sau Hung, Eddy (<i>Chairman</i>)	李秀恆博士 (主席)	1/2
Mr. Leung Ka Kui, Johnny	梁家駒先生	2/2
Mr. Chan Kam Kwan, Jason	陳錦坤先生	2/2

During the year, the Audit Committee has performed the following duties:

- (1) reviewed with the auditors the audited financial statements for the year ended 31 December 2007 and reviewed the unaudited interim financial statements for the six months ended 30 June 2008, with recommendations to the Board for approval;

核數師酬金

於年內，本集團支付畢馬威會計師事務所下列之核數及非核數服務費：

審核委員會

本公司已設立審核委員會，並書面訂立特別職權範圍。

審核委員會負責檢討和監察本集團之財務申報過程及內部監控制度，並向董事會提供建議及意見。

於年內，審核委員會舉行了兩次會議。

審核委員會成員及各成員之出席情況如下：

董事及出席次數

於年內，審核委員會履行以下職責：

- (1) 與核數師共同審閱截至二零零七年十二月三十一日止年度之經審核財務報表，審閱截至二零零八年六月三十日止六個月之未經審核中期財務報表，並提出建議供董事會批准；

AUDIT COMMITTEE (continued)

Directors and number of attendance (continued)

- (2) reviewed report on internal control system covering financial, operational, procedural compliance and risk management functions;
- (3) reviewed the compliance issues with the regulatory and statutory requirements;
- (4) reviewed with the management of the Company the accounting principles and practices adopted by the Group; and
- (5) reviewed and approved the auditors' remuneration.

Mr. Chan Kam Kwan, Jason, a member of the Audit Committee, possesses relevant professional qualifications and financial management expertise and meets the requirements of rule 3.21 of the Listing Rules.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for the preparation of the financial statements of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give a true and fair view of the state of affairs, the results of operations and cash flows of the Group. In preparing the financial statements for the six months ended 30 June 2008 and for the year ended 31 December 2008, the Directors have adopted suitable accounting policies and applied them consistently.

The Group incurred a net loss attributable to the equity holders of the Company of HK\$159,787,000 for the year ended 31 December 2008. The Directors have considered the future liquidity of the Group in view of the reported net loss. In addition, the Group breached certain financial covenants of its banking facilities and of two bonds subscription agreements during the year ended 31 December 2008. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the Directors have adopted the going concern basis in preparing these financial statements based on the assumptions and measures disclosed in the note 1(b) to the financial statements.

審核委員會 (續)

董事及出席次數 (續)

- (2) 審閱有關財務、營運、程序遵行及風險管理功能之內部監控系統報告；
- (3) 審閱有關規管及法定要求之合規事宜；
- (4) 與本公司管理層審閱本集團所採納之會計原則和慣例；及
- (5) 審閱及批准核數師之薪酬。

審核委員會成員陳錦坤先生擁有相關專業資格及財務管理專門技能和符合上市規則第3.21條之規定。

問責性及審核

董事負責根據適用法定及規管要求編製相關會計期間之本集團財務報表，以真實及公平反映本集團之財務狀況、經營業績及現金流量。董事於編製截至二零零八年六月三十日止六個月及截至二零零八年十二月三十一日止年度財務報表時，已採納適當會計政策並連貫採用該等政策。

本集團於截至二零零八年十二月三十一日止年度錄得本公司權益股東應佔虧損淨值159,787,000港元。鑒於所呈報之虧損淨額，董事已對本集團之未來流動資金作出考慮。此外，截至二零零八年十二月三十一日止年度，本集團已違反其銀行融資及兩項債券認購協議之若干財務契約。本集團的持續經營能力因以上重大不確定因素而備受質疑。因此，本集團於日常業務過程中可能未能變現其資產及履行其債務。然而，董事基於財務報表附註1(b)所載列之假設及措施，已採納持續經營基準編製該份財務報表。

ACCOUNTABILITY AND AUDIT *(continued)*

In the opinion of the Directors, in light of the measures taken to date and to be taken and on the basis of the major assumptions disclosed in note 1 to the financial statements, the Group will be able to finance its working capital and financial requirements to maintain its operating existence in the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

The responsibility of the auditors with respect to these financial statements are set out in the Independent Auditor's Report on page 47 to 52 of this Annual Report.

INTERNAL CONTROLS

The Board has, through the Audit Committee, conducted review of the effectiveness of the internal control system of the Group covering the financial, operational, procedural compliance and risk management functions. The internal control system is designed to provide reasonable, but not absolute, assurance of no material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievements of the Group's objectives.

The Audit Committee acknowledged the auditor's opinion on certain deficiencies in the Group's internal control system regarding its sales, purchases and inventories cycles of the electronic wastes and used imaging product trading business and cash transactions arising from the aforesaid sales and purchases, and has requested that the Company will implement the measures as disclosed in the paragraph headed "Audit Opinion" in the Chairman's Statement on pages 8 to 15 of this Annual Report with a view to improving the Group's internal control system to address these identified weaknesses.

問責性 *(續)*

董事認為，考慮到迄今為止已採取的措施及將會採取的措施，並在財務報表附註1所述之主要假設之基礎上，本集團將可籌措其營運資金及所需資金，以在可見將來繼續保存現有業務經營。因此，董事信納按持續經營基準編製財務報表誠屬恰當。

核數師對財務報表應負之責任列載於本年報第47至52頁之獨立核數師報告內。

內部監控

董事會已透過審核委員會對本集團內部監控制度之有效性進行檢討，涵蓋範圍包括財務、經營、遵守程序及風險管理職能。內部監控制度之目的乃為合理（但非絕對）保證概無重大不實陳述或遺漏，並管理（而非消除）營運制度不足及未能達致本集團所訂目標之風險。

審核委員會確認核數師就本集團內部監控系統存在若干漏洞的意見，其涉及電子廢料買賣及存貨週期，及舊影像產品貿易業務，以及因上述買賣引致的現金交易。委員會已要求本公司實施本年報第8至15頁主席報告書內「審核意見」段落所述的措施，以改善本集團的內部監控系統，解決該等被發現的問題。

Directors' Report

董事會報告

The Directors submit herewith their annual report together with the audited financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 16 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 53.

The Directors do not recommend the payment of a dividend.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 164.

PROPERTY, PLANT AND EQUIPMENT

The Group's leasehold land and buildings were revalued at 31 December 2008. The revaluation deficit of HK\$1,416,000, net of deferred tax credit of HK\$318,000 have been charged to the property revaluation reserve.

Details of these and other movements during the year in the property, plant and equipment of the Group are set out in note 13(a) to the financial statements.

董事謹此提呈截至二零零八年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司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16。

業績及分配

本集團截至二零零八年十二月三十一日止年度之業績載於第53頁之綜合損益表內。

董事不建議派付股息。

財務概要

本集團過去五個財政年度之業績以及資產及負債概要載於第164頁內。

物業、廠房及設備

於二零零八年十二月三十一日，本集團之租賃土地及樓宇進行重估。重估產生總值約1,416,000港元（經扣除遞延稅項抵免318,000港元後）之虧絀，並已自物業重估儲備扣除。

本集團於本年度之物業、廠房及設備有關及其他變動詳情載於財務報表附註13(a)內。

SHARE CAPITAL

Details of these movements during the year in the share capital are set out in note 28 to the financial statements.

During the year, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's shares.

DISTRIBUTABLE RESERVES OF THE COMPANY

In the opinion of the Directors, the reserves of the Company which are available for distribution to shareholders at 31 December 2008 amounted to approximately HK\$71,760,000 (2007: HK\$181,923,000), representing the aggregate of share premium of HK\$122,076,000 (2007: HK\$121,555,000), contributed surplus of HK\$15,048,000 (2007: HK\$15,048,000), capital reserve of HK\$6,255,000 (2007: HK\$8,060,000) and accumulated losses of HK\$71,619,000 (2007: retained profits HK\$37,260,000).

股本

本公司於本年度之股本變動詳情載於財務報表附註28內。

本年度內，本公司或任何其附屬公司均無購買、出售或贖回本公司任何股份。

本公司可供分派儲備

董事認為，於二零零八年十二月三十一日，本公司可供分派予股東之儲備約達71,760,000港元（二零零七年：181,923,000港元），即股份溢價共122,076,000港元（二零零七年：121,555,000港元），繳入盈餘15,048,000港元（二零零七年：15,048,000港元）、資本儲備6,255,000港元（二零零七年：8,060,000港元）及累計虧損71,619,000港元（二零零七年：保留溢利37,260,000港元）。

Directors' Report 董事會報告

DIRECTORS

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

Executive directors

Ms. Ho Yin King, Helena (*Chairman and Managing Director*)

Mr. Ho Fai Keung, Jacky (*Deputy Chairman*)

Mr. Cheung Sze Ming

Ms. Lo Suk King

Independent non-executive directors

Dr. Li Sau Hung, Eddy

Mr. Leung Ka Kui, Johnny

Mr. Chan Kam Kwan, Jason

In accordance with Bye-law 87 of the Company's Bye-laws, the Directors retiring by rotation at the annual general meeting will be Ms. Ho Yin King, Helena, Ms. Lo Suk King and Mr. Leung Ka Kui, Johnny, who, being eligible, will offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

於本年度及截至本報告日期，本公司之董事如下：

執行董事

何燕琮女士（*主席兼董事總經理*）

何輝強先生（*副主席*）

張詩敏先生

盧淑琮女士

獨立非執行董事

李秀恆博士

梁家駒先生

陳錦坤先生

按照本公司章程細則第87條之規定，董事何燕琮女士、盧淑琮女士及梁家駒先生將於股東週年大會上輪值告退，惟有資格並願意膺選連任。

董事之服務合約

擬於應屆股東週年大會上重選連任之董事並無任何不可於一年內無償終止（法定補償除外）之服務合約。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2008, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions

(a) Shares and underlying shares of the Company

Name of Director 董事姓名	Capacity 身份	Number of ordinary shares 普通股數目		Number of underlying shares held under share options 根據購股權持有相關股份數目	Total 總計	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
		Personal interests 個人權益	Corporate interests 公司權益			
Ms. Ho Yin King, Helena 何燕琼女士	Beneficial owner and interest of controlled corporation 實益擁有人及受控制公司之權益	22,411,000	178,194,000	6,872,628	207,477,628	25.97%
Mr. Ho Fai Keung, Jacky 何輝強先生	Beneficial owner and interest of controlled corporation 實益擁有人及受控制公司之權益	20,538,000	178,194,000	6,872,628	205,604,628	25.74%
Mr. Cheung Sze Ming 張詩敏先生	Beneficial owner 實益擁有人	-	-	628	628	0.00%
Dr. Li Sau Hung, Eddy 李秀恒博士	Beneficial owner 實益擁有人	-	-	1,542	1,542	0.00%
Mr. Leung Ka Kui, Johnny 梁家駒先生	Beneficial owner 實益擁有人	1,890,000	-	1,542	1,891,542	0.24%
Mr. Chan Kam Kwan, Jason 陳錦坤先生	Beneficial owner 實益擁有人	-	-	1,542	1,542	0.00%

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於二零零八年十二月三十一日，本公司各董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第352條須列入本公司置存之登記冊內或須根據上市公司董事證券交易標準守則知會本公司及香港聯合交易所有限公司（「聯交所」）之權益或淡倉如下：

好倉

(a) 本公司股份及相關股份

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

Long positions (continued)

(b) Shares in associated corporation

As at 31 December 2008, the following directors held interests in the shares of Jackin Video Cassette (Taiwan) Limited, a 99.9% owned subsidiary of the Company as follows:

Name of director 董事姓名	Capacity 身份	Personal interests 個人權益	Number of shares Family interests 股份數目 家族權益	Total 總計
Ms. Ho Yin King, Helena 何燕琼女士	Beneficial owner and interest of spouse 實業擁有人及配偶權益	4	4 (note 1) (附註1)	8
Mr. Ho Fai Keung, Jacky 何輝強先生	Beneficial owner and interest of spouse 實業擁有人及配偶權益	4	4 (note 2) (附註2)	8
Ms. Lo Suk King 盧淑琼女士	Beneficial owner and interest of spouse 實業擁有人及配偶權益	4	4 (note 2) (附註2)	8

Notes:

- The shares are held by the spouse of Ms. Ho Yin King, Helena.
- Ms. Lo Suk King is the spouse of Mr. Ho Fai Keung, Jacky.

附註:

- 有關股份由何燕琼女士之配偶持有。
- 盧淑琼女士為何輝強先生之配偶。

董事及主要行政人員於股份、相關股份及債券之權益及淡倉 (續)

好倉 (續)

(b) 於相聯法團之股份

於二零零八年十二月三十一日，下列董事持有本公司擁有99.9%權益之附屬公司台灣輝聲錄影帶股份有限公司之股份權益如下：

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

Long positions (continued)

(b) Shares in associated corporation (continued)

In addition to the above, the following Directors held interests in the non-voting deferred shares of wholly owned subsidiaries of the Company as at 31 December 2008 as follows:

Name of subsidiary 附屬公司名稱	Name of director 董事姓名	Number of non-voting deferred shares held 所持無投票權遞延股份數目
Jackin Magnetic Company Limited 輝影磁電有限公司	Ms. Ho Yin King, Helena 何燕琼女士	3,600 shares of HK\$100 each 每股面值100港元之股份3,600股
	Mr. Ho Fai Keung, Jacky 何輝強先生	3,200 shares of HK\$100 each 每股面值100港元之股份3,200股
Jackin Video Cassette Co. Limited 輝聲影帶有限公司	Ms. Ho Yin King, Helena 何燕琼女士	330,000 shares of HK\$1 each 每股面值1港元之股份330,000股
	Mr. Ho Fai Keung, Jacky 何輝強先生	340,000 shares of HK\$1 each 每股面值1港元之股份340,000股

In addition, a number of Directors held non-beneficial interests in shares in certain subsidiaries of the Company as qualifying shares.

Save as disclosed above and certain nominee shares in subsidiaries held by the Directors in trust for the Group, none of the Directors or chief executives of the Company had any interests or short position in any shares, underlying shares and debenture of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies and none of the Directors or chief executives, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

董事及主要行政人員於股份、相關股份及債券之權益及淡倉 (續)

好倉 (續)

(b) 於相聯法團之股份 (續)

除上文所述者外，下列董事於二零零八年十二月三十一日持有本公司全資附屬公司之無投票權遞延股份權益如下：

此外，多名董事持有本公司若干附屬公司之股份（作為合資格股份）之非實益權益。

除上文所披露者及由董事以信託形式為本集團所持附屬公司之若干代理人股份外，本公司董事或主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第352條須列入本公司置存之登記冊內或須根據上市公司董事證券交易標準守則知會本公司及聯交所之任何權益或淡倉，而各董事、主要行政人員或彼等之配偶或未滿十八歲之子女概無認購本公司證券之任何權利，在年內亦無行使任何該等權利。

Directors' Report 董事會報告

SHARE OPTIONS

Particulars of the Company's share option schemes are set out in note 26 to the financial statements.

The following table discloses movements in the Company's share options during the year ended 31 December 2008:

Name of participants	Date of share option granted	Share option scheme category (Note (i) and (ii)) 購股權計劃類別 (附註(i)及(ii))	Outstanding at beginning of the year 於年初尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Cancelled/Lapsed during the year 於年內註銷/失效	Outstanding at end of the year 於年末尚未行使	Subscription price 認購價格 HK\$ 港元	Exercise period 行使期
Directors 董事									
Ms. Ho Yin King, Helena 何燕琼女士	25.1.2005	2005	6,872,628	-	-	-	6,872,628	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Mr. Ho Fai Keung, Jacky 何輝強先生	25.1.2005	2005	6,872,628	-	-	-	6,872,628	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Mr. Cheung Sze Ming 張詩敏先生	25.1.2005	2005	628	-	-	-	628	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
	5.7.2007	2007B	1,500,000	-	-	1,500,000	-	0.540	5.7.2007 - 4.7.2008 二零零七年七月五日至 二零零八年七月四日
	6.9.2007	2007C	1,500,000	-	-	1,500,000	-	0.460	6.9.2007 - 5.9.2008 二零零七年九月六日至 二零零八年九月五日
			3,000,628	-	-	3,000,000	628		
Mr. Low Nyap Heng (Note (iii)) 劉煒騰先生 (附註 (iii))	25.1.2005	2005	628	-	-	628	-	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日

購股權

本公司之購股權計劃之資料載於財務報表附註26內。

下表披露本公司之購股權於截至二零零八年十二月三十一日止年度內之變動：

SHARE OPTIONS (continued)

購股權 (續)

Name of participants	Date of share option granted	Share option scheme category (Note (i) and (ii))	Outstanding at beginning of the year	Granted during the year	Exercised during the year	Cancelled/ Lapsed during the year	Outstanding at end of the year	Subscription price HK\$	Exercise period
參與者	購股權授出日期	購股權計劃類別 (附註(i)及(ii))	於年初尚未行使	於年內授出	於年內行使	於年內註銷/失效	於年末尚未行使	認購價格 港元	行使期
Dr. Li Sau Hung, Eddy 李秀恒博士	25.1.2005	2005	1,542	-	-	-	1,542	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
	5.7.2007	2007B	1,000,000	-	-	1,000,000	-	0.540	5.7.2007 - 4.7.2008 二零零七年七月五日至 二零零八年七月四日
	6.9.2007	2007C	1,000,000	-	-	1,000,000	-	0.460	6.9.2007 - 5.9.2008 二零零七年九月六日至 二零零八年九月五日
			2,001,542	-	-	2,000,000	1,542		
Mr. Leung Ka Kui, Johnny 梁家駒先生	25.1.2005	2005	1,542	-	-	-	1,542	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
	5.7.2007	2007B	1,000,000	-	-	1,000,000	-	0.540	5.7.2007 - 4.7.2008 二零零七年七月五日至 二零零八年七月四日
	6.9.2007	2007C	1,000,000	-	-	1,000,000	-	0.460	6.9.2007 - 5.9.2008 二零零七年九月六日至 二零零八年九月五日
			2,001,542	-	-	2,000,000	1,542		
Mr. Chan Kam Kwan, Jason 陳錦坤先生	25.1.2005	2005	1,542	-	-	-	1,542	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
	5.7.2007	2007B	1,000,000	-	-	1,000,000	-	0.540	5.7.2007 - 4.7.2008 二零零七年七月五日至 二零零八年七月四日
	6.9.2007	2007C	1,000,000	-	-	1,000,000	-	0.460	6.9.2007 - 5.9.2008 二零零七年九月六日至 二零零八年九月五日
			2,001,542	-	-	2,000,000	1,542		
Total for directors 董事合計			22,751,138	-	-	9,000,628	13,750,510		

SHARE OPTIONS (continued)

購股權 (續)

Name of participants	Date of share option granted	Share option scheme category (Note (i) and (ii))	Outstanding at beginning of the year	Granted during the year	Exercised during the year	Cancelled/ Lapsed during the year	Outstanding at end of the year	Subscription price HK\$	Exercise period
參與者	購股權授出日期	購股權計劃類別 (附註(i)及(ii))	於年初尚未行使	於年內授出	於年內行使	於年內註銷/失效	於年末尚未行使	認購價格 港元	行使期
Employees 僱員	25.1.2005	2005	1,088,628	-	750,000	-	338,628	0.158	25.1.2005 – 24.1.2015 二零零五年一月二十五日至 二零零五年一月二十四日
	3.5.2007	2007A	23,650,000	-	1,400,000	-	22,250,000	0.293	3.5.2007 – 2.5.2009 (note (iv)) 二零零七年五月三日至 二零零九年五月二日 (附註(iv))
	5.7.2007	2007B	7,000,000	-	-	7,000,000	-	0.540	5.7.2007 – 4.7.2008 二零零七年七月五日至 二零零八年七月四日
	6.9.2007	2007C	9,500,000	-	-	9,500,000	-	0.460	6.9.2007 – 5.9.2008 二零零七年九月六日至 二零零八年九月五日
Total for employees 僱員合計		41,238,628	-	2,150,000	16,500,000	22,588,628			
Total under New Scheme 新計劃項下總數		63,989,766	-	2,150,000	25,500,628	36,339,138		Percentage to total Company's shares in issue at end of the period 佔本公司於期末已發行股份總數百分比 4.55%	

Notes:

- (i) The 2005, 2007A, 2007B and 2007C options were granted under scheme adopted on 12 June 2004 ("the "New Scheme").
- (ii) The closing price of the Company's shares immediately before 25 January 2005, 3 May 2007, 5 July 2007 and 6 September 2007, the dates of grant of 2005, 2007A, 2007B and 2007C options, was HK\$0.159, HK\$0.290, HK\$0.495 and HK\$0.435 respectively.
- (iii) Mr. Low Nyap Heng resigned as an Executive Director of the Company on 21 March 2007.
- (iv) 2007A options were extended one year to 2 May 2009.

附註:

- (i) 2005、2007A、2007B及2007C購股權乃根據於二零零四年六月十二日採納之計劃(「新計劃」)授出。
- (ii) 本公司股份緊接二零零五年一月二十五日、二零零七年五月三日、二零零七年七月五日及二零零七年九月六日(各2005、2007A、2007B及2007C購股權的授出日期)前的收市價分別為0.159港元、0.290港元、0.495港元及0.435港元。
- (iii) 劉燁騰先生於二零零七年三月二十一日辭任本公司執行董事。
- (iv) 2007A購股權獲延長一年至二零零九年五月二日。

UNLISTED WARRANTS

The following table discloses movements in the Company's unlisted warrants issued to the subscribers during the year ended 31 December 2008:

Date of warrant issued	Outstanding at beginning of the year	Granted during the year	Exercised during the year	Outstanding at end of the year HK\$	Subscription price	Exercise period	Percentage to total Company's shares in issue at end of the period
發行認股權證日期	年初尚未行使	年內授出	年內行使	年末尚未行使 港元	認購價格	行使期	本公司 於期末已發行 股份總數之百分比
24.3.2006 (note 1) 二零零六年三月二十四日 (附註1)	65,250,000	-	-	65,250,000	0.130	24.3.2006 – 23.3.2009 二零零六年三月二十四日至 二零零九年三月二十三日	8.17%
27.6.2007 (note 2) 二零零七年六月二十七日 (附註2)	56,317,689	-	-	56,317,689	0.554	28.12.2007 – 27.6.2010 二零零七年十二月二十八日至 二零一零年六月二十七日	7.05%

The closing price of the Company's shares immediately before 24 March 2006 and 27 June 2007, the dates of issue, was HK\$0.124 and HK\$0.610 respectively.

Note:

- (1) The unlisted warrants were issued pursuant to the issuance of unsecured notes under note 23(ii) to the consolidated financial statements.
- (2) The unlisted warrants were issued pursuant to the issuance of secured notes under note 23(i) to the consolidated financial statements.

非上市認股權證

下表披露截至二零零八年十二月三十一日止年度本公司向認購人發行非上市認股權證之變動：

Date of warrant issued	Outstanding at beginning of the year	Granted during the year	Exercised during the year	Outstanding at end of the year HK\$	Subscription price	Exercise period	Percentage to total Company's shares in issue at end of the period
發行認股權證日期	年初尚未行使	年內授出	年內行使	年末尚未行使 港元	認購價格	行使期	本公司 於期末已發行 股份總數之百分比
24.3.2006 (note 1) 二零零六年三月二十四日 (附註1)	65,250,000	-	-	65,250,000	0.130	24.3.2006 – 23.3.2009 二零零六年三月二十四日至 二零零九年三月二十三日	8.17%
27.6.2007 (note 2) 二零零七年六月二十七日 (附註2)	56,317,689	-	-	56,317,689	0.554	28.12.2007 – 27.6.2010 二零零七年十二月二十八日至 二零一零年六月二十七日	7.05%

本公司股份緊隨發行日(即二零零六年三月二十四日及二零零七年六月二十七日)前之收市價分別為0.124港元及0.610港元。

附註：

- (1) 非上市認股權證於綜合財務報表附註23(ii)中所述乃根據發行無抵押票據而發行。
- (2) 非上市認股權證於綜合財務報表附註23(i)中所述乃根據發行有抵押票據而發行。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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.

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 of certain Directors and chief executives, the following shareholders had notified the Company of relevant interests and short positions in the share capital of the Company.

購買股份或債券之安排

除上文披露之購股權持有情況外，本公司或其任何附屬公司於年內概無訂立任何安排，使本公司董事可藉購入本公司或任何其他法團之股份或債券而獲益。

董事於重要合約之權益

本公司或其任何附屬公司於本年度止或本年度內任何時間概無簽訂本公司董事直接或間接擁有重大權益之重要合約。

主要股東

於二零零八年十二月三十一日，按本公司根據證券及期貨條例第336條置存之主要股東名冊所示，除若干董事及主要行政人員之權益外，本公司亦知悉下列股東於本公司股本內之有關權益及淡倉。

SUBSTANTIAL SHAREHOLDERS (continued)

Long positions

Shares and underlying shares of the Company

主要股東 (續)

好倉

本公司股份及相關股份

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company	Number of underlying shares held under unlisted warrants	Percentage of the issued share capital of the Company
股東姓名／名稱	身份	持有已發行普通股數目	佔本公司已發行股本百分比	根據非上市認股權證持有之相關股份數目	佔本公司已發行股本百分比
Complete Associates Limited	Interest of controlled corporation 受控制公司之權益	178,194,000 (Note 1) (附註1)	22.31%	–	–
Chiu Kin Lok, Rocko 趙建樂	Beneficial owner and interest of controlled corporation 實益擁有人及受控制公司權益	69,535,817 (Note 2) (附註2)	8.71%	–	–
Martin Currie (Holdings) Limited	Investment manager 投資經理	64,474,000	8.07%	56,317,689	7.05%
Edmond de Rothschild Asset Management Hong Kong Limited	Investment manager 投資經理	47,294,000	5.92%	–	–

Notes:

- The 178,194,000 shares are directly held by Sun Union Enterprises Limited which is wholly owned by Complete Associates Limited. The share capital of Complete Associates Limited is beneficially owned as to approximately 61.8% by Ms. Ho Yin King, Helena and as to approximately 38.2% by Mr. Ho Fai Keung, Jacky. Both Ms. Ho Yin King, Helena and Mr. Ho Fai Keung, Jacky are Directors of the Company.
- Mr. Chiu Kin Lok, Rocko was interested in 69,535,817 shares, of which entire shares were held by Art-Tech Enterprises Limited, a company in which Mr. Chiu has 100% interest.

Other than as disclosed above, the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that the Company had not been notified of any other interests or short positions in the shares and underlying shares of the Company as at 31 December 2008.

附註：

- 該178,194,000股股份直接由Complete Associates Limited全資擁有之Sun Union Enterprises Limited持有。Complete Associates Limited之股本分別由何燕琮女士及何輝強先生實益擁有約61.8%及約38.2%權益。何燕琮女士及何輝強先生均為本公司董事。
- 趙建樂先生擁有69,535,817股股份權益，其中全部股股份由趙先生擁有100%權益之公司Art-Tech Enterprises Limited持有。

除上文披露者外，於二零零八年十二月三十一日，按本公司根據證券及期貨條例第336條置存之主要股東名冊所示，本公司並不知悉於本公司股份及相關股份之任何其他權益或淡倉。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2008, sales attributable to the Group's largest customer accounted for approximately 13% of the Group's consolidated turnover and aggregate turnover attributable to the five largest customers of the Group accounted for approximately 40% of the Group's consolidated turnover.

For the year ended 31 December 2008, purchases attributable to the Group's largest supplier accounted for approximately 12% of the Group's total purchases and aggregate purchases attributable to the five largest suppliers of the Group accounted for approximately 44% of the Group's total purchases.

To the knowledge of the Directors, none of the Directors, or their respective associates, or shareholders owning more than 5% of the Company's issued share capital had any beneficial interests in any of the five largest customers or suppliers.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing Securities on the Stock Exchange. The Company considers all of the Independent Non-executive Directors are independent.

主要客戶及供應商

於截至二零零八年十二月三十一日止年度內，本集團最大客戶應佔銷售額約佔本集團綜合營業額之13%，而五大客戶合共之應佔營業額約佔本集團綜合營業額之40%。

於截至二零零八年十二月三十一日止年度內，本集團最大供應商應佔採購額約佔本集團採購總額之12%，而五大供應商合共之應佔採購額約佔本集團採購總額之44%。

就各董事所知，各董事、或彼等各自之聯繫人士或擁有本公司已發行股本5%以上之股東並無於上述五大客戶或供應商擁有任何實益權益。

獨立非執行董事之確認

本公司已接獲各獨立非執行董事根據聯交所證券上市規則第3.13條就彼等之獨立性而發出之年度確認書。本公司認為獨立非執行董事具有獨立地位。

EMOLUMENT POLICY

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

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

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 26 to the financial statements.

CORPORATE GOVERNANCE PRACTICES

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 25 to 31 of this Annual Report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the year ended 31 December 2008.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, namely, Dr. Li Sau Hung, Eddy, Mr. Leung Ka Kui, Johnny and Mr. Chan Kam Kwan, Jason. The Audit Committee has reviewed the management accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the audited results for the year ended 31 December 2008.

薪酬政策

本集團僱員之薪酬政策乃由薪酬委員會按彼等之表現、資格及能力制定。

本公司董事之薪酬乃由薪酬委員會參考本公司之經營業績、個別董事之表現及可比較之市場資料後決定。

本公司採納購股權計劃作為對董事及合資格員工之獎勵，詳情載於財務報表附註26。

企業管治常規

本公司之企業管治常規詳情載於本年報第25至第31頁之企業管治報告。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）。經本公司作出具體查詢後，全體董事已確認彼等於截至二零零八年十二月三十一日止年度一直遵守標準守則規定之標準。

審核委員會

審核委員會由三名獨立非執行董事李秀恆博士、梁家駒先生及陳錦坤先生組成。審核委員會已檢討本集團所採納之管理會計原則及慣例，並商討內部監控及財務報告事宜，其中包括審閱截至二零零八年十二月三十一日止年度之經審核業績。

Directors' Report 董事會報告

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

KPMG will retire at the forthcoming Annual General Meeting.

On behalf of the Board

Ho Yin King, Helena

Chairman

22 May 2009

購買、出售或贖回上市證券

於本年度本公司並無贖回任何其股份。本年內，本公司或其任何附屬公司概無購買或出售任何本公司之股份。

優先購股權

本公司之章程細則或百慕達法例均無任何有關優先購股權之條文，規定本公司須按比例向現有股東發售新股份。

足夠公眾持股量

於截至二零零八年十二月三十一日止年度全年，本公司一直維持足夠之公眾持股量。

核數師

畢馬威會計師事務所將於應屆股東週年大會上退任。

代表董事會

主席

何燕琼

二零零九年五月二十二日



**Independent auditor's report to the shareholders of
Jackin International Holdings Limited**

(Incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of Jackin International Holdings Limited (the "Company") set out on pages 53 to 163, which comprise the consolidated and company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Directors' responsibility for the financial
statements**

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

Auditor's responsibility

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

獨立核數師報告書

致輝影國際集團有限公司股東

(於百慕達註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第53頁至第163頁的輝影國際集團有限公司(「貴公司」)的綜合財務報表,此綜合財務報表包括於二零零八年十二月三十一日的綜合及貴公司的資產負債表,及與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要和其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及符合香港《公司條例》之披露編製及真實而公平地列報該等財務報表。此責任包括設計、實施及維護與編製及真實而公平地列報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;及按情況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財務報表作出意見。本報告書乃按照百慕達一九八一年公司法第90條的規定,僅向作為法人的股東報告。除此之外,我們的報告書不可用作其他用途。我們概不就本報告書的內容,對任何其他人士負責或承擔法律責任。

Independent Auditor's Report

獨立核數師報告

Auditor's responsibility (continued)

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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. However, because of the matters described in the basis for disclaimer of opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

(a) The Group's turnover and cost of sales for the year ended 31 December 2008 include sales and purchases of HK\$105.1 million and HK\$100.8 million respectively reported by one of the Company's wholly owned subsidiaries. This subsidiary also reported trade debtors of HK\$110.0 million and trade creditors of HK\$1.7 million, which amounts have been included in the Group's consolidated balance sheet at 31 December 2008. In respect of these transactions, we have been unable to obtain sufficient audit evidence as to the delivery of the related goods. We also noted that a substantial proportion of these transactions were recorded being settled in cash and that certain other trade creditor and debtor balances had been recorded as being settled by way of being offset against each other or against debtors or creditors of other Group companies (including those referred to below in paragraph (c)) or by being transferred to other Group companies without retaining sufficient documentary evidence. We were therefore unable to rely on the Group's internal control system or to obtain sufficient other satisfactory audit evidence to satisfy ourselves as to the completeness, existence and accuracy of the sales and purchases asserted to have been undertaken by this subsidiary and the corresponding trade debtor and trade creditor balances of this subsidiary and the balances of other Group companies or as to whether the unsettled trade debtors attributed to these transactions are recoverable.

核數師的責任 (續)

除下文所解釋有關我們的工作範圍之限制外，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。該等準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。然而，由於按不表示意見的基礎一段所述之事宜，我們未能取得充足和適當的審核憑證以作為提供審核意見之基準。

不表示意見的基礎

(a) 貴集團截至二零零八年十二月三十一日止年度的營業額及銷售成本包括 貴公司其中一間全資附屬公司所報告的銷售額1.051億港元及採購額1.008億港元。該附屬公司亦報告應收賬款及應付賬款分別為1.1億港元及170萬港元，而這些金額已包括於 貴集團於二零零八年十二月三十一日的綜合資產負債表內。對於這些金額，我們無法就相關產品的交付取得足夠的審核憑證。我們亦發現，在這些交易中，絕大部分均以現金結算入賬，而其餘部分應收賬款及應付賬款則以互相抵銷、與 貴集團其他成員公司（包括下文(c)段所述者）的應收賬款或應付賬款抵銷，或轉入集團其他成員公司的結算方式入賬，但 貴集團並無就此保留足夠的證明文件。因此，我們無法依賴 貴集團的內部控制系統，或取得足夠滿意的其他審核憑證，以確定該附屬公司聲稱所進行的銷售及採購、相關的應收賬款及應付賬款，以及 貴集團其他成員公司的結餘的完整性、存在性及準確性，或確定這些交易所產生的未清付應收賬款是否能夠收回。

Basis for disclaimer of opinion (continued)

(b) Included in the Group's turnover for the year ended 31 December 2008 were reported sales of HK\$30.0 million to certain customers by two of the Company's wholly owned subsidiaries. In addition, the outstanding receivable balances relating to these sales amounted to HK\$28.4 million as at 31 December 2008. We have been unable to obtain sufficient audit evidence as to the delivery of goods to these customers. There is no other satisfactory evidence available to us to ascertain the validity of the recorded transactions, and therefore we are unable to satisfy ourselves as to whether the sales amount for the year ended 31 December 2008 and the corresponding trade debtor balances have been accurately recorded or as to whether the unsettled trade debtors attributed to these transactions are recoverable.

(c) In 2008, the Group entered into contracts to purchase technical know-how and distribution channels of HK\$26.0 million and HK\$15.8 million respectively. Management has asserted that the amounts due to the suppliers under these contracts have been settled by being offset against certain trade debtor balances of a subsidiary of the Group as referred to in paragraph (a) above. Management has also charged an amortisation expense of HK\$1.3 million to the income statement during the year in respect of these items. We have been unable to obtain satisfactory audit evidence as to the asserted purchases of the intangible assets or to satisfy ourselves as to the relationships, if any, among the suppliers of the intangible assets, the trade debtors and the Group. We are therefore unable to satisfy ourselves as to the existence and accuracy of the cost of the intangible assets and the corresponding settlement of trade debtor balances and whether the amortisation for the year attributed to the intangible assets has been accurately presented.

不表示意見的基礎 (續)

(b) 貴集團截至二零零八年十二月三十一日止年度的營業額包括所報告的 貴公司另外兩間全資附屬公司向某些客戶進行銷售的金額3,000萬港元。此外，於二零零八年十二月三十一日，與這些銷售有關的未清償應收賬款結餘合共2,840萬港元，我們無法就該兩間附屬公司向這些客戶交付貨物取得足夠的審核憑證。由於目前我們無法取得其他滿意的憑證以確定這些已記入的交易的真實性，因此我們不能確定截至二零零八年十二月三十一日止年度的銷售金額及相關的應收賬款是否準確地入賬或確定這些交易所產生的未清付應收賬款是否能夠收回。

(c) 於二零零八年， 貴集團訂立了多份合約以收購高技術項目及分銷渠道，總額分別為2,600萬港元及1,580萬港元。管理層聲稱，根據這些合約應付供應商款項是透過抵銷 貴集團一間附屬公司（如上文(a)段所述）的部分應收賬款結餘而償付。管理層亦就這些項目將攤銷費用130萬港元在本年度的損益表中列支。我們無法就管理層所聲稱的收購這些無形資產取得滿意的審核憑證，或確定這些無形資產的供應商、應收賬款的客戶及 貴集團三者之間的關係（如有）。因此，我們無法確定這些無形資產的成本及應收賬款結餘的相關償付情況的存在性及準確性，以及有關這些無形資產的年度攤銷是否準確地呈列。

Basis for disclaimer of opinion (continued)

- (d) Included in the additions to property, plant and equipment of HK\$28.5 million during the year were property, plant and equipment recorded at HK\$15.6 million which were asserted to have been purchased from a supplier who is one of the asserted providers of the technical know-how as mentioned in (c) above. In addition, as at 31 December 2008, the Group had prepaid deposits for property, plant and equipment of HK\$4.0 million to this same supplier. There is no satisfactory evidence available to us to ascertain whether these transactions were on an arm's length basis or whether these amounts paid to the supplier relate solely to the acquisition of property, plant and equipment. Accordingly, we were unable to obtain sufficient audit evidence to support the accuracy and valuation of the additions to property, plant and equipment during the year and the relevant prepayments as at 31 December 2008.
- (e) Included in the inventories balances as at 31 December 2008 are inventories in respect of the remanufacture and sale of computer printing and imaging products segment amounting to HK\$204.7 million. Due to deficiencies in the internal costing systems for inventories, we were unable to obtain sufficient evidence to satisfy ourselves as to the accuracy and valuation of the inventories amount as at 31 December 2008 and the accuracy of cost of sales of this segment for the year ended 31 December 2008.
- (f) We have not yet completed our audit procedures over significant transactions or events which may have occurred between the period from 1 January 2009 to the date of this auditor's report as required under Hong Kong Standard of Auditing 560, *Subsequent events*, issued by the Hong Kong Institute of Certified Public Accountants. As a result, we are unable to form an opinion on whether significant transactions or events which occurred during the period from 1 January 2009 to the date of this auditor's report were properly accounted for and adequately disclosed in the financial statements.

不表示意見的基礎 (續)

- (d) 年內增置物業、廠房及設備2,850萬港元包括已入賬的物業、廠房及設備1,560萬港元，而有關資產是 貴集團向一名供應商購買的。該名供應商是 貴集團所聲稱的高技術項目供應商之一（如上文(c)段所述）。此外，於二零零八年十二月三十一日， 貴集團向相同的供應商預付了物業、廠房及設備的按金400萬港元。目前我們無法取得滿意的證據以確定這些交易是否按照公平基準進行，或 貴集團向供應商支付的金額是否僅與收購物業、廠房及設備有關。因此我們無法取得足夠的審核憑證以支持年內物業、廠房及設備增置及於二零零八年十二月三十一日的相關預付款的準確性及估值。
- (e) 於二零零八年十二月三十一日的存貨結餘包括有關環保再造及銷售電腦打印和影像產品業務分部的存貨總額2.047億港元。由於存貨的內部成本計算系統存在缺陷，我們無法取得足夠的證據以確定於二零零八年十二月三十一日的存貨金額的準確性及估值，以及截至二零零八年十二月三十一日止年度有關該業務分部的銷售成本的準確性。
- (f) 根據香港會計師公會頒布的《香港核數準則》第560號「期後事項」的規定，我們必須對在二零零九年一月一日至本核數師報告書日期期間可能發生的重大交易或事件進行審核程序，到目前為止，有關程序尚未完成。因此，我們無法對在二零零九年一月一日至本核數師報告書日期期間發生的重大交易或事件是否已在財務報表恰當地入賬及充分地披露發表任何意見。

Basis for disclaimer of opinion (continued)

- (g) Had we been able to satisfy ourselves in respect of the matters mentioned in items (a) to (f) above, adjustments might have been found to be necessary which would have had a consequential impact on the net assets of the Group as at 31 December 2008 and its net loss for the year ended 31 December 2008 and may have resulted in additional information being disclosed in the financial statements as to the nature of these transactions and any material non-adjusting post balance sheet events.
- (h) As explained in notes 1(b), 22 and 23 to the financial statements, the Group has breached certain loan and note covenants. It is the directors' belief that they will successfully negotiate with the Group's creditor bankers and note holders to secure continual financing and the directors have also advised that a third party has indicated that it will provide financial support to the Group. The financial statements have been prepared on a going concern basis, the validity of which is dependent on (i) the successful outcome of the Group's negotiations with its creditor bankers and note holders to secure continual financing and (ii) the availability of funding from the third party, in order for the Group to meet its financial obligations as they fall due and to finance its future working capital and financial requirements. The financial statements do not include any adjustments that would be necessary if the Group fails to obtain financial support from bankers and other creditors. We consider that adequate disclosures have been made. However, the uncertainties surrounding the outcome of these negotiations with its creditor bankers and note holders and the availability of funding from the third party raise significant doubt about the Company's ability to continue as a going concern.

不表示意見的基礎 (續)

- (g) 倘若我們能夠確定以上(a)至(f)項所述的事宜，貴集團的財務報表可能需要進行多項調整，而這些調整將最終影響貴集團於二零零八年十二月三十一日的資產淨值及截至二零零八年十二月三十一日止年度的淨虧損，並可能引致貴集團須在財務報表中就這些交易的性質及任何結算日後非調整的重大事項披露更多資料。
- (h) 誠如財務報表附註1(b)、22及23所述，貴集團違反了某些貸款及票據契約。董事們相信，他們將可在與貴集團的債權人銀行及票據持有人進行的磋商中，成功游說這些銀行及持有人繼續向貴集團融資，而董事們亦告知，一名第三方已表示將向貴集團提供財政支援。財務報表是按照持續經營基準編製，其有效性取決於：
- (i) 貴集團與債權人銀行及票據持有人就游說這些銀行及持有人繼續向貴集團提供資金所進行的磋商的成果；及以(ii)該第三方會否投入資金，使貴集團能夠履行到期的財務責任，並為日後營運資金及財務需要提供資金。財務報表並無包括貴集團一旦未能獲得銀行及其他債權人的財政支援，貴集團將需要作出的任何調整。我們認為，貴集團已就此提供了足夠的披露。然而，貴集團與債權人銀行及票據持有人所進行的磋商結果，以及貴集團能否獲得該第三方的資金，均存在着不確定性因素，令人對貴公司的持續經營能力充滿疑慮。

Independent Auditor's Report 獨立核數師報告

Disclaimer of opinion: disclaimer on view given by the financial statements

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

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
22 May 2009

不表示意見：對財務報表提出的觀點 不表示意見

基於以上不表示意見的基礎一節所述事宜的重要性，我們不就財務報表是否已根據《香港財務報告準則》真實而公平地反映 貴公司和 貴集團於二零零八年十二月三十一日的事務狀況、 貴集團截至該日止年度的虧損和現金流量，以及財務報表是否已按照香港《公司條例》的披露規定妥為編製，發表任何意見。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓
二零零九年五月二十二日

Consolidated Income Statement

綜合損益表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列賬)

		Note	2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
		附註		
Turnover	營業額	3, 12	455,531	418,159
Cost of sales	銷售成本		(340,503)	(274,692)
Gross profit	毛利		115,028	143,467
Other revenue	其他收入	4	5,758	5,285
Other net (loss)/income	其他(虧損)/收益淨額	4	(30)	120
Distribution costs	分銷成本		(26,499)	(24,501)
Administrative expenses	行政費用		(91,265)	(55,745)
Impairment losses	減值虧損	5(c)	(128,369)	–
(Loss)/profit from operations	經營(虧損)/溢利		(125,377)	68,626
Finance costs	財務費用	5(a)	(26,582)	(25,205)
Loss from a legal claim	法律索償之虧損	5(d)	–	(7,900)
(Loss)/profit before taxation	除稅前(虧損)/溢利	5	(151,959)	35,521
Income tax	所得稅	6(a)	(7,828)	(2,045)
(Loss)/profit attributable to equity shareholders of the Company	本公司權益股東 應佔(虧損)/溢利	9	(159,787)	33,476
(Loss)/earnings per share	每股(虧損)/盈利	11		
Basic	基本		(20.0) cents 仙	4.5 cents仙
Diluted	攤薄		(18.9) cents 仙	4.0 cents仙

The notes on pages 59 to 163 form part of these financial statements.

第59頁至第163頁所載的附註為本財務報表的組成部份。

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
(Expressed in Hong Kong dollars) (以港元列賬)

	Note	2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
	附註		
Non-current assets			
Property, plant and equipment	13(a)	63,740	113,225
Intangible assets	14	82,290	49,165
Goodwill	15	–	39,545
Deferred tax assets	27(b)	1,132	–
		147,162	201,935
Current assets			
Inventories	17	223,242	196,319
Trade and other receivables	18	193,676	245,747
Pledged deposits	19	1,554	1,228
Cash and cash equivalents	20	23,123	39,181
Current tax recoverable	27(a)	155	–
		441,750	482,475
Current liabilities			
Trade and other payables	21	88,457	57,276
Bank and other borrowings	22	156,938	146,653
Notes payable	23	108,367	–
Obligations under finance leases	24	9,879	7,108
Current tax payable	27(a)	10,485	7,111
		374,126	218,148
Net current assets		67,624	264,327
Total assets less current liabilities		214,786	466,262
Non-current liabilities			
Bank and other borrowings	22	21,954	46,349
Notes payable	23	–	76,086
Obligations under finance leases	24	7,843	5,323
Deferred tax liabilities	27(b)	6,537	1,656
		36,334	129,414
NET ASSETS		178,452	336,848
CAPITAL AND RESERVES			
Share capital	28(a)	79,879	79,664
Reserves		98,573	257,184
TOTAL EQUITY		178,452	336,848

Approved and authorised for issue by the board of directors on 22 May 2009.

經由董事會於二零零九年五月二十二日批准及授權刊發。

HO YIN KING, HELENA

Directors

何燕琮

董事

HO FAI KEUNG, JACKY

Directors

何輝強

董事

The notes on pages 59 to 163 form part of these financial statements.

第59頁至第163頁所載的附註為本財務報表的組成部份。

Balance Sheet

資產負債表

At 31 December 2008 於二零零八年十二月三十一日
(Expressed in Hong Kong dollars) (以港元列賬)

		Note	2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
		附註		
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資	16	39,172	39,172
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項	18	279,270	356,221
Cash and cash equivalents	現金及現金等價物	20	67	127
			279,337	356,348
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	21	58,463	57,847
Bank and other borrowings	銀行及其他借貸	22	40	–
Notes payable	應付票據	23	108,367	–
			166,870	57,847
Net current assets	流動資產淨值		112,467	298,501
Non-current liabilities	非流動負債			
Notes payable	應付票據	23	–	76,086
NET ASSETS	資產淨值		151,639	261,587
CAPITAL AND RESERVES	股本及儲備	28(b)		
Share capital	股本		79,879	79,664
Reserves	儲備		71,760	181,923
TOTAL EQUITY	權益總額		151,639	261,587

Approved and authorised for issue by the board of directors on 22 May 2009.

經由董事會於二零零九年五月二十二日批准及授權刊發。

HO YIN KING, HELENA

Directors

何燕琮

董事

HO FAI KEUNG, JACKY

Directors

何輝強

董事

The notes on pages 59 to 163 form part of these financial statements.

第59頁至第163頁所載的附註為本財務報表的組成部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列賬)

	Note	2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
	附註		
Total equity at 1 January		336,848	277,190
Net income recognised directly in equity:			
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	28(a)	1,258	1,684
(Deficit)/surplus on revaluation of properties, net of deferred tax	28(a)	(1,098)	2,740
		160	4,424
Net (loss)/profit for the year		(159,787)	33,476
Total recognised income and expense for the year		(159,627)	37,900
Movements in equity arising from capital transactions:			
Shares issued under share option scheme	28(a)	528	6,667
Shares issued on exercise of warrants	28(a)	-	9,391
Equity-settled share-based transactions	28(a)	703	4,300
Issue of the Secured Notes and warrants	28(a)	-	1,400
		1,231	21,758
Total equity at 31 December	28(a)	178,452	336,848

The notes on pages 59 to 163 form part of these financial statements.

第59頁至第163頁所載的附註為本財務報表的組成部份。

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
(Expressed in Hong Kong dollars) (以港元列賬)

	Note	2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
	附註		
Operating activities	經營業務		
(Loss)/profit before taxation	除稅前(虧損)/溢利	(151,959)	35,521
Adjustments for:	就下列項目作出之調整:		
– Depreciation of property, plant and equipment	– 物業、廠房及設備折舊	5(e) 17,607	14,287
– Amortisation of intangible assets	– 無形資產攤銷	5(e) 8,038	5,520
– Impairment loss on property, plant and equipment	– 物業、廠房及設備減值虧損	5(c) 59,294	–
– Impairment loss on intangible assets	– 無形資產減值虧損	5(c) 637	–
– Impairment loss on goodwill	– 商譽減值虧損	5(c) 39,545	–
– Impairment loss on trade and other receivables	– 貿易及其他應收款項減值虧損	5(c) 28,893	–
– Equity-settled share-based payment expenses	– 以股本結算股份為基礎之償付開支	5(b) 703	4,300
– Interest income	– 利息收入	4 (350)	(809)
– Interest expenses	– 利息開支	21,008	17,760
– Finance charges on obligations under finance leases	– 融資性租賃負債的財務費用	5(a) 968	1,022
– Loss/(gain) on sale of property, plant and equipment	– 出售物業、廠房及設備虧損/(收益)	4 30	(120)
– Foreign exchange loss	– 外幣匯兌虧損	565	607
Operating profit before changes in working capital	營運資金變動前之經營溢利	24,979	78,088
Increase in inventories	存貨增加	(26,923)	(67,361)
Increase in trade and other receivables	貿易及其他應收款項增加	(18,622)	(11,909)
Increase/(decrease) in trade and other payables	貿易及其他應付款項增加/(減少)	31,181	(14,996)
Cash generated from/(used in) operations	經營業務產生/(動用)之現金	10,615	(16,178)
Tax paid	已付稅項		
– Hong Kong Profits Tax refunded/(paid)	– 退回/(已付)香港利得稅	323	(219)
– Overseas tax paid	– 已付海外稅項	(865)	(57)
Net cash generated from/(used in) operating activities	經營業務產生/(動用)之現金淨額	10,073	(16,454)

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
(Expressed in Hong Kong dollars) (以港元列賬)

	Note	2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
	附註		
Investing activities	投資業務		
Interest received	已收利息	350	809
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備之付款	(11,132)	(12,618)
Payment for development costs	開發成本之付款	-	(17,487)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	150	120
Net cash used in investing activities	投資業務動用之現金淨額	(10,632)	(29,176)
Financing activities	融資活動		
Interest paid	已付利息	(19,927)	(17,435)
Finance charges on obligations under finance leases	已付融資性租賃負債的財務費用	(968)	(1,022)
Net proceeds from issue of new shares	發行新股之所得款項淨額	28(a) 528	16,058
Net proceeds from issue of the Notes	發行票據之所得款項淨額	31,200	77,161
Proceeds from new bank and other borrowings	新增銀行及其他借貸所得款項	617,211	98,478
Repayment of bank and other borrowings	償還銀行及其他借貸	(636,256)	(82,071)
Capital element of finance lease rental paid	已付融資性租賃的本金部份	(12,033)	(13,967)
Increase in pledged deposits	已抵押存款增加	(326)	(1,228)
Net cash (used in)/generated from financing activities	融資活動(動用)/產生之現金淨額	(20,571)	75,974
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(21,130)	30,344
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	34,043	3,253
Effect of foreign exchange rate changes	外幣匯率變動影響	137	446
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	13,050	34,043

The notes on pages 59 to 163 form part of these financial statements.

第59頁至第163頁所載的附註為本財務報表的組成部份。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1 主要會計政策

(a) 合規聲明

本財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之所有適用之香港財務報告準則（「香港財務報告準則」）一詞包括所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋、香港公認會計原則及香港公司條例之披露規定編製而成。本財務報表亦遵守香港聯合交易所有限公司證券上市規則之適用披露規定。本集團所採納之主要會計政策概要載於下文。

香港會計師公會已頒佈若干全新及經修訂之香港財務報告準則，並於本集團及本公司之本期會計期間首次生效或可供提早採納。首次採納該等與本集團本會計期間及過往會計期間有關並反映於本財務報表內的全新及經修訂之香港財務報告準則引致的任何會計政策變動資料載於附註2。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements

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

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity. The financial statements are presented in Hong Kong Dollar (HK\$), rounded to the nearest thousand except for per share data.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- derivative financial instruments (see note 1(e)); and
- leasehold land and buildings (see note 1(f)).

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.

1 主要會計政策 (續)

(b) 財務報表之編製基準

截至二零零八年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱「本集團」)之賬目。

本集團各公司賬目所包括之項目乃按最能反映有關該公司之相關事件及情況之經濟情況所用的貨幣計算。財務報表以港元(港元)呈列並已約整至最接近千元(每股股份數據除外)。

編製本財務報表所採用之計量基準為歷史成本基準,惟在以下會計政策所闡述的資產及負債乃以其公允價值列賬:

- 衍生金融工具(見附註1(e));及
- 租賃土地及樓宇(見附註1(f))。

在編製符合香港財務報告準則之財務報表時,管理層需作出對可影響政策應用以及資產、負債、收入及開支呈報金額的判斷、估計及假設。有關估計及相關假設乃根據過往經驗及管理層因應當時情況而認為合理的多項其他因素而作出,其估計及假設之結果構成了管理層在無法依循其他資料來源清楚載列之資產及負債的賬面值時所作出判斷之基準。實際結果可能與該等估計數值有所不同。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 35.

In preparing the financial statements, the directors have considered the future liquidity of the Group in view of its consolidated net loss attributable to equity holders of the Company of \$159,787,000 for the year ended 31 December 2008. In addition, the Group breached certain financial covenants of its banking facilities and of two bonds subscription agreements during the year ended 31 December 2008. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given that:

- (i) the Group has been actively negotiating with its creditor bankers to secure continual support;

1 主要會計政策 (續)

(b) 財務報表之編製基準 (續)

本集團會持續對估計及相關假設作出評估。對會計估計進行修訂時，若修訂只影響該期間，則有關修訂會在修訂估計之期間內確認；若修訂對當期及未來期間均有影響，則在作出修訂之期間及未來期間確認。

管理層在應用香港財務報告準則時所作出之判斷對本財務報表有重大影響及作出之估計對下年度可能具有重大調整風險的討論內容列於附註35。

於編製財務報表時，鑒於截至二零零八年十二月三十一日止年度本公司權益股東應佔之綜合虧損淨值為159,787,000元，董事已對本集團之未來流動資金作出考慮。此外，截至二零零八年十二月三十一日止年度，本集團已違反其銀行融資及兩項債券認購協議之若干財務契約。本集團的持續經營能力因以上重大不確定的因素而備受質疑。因此，本集團於日常業務過程中可能未能變現其資產及履行其債務。然而，董事在考慮下述的事項後認為本集團將可籌措其日後營運資金及所需資金：

- (i) 本集團正積極與其貸款銀行進行磋商，以確保獲得持續支持；

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- (ii) the note holders have confirmed that they would not request early redemption of the notes; and
- (iii) the Group has been actively discussing with prospective investors to obtain new working capital and a third party has committed to provide financial assistance to the Group as is necessary to maintain it as a going concern.

It is the directors' belief that they will successfully negotiate with creditor bankers and note holders to secure continual financing and the third party will execute its financial support commitment in order for the Group to meet its financial obligations as they fall due and to finance its future working capital and financial requirements.

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

(c) Subsidiaries

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

1 主要會計政策 (續)

(b) 財務報表之編製基準 (續)

- (ii) 票據持有人已確認將不會要求提早贖回票據；及
- (iii) 本集團正積極與準投資者進行磋商以取得新的營運資金。另本集團獲第三方承諾提供所需之財務支持，以維持持續經營。

董事相信，其與貸款銀行及票據持有人的磋商將可成功落實以獲得持續融資，而第三方將兌現其財務支援承諾，使本集團於其財務責任到期時可履行有關責任，並為未來營運及財務需要提供資金。

基於以上考慮因素，董事認為可按持續經營基準編製截至二零零八年十二月三十一日止年度之財務報表。若本集團未能按持續經營基準繼續經營，資產值將會撇減至其可收回數額，將為負債作進一步撥備，以及分別將非流動資產及非流動負債重新分類為流動資產及流動負債。以上調整之影響並沒有反映在本財務報表。

(c) 附屬公司

附屬公司為受本集團控制之實體。當本集團有權控制一個實體之財務及經營政策，並藉此從其業務中獲得利益時，該實體將被視為受到本集團控制。於評估控制權時，現行可予行使之潛在投票權已計算在內。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries (continued)

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.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(i)).

(d) Goodwill

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

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 1(i)).

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

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

1 主要會計政策 (續)

(c) 附屬公司 (續)

於附屬公司之投資會自控制權開始起獲合併入綜合財務報表，直至控制權終止為止。集團內部結餘及交易以及因集團內部交易而產生之任何未變現溢利均全部於編製綜合財務報表時予以對銷。集團內部交易所產生之未變現虧損的方法與對銷未變現收益相同，惟僅限於在沒有已轉讓資產減值跡象之情況下。

於本公司的資產負債表內，附屬公司之投資按成本減除減值虧損列賬（見附註1(i)）。

(d) 商譽

商譽指收購成本超出所購入業務之可識別資產、負債及或然負債之公允淨值之差額。

商譽按成本減除累計減值虧損列賬。商譽獲分配至現金產生單位，且每年進行減值測試（見附註1(i)）。

本集團即時於損益表確認對所購入業務之可識別資產、負債及或然負債之公允淨值中所擁有權益超出業務合併成本之差額。

出售某個現金產生單位時，有關的商譽數額將撥入出售盈虧中計算。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Derivative financial instruments

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

(f) Property, plant and equipment

Leasehold land and buildings held for own use are stated in the balance sheet at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation.

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

Other items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(i)).

Changes arising on the revaluation of properties held for own use are generally dealt with in reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

1 主要會計政策 (續)

(e) 衍生金融工具

衍生金融工具最初乃以公允價值確認，並於各結算日重估其公允價值。重估公允價值的收益或虧損即時於損益表確認。

(f) 物業、廠房及設備

持作自用之租賃土地及樓宇按其重估值（即其於重估當日之公允價值減任何其後累積折舊）於資產負債表列賬。

重估會定期進行，以確保該等資產之賬面值不會與在結算日採用公允價值出現重大差異。

其他物業、廠房及設備等項目按成本減除累積折舊及減值虧損在資產負債表列賬（見附註1(i)）。

因重估持作自用之物業而產生之變動一般撥入儲備內處置。惟下列情況例外：

- 當在重估產生虧絀時，有關虧絀將於損益表扣除，惟獲扣除之數額不能超過重估前同一資產在儲備中所持有之金額；及
- 當在重估產生盈餘時，有關盈餘將計入損益表，惟獲計入之數額須為同一資產之重估虧絀於過往損益表扣除之數額為限。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Leasehold land and buildings	2.5% or over the term of the leases if less than 40 years
Plant and machinery	10% – 20%
Leasehold improvements	20%
Furniture, fixtures and equipment	20%
Motor vehicles	30%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

1 主要會計政策 (續)

(f) 物業、廠房及設備 (續)

因報廢或出售物業、廠房及設備項目而產生之損益按出售所得款項淨額與項目之賬面值間之差額釐定，並於報廢或出售當日於損益表確認。任何相關重估盈餘均由重估儲備轉撥至保留溢利。

物業、廠房及設備項目之折舊是按直線法以其估計可使用年期撇銷其成本或估值(減去其估計殘值(如有))計算：

租賃土地及樓宇	2.5%或 按其租期 (倘少於40年)計算
廠房及機器	10% – 20%
租賃裝修	20%
傢俬、固定裝置 及設備	20%
車輛	30%

倘物業、廠房及設備項目的組件部份有不同的可使用年期，則該項目之成本或估值會按合理基準分配給各部份，且每個部份分開計算折舊。資產之可使用年期及其剩餘價值(如有)須每年進行檢討。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour and an appropriate proportion of overheads. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 1(i)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(i)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– Capitalised development costs	10 years
– Capitalised technical know-how	5-10 years
– Capitalised distribution channels	10 years

Both the period and method of amortisation are reviewed annually.

1 主要會計政策 (續)

(g) 無形資產 (商譽除外)

有關研究活動之開支於其產生之期間內確認為一項支出。倘產品或生產工序具有技術及商業上的可行性且本集團擁有充足資源並打算完成開發活動，則有關開發活動之開支方會獲資本化。已資本化之開支包括原材料成本、直接勞工及適當比例之間接成本。已資本化之開發成本按成本減除累積攤銷及減值虧損列賬（見附註1(i)）。其他開發開支則於其產生之期間內確認為一項支出。

本集團購入之其他無形資產按成本減除累積攤銷（倘估計可使用年期是有限的）及減值虧損於資產負債表列賬（見附註1(i)）。有關內部所產生的商譽及品牌之開支則於其產生之期間內確認為一項支出。

具有有限可使用年期之無形資產之攤銷乃於該項資產之估計可使用年期內按直線法於損益表扣除。以下具有有限可使用年期之無形資產自該等資產可供動用之日起進行攤銷，其估計可使用年期如下：

– 資本化開發成本	10年
– 資本化技術知識	5至10年
– 資本化分銷渠道	10年

攤銷之期限及方法須每年進行檢討。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Leased assets

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

(i) Classification of assets leased to the Group

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

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

1 主要會計政策 (續)

(h) 租賃資產

倘本集團釐定一項安排，附有權利可在協定期間內使用一項或多項特定資產以換取一筆或一系列付款，則該項安排（包括一項交易或一系列交易）即屬或包含一項租賃。該項決定乃基於對上述安排之實體評估而作出，不論有關安排是否採用法定之租賃形式。

(i) 租賃予本集團之資產分類

對於本集團以租賃持有的資產，如擁有權之絕大部份風險及回報轉讓予本集團，該資產被劃分為根據融資租賃持有之資產。不會將資產擁有權之絕大部份風險及回報轉讓予本集團之租賃則被列為經營租約，惟下列情況例外：

- 根據經營租約持作自用之土地，倘於租賃開始生效時，該幅土地之公允價值無法與於其土地上興建之樓宇之公允價值分開計量，則有關土地會作為根據融資租賃持有入賬，除非上述樓宇清楚地根據經營租約持有。就此而言，租賃開始生效的時間為本集團首次訂立租約的時間，或從先前承租人接管租賃之時。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Leased assets (continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payment, of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 1(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(i). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

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

1 主要會計政策 (續)

(h) 租賃資產 (續)

(ii) 根據融資租約購入之資產

倘本集團根據融資租約獲得資產之使用權，則該等資產中相當於租賃資產之公允價值或最低租金之現值（如為較低者）會計入物業、廠房及設備，而相應負債（扣除財務費用）則均列為融資性租賃負債。折舊乃按撇銷有關資產之成本或估值比例於有關租約之租期或資產之年期（倘本集團將很可能獲得有關資產之擁有權）內計提，有關資產之年期載於附註1(f)。減值虧損根據附註1(i)所載之會計政策入賬。租金內所包含之財務費用於租賃期內在損益表扣除，以使每個會計期間就其尚餘承擔之金額所負擔之利息比率大致保持不變。或然租金則於其產生之會計期間內在損益表扣除。

(iii) 經營租約費用

倘本集團根據經營租約擁有資產之使用權，則除非有較比租賃資產所產生利益模式更具代表性的另一基準，否則根據租賃作出之付款會於租期所涵蓋之會計期間內以等額分期在損益表扣除。已收取之租賃激勵措施則作為所支付總租金淨額之組成部份於損益表確認。或然租金則於其產生之會計期間內在損益表扣除。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of assets

(i) Impairment of trade and other receivables

Trade and other receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment.

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

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

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

1 主要會計政策 (續)

(i) 資產減值

(i) 貿易及其他應收款項減值

按成本或攤銷成本列賬之貿易及其他應收款項於每個結算日檢討，以釐定有否減值的客觀證據。

減值的客觀證據包括本集團注意到下列一項或以上之虧損事項：

- 債務人有嚴重財務困難；
- 違反合約，例如逾期償還或拖欠利息或本金；
- 債務人可能將會破產或進行其他財務重組；及
- 技術、市場、經濟或法律環境之重大變動對債務人帶來不利的影響。

倘貼現之影響屬重大，減值虧損乃按資產之賬面值與估計未來現金流量按財務資產原有實際利率（即在初始確認該等資產時計算之實際利率）貼現的現值間之差額計算。倘按攤銷成本入賬之財務資產均有類似的風險特徵，例如類似的過期狀況，以及並未個別地被評估為減值，則會進行共同評估。被共同評估減值之財務資產之未來現金流量乃根據具有共同組別類似信貸風險特徵之資產之過往虧損經驗計算。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of assets (continued)

(i) Impairment of trade and other receivables (continued)

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

Impairment losses for doubtful debts are recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

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

- property, plant and equipment (other than properties carried at revalued amounts);

1 主要會計政策 (續)

(i) 資產減值 (續)

(i) 貿易及其他應收款項減值 (續)

倘若其後期間減值虧損之數額減少且有關減少與在確認減值虧損後發生之某件事件存在客觀聯繫，則減值虧損會透過損益表撥回。減值虧損撥回不得導致資產之賬面值超過以往年度在沒有確認減值虧損之情況下釐定之數額。

就包含在貿易及其他應收款項中的貿易應收賬款及應收票據所確認的呆賬之減值虧損，其可收回性被視為難以預料而並非渺茫者以撥備賬記錄。倘本集團信納收回應收賬款的機會渺茫，則被視為不可收回的金額會直接從貿易應收賬款及應收票據中撇銷，而在撥備賬中就該債務保留的任何金額會被撥回。倘之前計入撥備賬的款項在其後收回，則有關款項於撥備賬撥回。撥備賬的其他變動及其後收回先前直接撇銷的款項均於損益表確認。

(ii) 其他資產減值

本集團會在每個結算日審閱內部及外間資料，以確定下列資產是否出現減值跡象，或以往確認之減值虧損（商譽除外）是否不再存在或可能已減少：

- 物業、廠房及設備（按重估金額列賬之物業除外）；

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

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

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- *Calculation of recoverable amount*

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

1 主要會計政策 (續)

(i) 資產減值 (續)

(ii) 其他資產減值 (續)

- 無形資產；
- 於附屬公司之投資；及
- 商譽。

倘存在任何有關跡象，則會對資產之可收回金額進行評估。此外，就商譽、尚不可供動用之無形資產及具有無限可使用年期之無形資產而言，不論是否存在任何減值跡象，均會每年對其可收回金額進行評估。

- *計算可收回金額*

資產之可收回金額為其售價淨額與其使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃使用能反映現時市場對貨幣時間值及資產特定風險之評估之稅前貼現率貼現至其現值。倘資產所產生之現金流入在很大程度上不能獨立於其他資產所產生之現金流入，則可收回金額會就可獨立產生現金流入之最小資產組別（即現金產生單位）進行釐定。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

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

– Reversals of impairment losses

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

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

1 主要會計政策 (續)

(i) 資產減值 (續)

(ii) 其他資產減值 (續)

– 確認減值虧損

當資產或其所屬之現金產生單位之賬面值超過其可收回金額時，即會於損益表確認減值虧損。已就現金產生單位確認之減值虧損首先會進行分配，以減少已獲分配至現金產生單位（或一組單位）之任何商譽之賬面值，然後再按比例進行分配，以減少該單位（或一組單位）中其他資產之賬面值，惟個別資產之賬面值將不會獲減少至低於其本身之公允價值減銷售成本或使用價值（若能釐定）。

– 撥回減值虧損

就商譽以外之資產而言，倘用以釐定可收回金額之估計出現有利變動，則會撥回減值虧損。有關商譽之減值虧損不予撥回。

減值虧損之撥回須以過往年度在沒有確認減值虧損之情況下釐定之資產之賬面值為限。減值虧損之撥回於確認撥回之年度內計入損益表。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Impairment of assets** (continued)**(iii) Interim financial reporting and impairment**

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(i)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(j) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1 主要會計政策 (續)**(i) 資產減值** (續)**(iii) 中期財務報告及減值**

根據香港聯合交易所有限公司證券上市規則，本集團須根據香港會計準則第34號「中期財務報告」就財政年度首六個月編製中期財務報告。於中期完結時，本集團採用於財政年度完結時應採用之同一減值測試、確認及撥回準則（見附註1(i)(i)及(ii)）。

於中期內就商譽、可供出售股本證券及按成本列賬之無報價股本證券所確認之減值虧損不可在往後期間撥回。假設在中期相關之財政年度完結時才評估減值，而此時即使沒有虧損或確認較少虧損，減值虧損亦不會被撥回。

(j) 存貨

存貨按成本及可變現淨值兩者之較低者列賬。

成本乃使用加權平均成本法計算，包括所有採購成本、轉換成本及將存貨運送至現時地點並使其達致現時狀況而產生之其他成本。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Inventories (continued)

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

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

(k) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 1(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment of doubtful debts.

(l) Interest-bearing borrowings

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

1 主要會計政策 (續)

(j) 存貨 (續)

可變現淨值為日常業務過程中之估計售價減估計完成成本及估計進行出售所需之成本。

當售出存貨時，該等存貨之賬面值會在確認相關收入之期間內作為一項支出予以確認。存貨撇減至可變現淨值之金額及所有存貨之虧損均於撇減或出現虧損之期間內確認為一項支出。因可變現淨值增加而需轉回的任何存貨減值會扣減轉回發生期間所確認的支出。

(k) 貿易及其他應收款項

除應收款項為貸予關連人士無固定還款期之免息貸款或貼現之影響並不重大者外，貿易及其他應收款項最初按公允價值確認，其後按攤銷成本扣減呆賬減值撥備列賬（見附註1(i)），在該等情況下，應收款項按成本扣減呆賬減值列賬。

(l) 計息借貸

計息借貸最初按公允價值減應佔交易成本確認。於初步確認後，計息借貸按攤銷成本列賬，而初步確認數額與贖回價值間之任何差額（連同任何應付利息及費用）則使用實際利率法於借貸年期內在損益表確認。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Compound financial instruments

Financial instruments in respect of interest-bearing borrowings and warrants issued simultaneously under a composite arrangement, where the number of shares to be issued under the warrants does not vary with changes in fair value, are deemed to be a compound financial instrument and accounted for as follows:

- At initial recognition the liability component of the compound financial instrument is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar stand-alone liabilities. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.
- The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. In the event of an early redemption of the liability component before its contractual or expected maturity, any difference between the carrying value of the liability component and its redemption value is recognised as a gain or loss on redemption in profit or loss.
- The equity component is recognised in the capital reserve until either the warrants are exercised or lapsed. If the warrants are exercised, the capital reserve is transferred to share premium as part of consideration for the shares issued. If the warrants lapse, the capital reserve is released directly to retained profits.

1 主要會計政策 (續)

(m) 複合財務工具

就有關根據複合安排同時發出之計息借貸及認股權證之財務工具而言，倘根據認股權證將予發行之股份數目不會隨著認股權證之公允價值變動而改變，則有關財務工具會視為一項複合財務工具，並按如下方式入賬：

- 複合財務工具之負債部份之初步確認乃以未來利息及本金付款之現值計算，以類似獨立負債於初步確認時適用之市場利率貼現。任何超過初步確認為負債部份之金額之款項以股本部份確認。有關發行複合財務工具事項之交易成本以款項分配之比例分配於負債及股本部份。
- 負債部份其後以攤銷成本入賬，負債部份的利息開支以實際利息法計算並於損益表內入賬。倘負債部份早在其合約或預期到期日前贖回，則負債部份賬面值與其贖回價值間之任何差額會於損益表確認為有關贖回之損益。
- 股本部份於資本儲備內確認直至認股權證已行使或失效。倘認股權證被行使，則資本儲備會被轉撥往股份溢價，作為發行股份的部份代價。倘認股權證失效，則資本儲備會直接放回保留溢利。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 1(r), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Cash and cash equivalents

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

(p) Employee benefits

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

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

1 主要會計政策 (續)

(n) 貿易及其他應付款項

貿易及其他應付款項最初按公允價值確認。除根據附註1(r)計量之財務擔保負債外，貿易及其他應付款項其後按攤銷成本列賬。如貼現之影響並不重大，貿易及其他應付款項乃按成本列賬。

(o) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構之活期存款以及可隨時兌換成已知數額現金之短期及高流動投資，其價值變動風險並不重大，並在購入起計三個月內到期。就編製綜合現金流量表而言，須於要求時償還且構成本集團現金管理之銀行透支亦作為現金及現金等價物其中一部份。

(p) 僱員福利

(i) 短期僱員福利及定額供款退休計劃供款

薪金、年度花紅、有薪年假、定額供款退休計劃供款及非貨幣福利成本均於僱員提供服務之年度累計。倘有關付款或結算延期且所產生之影響重大，則該等款項按其現值列賬。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Employee benefits (continued)

(ii) Share based payments

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

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

1 主要會計政策 (續)

(p) 僱員福利 (續)

(ii) 按股份為基礎的付款

授予僱員購股權之公允價值會確認為僱員成本，並在權益內之資本儲備作相應增加。公允價值於授出日期採用適當估值方法計量，並考慮到授出的購股權之條款及條件。倘僱員須符合歸屬條件後方可無條件享有購股權，則購股權之估計公允價值總額會於歸屬期分攤，並考慮到購股權將予歸屬之可能性。

於歸屬期間內，會對預期將予歸屬之購股權數目進行檢討。對過往年度確認之累積公允價值作出之任何調整會在檢討之年度從損益表扣除／計入損益表（除非原有僱員支出符合確認為資產），並在資本儲備內作相應調整。除僅因未能達致與本公司股份市價有關之歸屬條件而須放棄購股權，於歸屬日期，會對確認為支出之金額進行調整，以反映實際歸屬之購股權數目（並於資本儲備內作相應調整）。權益金額在資本儲備確認直至購股權獲行使（當權益金額獲轉撥入股份溢價賬時）或購股權屆滿（當權益金額直接撥回保留溢利時）。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Employee benefits (continued)

(iii) Termination benefits

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

(q) Income tax

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

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

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

1 主要會計政策 (續)

(p) 僱員福利 (續)

(iii) 終止僱傭福利

只有當本集團明確其承擔終止僱員合約或因自願離職而提供福利的義務時，且已有詳細正式計劃及不可能會被撤銷時，該解僱福利費用才被確認。

(q) 所得稅

本年度所得稅包括本期所得稅及遞延稅項資產及負債的變動。本期所得稅項及遞延稅項資產及負債的變動均在損益表確認，但與直接確認為股東權益項目有關的，則確認為股東權益。

本期稅項為年內應課稅收入而使用已生效或於結算日實質上已生效之稅率計算預期應付之稅項，並加上就過往年度對應付稅項作出之任何調整。

遞延稅項資產及負債分別因可扣稅及應課稅暫時差額（即資產及負債就財務報告目的所呈列之賬面值與該等資產及負債之稅基間之差額）而產生。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income tax (continued)

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.

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.

1 主要會計政策 (續)

(q) 所得稅 (續)

除一些有限制的例外情況，所有遞延稅項負債必須確認，惟可確認的遞延稅項資產，應以能抵銷該資產可能出現的未來應課稅盈利數額為限。可支持確認可抵扣暫時性差異所產生的遞延稅項資產的未來應課稅盈利包括因撥回現有應課稅暫時性差異所產生者，惟這些差異必須屬於同一稅務機關及同一應課稅實體，並預期會在預期撥回可抵扣暫時性差異的同一期間或遞延稅項資產所產生的稅務虧損可向後期或前期結轉的期間撥回。在釐定現有應課稅暫時性差異是否支持確認未使用的稅務虧損及抵免所產生的遞延稅項資產時，會採用上述同一標準，即倘這些暫時性差異與同一稅務機關及同一應課稅實體有關，並預期會在可使用上述稅務虧損或抵免的期間內撥回，則上述由稅務虧損或抵免所產生的遞延稅項資產便需確認。

確認遞延稅項資產及負債之例外情況包括：因不可扣稅商譽而產生之暫時差額、初步確認不影響會計或應課稅溢利之資產或負債（惟該等資產或負債並非業務合併之一部份）以及與於附屬公司之投資相關之暫時差額，就與於附屬公司之投資相關之暫時性差異而言，如屬應課稅差額，則只限於本集團控制撥回之時間及於可見將來不大可能會撥回之差額，或如屬可扣稅差額，則只限於將可在未來予以撥回之差額。

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1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income tax (continued)

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 profit 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.

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:

1 主要會計政策 (續)

(q) 所得稅 (續)

已確認遞延稅項的數額乃根據資產及負債的賬面值變現或清償的預定模式，以於結算日有效或實際有效的稅率計算。遞延稅項資產及負債均無須折現。

遞延稅項資產的賬面值於每個結算日進行檢討，倘若認為可能並無足夠應課稅盈利以供扣減有關稅項得益，則遞延稅項資產會予以削減。該削減數額可在可能有足夠應課稅盈利時撥回。

因分派股息而產生之額外所得稅於應付股息之責任獲確認時予以確認。

本期和遞延稅項結餘及其變動額會分開列示，並不予抵銷。本期和遞延稅項資產只會在本公司或本集團有法定行使權以本期所得稅資產抵銷本期所得稅負債，並且符合以下附帶條件的情況下，才可以分別抵銷本期和遞延稅項負債：

- 本期稅項資產和負債：本集團或本公司計劃按淨額基準結算，或在實現資產的同時清償負債；或
- 遞延稅項資產和負債：該等資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income tax (continued)

- 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.

(r) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

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

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

1 主要會計政策 (續)

(q) 所得稅 (續)

- 同一個應課稅實體；或
- 不同的應課稅實體，而該等實體計劃在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每個未來期間內，按淨額基準實現本期稅項資產並清償本期稅項負債，或在實現資產的同時清償負債。

(r) 已發出之財務擔保、撥備及或然負債

(i) 已發出之財務擔保

財務擔保乃要求發行人（即擔保人）因特定債務人未能於到期時根據債務工具之條款付款而讓擔保受益人（「持有人」）蒙受損失而以特定付款賠償該名持有人之合約。

倘本集團發出財務擔保，則該項擔保之公允價值（即交易價格，除公允價值能以其他方式可靠地估計外）最初確認為貿易及其他應付款項內之遞延收入。倘因發出該項擔保而收取或應收取代價，則有關代價會根據本集團適用於該類資產之政策予以確認。倘沒有收取或應收取代價，則即時開支會於初步確認任何遞延收入時在損益表確認。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Financial guarantees issued, provisions and contingent liabilities (continued)

(i) Financial guarantees issued (continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 1(r)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other 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, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. When the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

1 主要會計政策 (續)

(r) 已發出之財務擔保、撥備及或然負債 (續)

(i) 已發出之財務擔保 (續)

最初確認為遞延收入之擔保金額會於擔保年期在損益表攤銷。此外，倘及當(i)持有人將有可能根據該項擔保向本集團催繳款項；及(ii)該項有關本集團之申索金額預期將會超過現時就該項擔保而於貿易及其他應付款項列賬之金額（即在減去累積攤銷後最初確認之金額）時，則有關撥備會根據附註1(r)(ii)確認。

(ii) 其他撥備及或然負債

當本集團或本公司因過往事件而須負上法定或推定責任時，而且將可能會為處理該項責任而須付出經濟利益，並可對付出經濟利益之數額作出可靠的估計時，則須對此未能確定時間或數額之負債確認撥備。若有關時間值重大，撥備乃以履行責任時預期所需開支之現值列賬。

除付出經濟利益之可能性極微外，倘可能不需要付出經濟利益，或付出經濟利益之數額不能可靠地估計，則有關責任會作為或然負債予以披露。除付出經濟利益之可能性極微外，可能產生之責任將僅視乎會否發生一件或多件未來事件方能確認其存在與否，則該等責任亦會作為或然負債予以披露。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Derecognition of financial assets

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

(t) Revenue recognition

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

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method.

1 主要會計政策 (續)

(s) 停止確認財務資產

當從財務資產獲得現金流量之合約權利屆滿時，或當財務資產連同其擁有權之絕大部份風險及回報均獲轉讓，財務資產會被停止確認。

(t) 收入確認

倘經濟利益將可能會流入本集團且能可靠地估計收入及成本（倘適用），則有關收入會按下列方法於損益表確認：

(i) 銷售貨品

收入在貨品送達至客戶之所在地，且客戶已接收貨品及其擁有權之相關風險及回報時予以確認。收入不包括增值稅或其他銷售稅項，並已扣除了任何貿易折扣。

(ii) 經營租約之租金收入

除非有其他基準更清楚地反映租賃資產所產生利益模式外，根據經營租約應收之租金收入會於租期所涵蓋之期間內以等額分期在損益表確認。已授出之租賃激勵措施則作為應收取總租金淨額之組成部份於損益表確認。或然租金則於其賺取之會計期間內作為收入在損益表確認。

(iii) 利息收入

利息收入乃採用實際利率法確認。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of operations outside Hong Kong are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

On disposal of an operation outside Hong Kong, the cumulative amount of the exchange differences recognised in equity which relate to that operation is included in the calculation of the profit or loss on disposal.

(v) Borrowing costs

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

1 主要會計政策 (續)

(u) 外幣換算

年內之外幣交易按交易日期之匯率換算。以外幣計值之貨幣資產及負債則按結算日之匯率換算。匯兌損益於損益表確認。

按外幣之歷史成本計量的非貨幣資產及負債採用交易日期之匯率換算。以按公允價值列賬之外幣計值之非貨幣資產及負債則採用釐定公允價值日期之匯率換算。

香港境外業務之業績按交易日期之外匯率換算為港元。資產負債表項目按結算日之外匯率換算為港元。所產生之匯兌差額直接於權益之獨立項下確認。

於出售香港境外業務時，由該海外業務產生在權益內確認的累計匯兌差額要包括在計算出售之溢利或虧損之內。

(v) 借貸成本

借貸成本於其產生時計入損益表。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Related parties

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

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit or employees of the Group or of any entity that is a related party of the Group.

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

1 主要會計政策 (續)

(w) 關連人士

就本財務報表而言，於下列情況下，該人士將被視為本集團的關連人士：

- (i) 該人士有能力直接或間接透過一位或多位中介人控制本集團或對本集團作出財務及經營決策行使重大影響力，或共同控制本集團；
- (ii) 本集團及該人士均受共同控制；
- (iii) 該人士為本集團之聯營公司或本集團參與投資之合營企業；
- (iv) 該人士為本集團或本集團母公司主要管理層成員，或有關人士之近親家屬成員，或為受該等個別人士控制、共同控制或有關人士對其擁有重大影響力之實體；
- (v) 該人士為第(i)項所指所述人士之近親家屬成員或受該等人士控制、共同控制或擁有重大影響力之實體；或
- (vi) 該人士為以本集團或本集團關連人士的任何實體而設的僱員退休福利計劃。

個別人士之近親家屬成員為該等與實體之交易過程中，預期可能會影響該個別人士或受到該個別人士影響之家屬成員。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Segment reporting

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

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

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

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

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

1 主要會計政策 (續)

(x) 分類報告

分類指本集團內部可明顯區分之組成部份，從事提供產品或服務（業務分類），或於特定經濟環境內提供產品或服務（地區分類），其承受的風險及回報與其他分類有所不同。

根據本集團之內部財務報告制度，本集團已選擇業務分類資料為主要報告形式，而地區分類資料則為次要報告形式。

分類收入、開支、業績、資產及負債包括直接來自該分類，以及可按合理基準分配至該分類之項目。分類收入、開支、資產及負債會於未計及集團內部結餘前予以釐定，而集團內部交易則作為合併賬目過程中的一部份予以對銷，惟該等集團內部結餘及交易屬集團實體間在單一分類內所進行者則除外。分類間交易之定價乃根據其他外部人士可得到的類似條款釐定。

分類資本開支指年內收購預期可使用超過一定期限之分類資產（包括有形及無形資產）而產生之總成本。

未分配項目主要包括財務及企業資產、計息貸款、借貸、稅項結餘、企業支出及財務費用。

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new Interpretations and an Amendment to HKFRSs that are first effective for the current accounting period of the Group and the Company.

However, none of these developments is relevant to the Group's and the Company's operations.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 36).

3 TURNOVER

The principal activities of the Group are the remanufacture and sale of computer printing and imaging products, manufacture and sale of data media products and distribution of branded data media products from third party vendors.

Turnover represents the sales value of goods sold to customers and is stated after deducting goods returned and trade discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

		2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
Remanufacture and sale of computer printing and imaging products	環保再造及銷售電腦打印及影像產品	310,298	283,218
Manufacture and sale of data media products	製造及銷售數據媒體產品	104,095	83,195
Distribution of data media products	分銷數據媒體產品	41,138	51,746
		455,531	418,159

2 會計政策的改動

香港會計師公會已頒佈多項新詮釋及一項對香港財務報告準則的修訂，該等新詮釋及修訂於本集團及本公司是次會計期間首次生效。

然而，該等變動與本集團及本公司之業務無關。

本集團並無採納任何於是次會計期間尚未生效之新準則或詮釋（見附註36）。

3 營業額

本集團之主要業務為環保再造及銷售電腦打印及影像產品、製造及銷售數據媒體產品及分銷從第三方買入的品牌數據媒體產品。

營業額指已售予客戶之貨品銷售價值，並於扣除退回貨品、貿易折扣後列賬。於年內，營業額主要有以下重大分類：

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財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

4 OTHER REVENUE AND NET (LOSS)/INCOME

4 其他收入及(虧損)/收益淨額

		2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
Other revenue	其他收入		
Commission income	佣金收入	84	645
Interest income	利息收入	350	809
Operating lease rental income in respect of plant and machinery	廠房及機器經營租約租金收入	3,600	3,600
Gain on foreign exchange contracts	外匯合約收益	945	119
Others	其他	779	112
		5,758	5,285
Other net (loss)/income	其他(虧損)/收益淨額		
(Loss)/gain on sale of property, plant and equipment	出售物業、廠房及設備(虧損)/收益	(30)	120

5 (LOSS)/PROFIT BEFORE TAXATION

5 稅前(虧損)/溢利

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

稅前(虧損)/溢利已扣除/(抵免):

		2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
(a) Finance costs:	(a) 財務費用:		
Interest on bank advances and other borrowings wholly repayable within five years	須於五年內悉數償還之銀行墊款及其他借貸利息	11,765	13,335
Interest on the Notes	票據利息	9,206	4,225
Interest on other borrowings	其他借貸利息	37	200
Finance charges on obligations under finance leases	融資性租賃負債之財務費用	968	1,022
Amortisation of debt assignment expenses	債務轉讓開支攤銷	1,881	2,000
Bank charges	銀行費用	3,512	3,031
Net foreign exchange (gain)/loss	匯兌(收益)/虧損淨額	(787)	1,392
		26,582	25,205

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

5 (LOSS)/PROFIT BEFORE TAXATION (continued)

5 稅前(虧損)/溢利(續)

		2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
(b) Staff costs:	(b) 員工成本:		
Contributions to defined contribution retirement plans	定額供款退休計劃的供款	1,330	1,130
Equity-settled share-based payment expenses	以股本結算股份為基礎之償付開支	703	4,300
Salaries, wages and other benefits	薪金、工資及其他福利	80,250	53,957
		82,283	59,387
(c) Impairment losses:	(c) 減值虧損:		
– Property, plant and equipment (note 13(d))	– 物業、廠房及設備 (附註13(d))	59,294	–
– Intangible assets (note 14)	– 無形資產(附註14)	637	–
– Goodwill (note 15)	– 商譽(附註15)	39,545	–
– Trade and other receivables	– 貿易及其他應收款項	28,893	–
		128,369	–
(d) Loss from a legal claim:	(d) 法律索償之虧損:		
During the year ended 31 December 2007, the Group recognised a loss of \$7,900,000 in respect of the legal costs and interest paid under a legal claim when the outcome of the legal claim became final and conclusive.	截至二零零七年十二月三十一日止年度，本集團就法律費用及法律索償之已支付利息(當法律索償之結果屬最終及確鑿)已確認7,900,000元之虧損。	–	7,900
(e) Other items:	(e) 其他項目:		
Amortisation of intangible assets	無形資產攤銷	8,038	5,520
Depreciation	折舊		
– owned assets	– 自置資產	14,594	11,766
– assets held under finance leases	– 按融資性租賃持有之資產	3,013	2,521
Auditors' remuneration	核數師酬金	2,786	2,298
Operating lease charges in respect of properties	有關物業之經營租約費用	12,895	8,666
Cost of inventories #	存貨成本#	340,503	274,692

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(Expressed in Hong Kong dollars) (以港元列賬)

5 (LOSS)/PROFIT BEFORE TAXATION (continued)

- # Cost of inventories includes \$62,664,000 (2007: \$47,871,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

Current tax – Hong Kong Profits Tax	本年度稅項 – 香港利得稅
Provision for the year	本年度撥備
(Over)/under-provision in respect of prior years	過往年度(超額撥備)/撥備不足
Current tax – Overseas	本年度稅項 – 海外
Provision for the year	本年度撥備
Under-provision in respect of prior years	過往年度撥備不足
Deferred tax	遞延稅項
Origination and reversal of temporary differences	暫時性差額之產生及撥回

In February 2008, the Hong Kong Government announced a decrease in the Profits Tax rate from 17.5% to 16.5% applicable to the Group's operations in Hong Kong as from the year ended 31 December 2008. This decrease is taken into account in the preparation of the Group's and the Company's 2008 financial statements. Accordingly, the provision for Hong Kong Profits Tax for 2008 is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits for the year.

5 稅前(虧損)/溢利(續)

- # 存貨成本內有62,664,000元(二零零七年: 47,871,000元)與員工成本、折舊及攤銷開支及經營租約費用有關,其金額亦包括於附註5(b)就各類開支項目另外披露之有關總額內。

6 於綜合損益表呈列之所得稅

(a) 於綜合損益表呈列之稅項為:

	2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
Current tax – Hong Kong Profits Tax		
Provision for the year	6,052	2,567
(Over)/under-provision in respect of prior years	(5,132)	153
	920	2,720
Current tax – Overseas		
Provision for the year	2,751	48
Under-provision in respect of prior years	90	–
	2,841	48
Deferred tax		
Origination and reversal of temporary differences	4,067	(723)
	7,828	2,045

於二零零八年二月,香港政府宣布將利得稅稅率由17.5%下調至16.5%,而此變動由截至二零零八年十二月三十一日止年度起適用於本集團之香港業務。於編製本集團及本公司二零零八年財務報表時,已考慮到有關稅率下調。因此,二零零八年之香港利得稅撥備乃按年內之估計應課稅溢利之16.5%(二零零七年: 17.5%)計算。

6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT *(continued)*

(a) Taxation in the consolidated income statement represents: *(continued)*

Taxation for the subsidiaries in the PRC is charged at the appropriate current rates for taxation ruling in the PRC. According to the income tax law that was passed by the National People's Congress on 16 March 2007 ("New Tax Law"), the PRC corporate income tax rate has been revised from 33% to 25% with effect from 1 January 2008. In addition, a 10% withholding tax is levied on dividends declared to foreign investors of the PRC subsidiaries. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign investor. Pursuant to a double tax arrangement between the PRC and Hong Kong, the Group is subject to a withholding tax at the rate of 5% for any dividend payment from the Group's PRC subsidiaries in respect of their profits derived after 1 January 2008.

Under the New Tax Law effective from 1 January 2008 and in accordance with "Notification of the State Council on Carrying out the Transitional Preferential Policies concerning Enterprise Income Tax" (Guo Fa [2007] No.39) promulgated by the State Council on 26 December 2007, an entity established before 16 March 2007 that was entitled to preferential tax treatment prior to the New Tax Law is subject to transitional tax rates beginning in 2008 before the new corporate income tax rate of 25% applies. In respect of certain PRC subsidiaries of the Group, namely Feitian Magnetic Information-Technology (Shenzhen) Co., Ltd., 深圳利滿豐源打印耗材有限公司 (Shenzhen Afex Print Image Ltd.), 珠海利滿豐源打印耗材有限公司 (Zhuhai Afex Print Image Ltd.) which enjoyed a reduced tax rate of 15% in 2007, the transitional tax rates are 18%, 20%, 22%, 24% and 25% in 2008, 2009, 2010, 2011, 2012 and onwards, respectively.

6 於綜合損益表呈列之所得稅 *(續)*

(a) 於綜合損益表呈列之稅項為：*(續)*

於中國的附屬公司的稅項則按照中國現行的適用稅率計算。根據全國人民代表大會於二零零七年三月十六日通過的所得稅法例（「新稅法」），中國企業所得稅稅率自二零零八年一月一日起由33%下調至25%。此外，向中國附屬公司之境外投資者派付之股息須繳納10%預扣稅，倘中國與境外投資者之司法權區之間有稅務優惠安排，則可應用較低之預扣稅率。根據中國與香港之間之雙重徵稅安排，本集團須就本集團之中國附屬公司基於二零零八年一月一日後之溢利所支付之任何股息按5%之預扣稅率繳付預扣稅。

根據自二零零八年一月一日起生效之新稅法，及根據國務院於二零零七年十二月二十六日頒佈之《國務院關於實施企業所得稅過渡優惠政策的通知》（國法[2007]39號），於二零零七年三月十六日前成立於新稅法實施前享有優惠稅待遇之實體會於新企業所得稅稅率25%應用前按二零零八年開始之過渡稅率繳納企業所得稅。就本集團若干中國之附屬公司輝電磁訊（深圳）有限公司、深圳利滿豐源打印耗材有限公司及珠海利滿豐源打印耗材有限公司於二零零七年享有優惠稅率15%。二零零八年、二零零九年、二零一零年、二零一一年及二零一二年，過渡稅率分別為18%、20%、22%、24%及25%。

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(Expressed in Hong Kong dollars) (以港元列賬)

6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

(a) Taxation in the consolidated income statement represents: (continued)

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

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

6 於綜合損益表呈列之所得稅 (續)

(a) 於綜合損益表呈列之稅項為：(續)

其他海外附屬公司稅項則按有關國家適用之現行稅率徵收。

(b) 按適用稅率計算之稅項開支與會計(虧損)/溢利之對賬如下：

		2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
(Loss)/profit before taxation	除稅前(虧損)/溢利	(151,959)	35,521
Notional tax on (loss)/profit before taxation, calculated at rates applicable to (losses)/profits in the countries concerned	按有關地區之(虧損)/溢利之適用稅率計算的名義稅項(虧損)/溢利之名義稅項	(24,961)	2,438
Tax effect of non-deductible expenses	不可扣稅開支之稅項影響	45,160	3,361
Tax effect of non-taxable income	毋需課稅收入之稅項影響	(5,717)	(5,024)
Tax effect of unused tax losses not recognised	未確認未動用稅項虧損之稅項影響	-	1,117
Tax effect of unused tax losses not recognised in prior years but utilised during the year	過往年度未確認但年內動用之未動用稅務虧損之稅務影響	(1,612)	-
(Over)/under-provision in prior years	過往年度(超備)/撥備不足	(5,042)	153
Actual tax expense	實際稅項開支	7,828	2,045

7 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

7 董事酬金

董事酬金乃根據香港公司條例第161條作出披露，載列如下：

	Directors' fees \$'000	Salaries, allowances and benefits in kind \$'000	Retirement scheme contributions \$'000	Sub-total \$'000	Equity-settled share-based payments \$'000 (note)	2008 Total \$'000
	董事薪金 千元	酬金、津貼及實物利益 千元	退休計劃 供款 千元	小計 千元	以股本結算 股份為基礎 之償付開支 千元 (附註)	二零零八年 總計 千元
Executive directors						
Ho Yin King, Helena	-	4,728	12	4,740	-	4,740
Ho Fai Keung, Jacky	-	3,283	12	3,295	-	3,295
Cheung Sze Ming	-	1,548	12	1,560	-	1,560
Lo Suk King	-	998	12	1,010	-	1,010
Independent non-executive directors						
Li Sau Hung, Eddy	200	-	-	200	-	200
Leung Ka Kui, Johnny	200	-	-	200	-	200
Chan Kam Kwan, Jason	200	-	-	200	-	200
	600	10,557	48	11,205	-	11,205

	Directors' fees \$'000	Salaries, allowances and benefits in kind \$'000	Retirement scheme contributions \$'000	Sub-total \$'000	Equity-settled share-based payments \$'000 (note)	2007 Total \$'000
	董事薪金 千元	酬金、津貼及實物利益 千元	退休計劃 供款 千元	小計 千元	以股本結算 股份為基礎 之償付開支 千元 (附註)	二零零七年 總計 千元
Executive directors						
Ho Yin King, Helena	-	4,728	12	4,740	-	4,740
Ho Fai Keung, Jacky	-	4,593	12	4,605	-	4,605
Cheung Sze Ming	-	2,072	12	2,084	271	2,355
Lo Suk King	-	1,024	12	1,036	-	1,036
Low Nyap Heng	-	195	-	195	-	195
Independent non-executive directors						
Li Sau Hung, Eddy	300	-	-	300	180	480
Leung Ka Kui, Johnny	320	-	-	320	180	500
Chan Kam Kwan, Jason	280	-	-	280	180	460
	900	12,612	48	13,560	811	14,371

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7 DIRECTORS' REMUNERATION (continued)

Note: These represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options was measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(p)(ii).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "share option scheme" in the directors' report and note 26.

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2007: four) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other two (2007: one) individuals are as follows:

		2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
Salaries and other emoluments	薪金及其他酬金	3,004	1,128
Share-based payments	按股份為基礎的付款	-	-
Retirement scheme contributions	退休計劃供款	108	12
		3,112	1,140

The emoluments of the two (2007: one) individuals with the highest emoluments are within the following bands:

\$	元	2008 Number of individuals 二零零八年 人數	2007 Number of individuals 二零零七年 人數
1,000,001 – 1,500,000	1,000,001 – 1,500,000	1	1
1,500,001 – 2,000,000	1,500,001 – 2,000,000	1	-

7 董事酬金 (續)

附註：這是指於本公司購股權計劃下授予董事之購股權估計值。該等購股權之價值乃根據本集團以股份為基礎之支出交易的會計政策計量，載於附註1(p)(ii)。

該等實物福利詳情，包括已授出的購股權的主要條款及數目，已於董事報告「購股權計劃」中的段落及附註26披露。

8 最高薪人士

在五名最高薪人士中，包括三名董事（二零零七年：四名），該等董事之酬金詳情於附註7披露。其餘兩名（二零零七年：一名）最高薪人士之酬金總額載列如下：

		2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
Salaries and other emoluments	薪金及其他酬金	3,004	1,128
Share-based payments	按股份為基礎的付款	-	-
Retirement scheme contributions	退休計劃供款	108	12
		3,112	1,140

兩名（二零零七年：一名）最高薪人士之酬金介乎下列範圍內：

\$	元	2008 Number of individuals 二零零八年 人數	2007 Number of individuals 二零零七年 人數
1,000,001 – 1,500,000	1,000,001 – 1,500,000	1	1
1,500,001 – 2,000,000	1,500,001 – 2,000,000	1	-

9 (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated (loss)/profit attributable to equity shareholders of the Company includes a loss of \$111,179,000 (2007: \$4,183,000) which has been dealt with in the financial statements of the Company.

10 DIVIDENDS

No payment of dividends has been proposed by the board of directors of the Company in respect of the year ended 31 December 2008 (2007: Nil).

11 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of \$159,787,000 (2007: profit of \$33,476,000) and the weighted average of ordinary shares of 797,524,317 shares (2007: 752,010,650 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

		2008 二零零八年	2007 二零零七年
Issued ordinary shares at 1 January	於一月一日之已發行普通股	796,636,817	687,462,817
Effect of new shares issued under share option scheme (note 28(c)(ii))	根據購股權計劃發行新股之影響 (附註28(c)(ii))	887,500	20,764,166
Effect of new shares on exercise of warrants (note 28(c)(iii))	行使認股權證而發行新股之影響 (附註28(c)(iii))	-	43,783,667
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股數	797,524,317	752,010,650

9 本公司權益股東應佔(虧損)／溢利

本公司權益股東應佔綜合(虧損)／溢利包括已於本公司財務報表內處理之虧損111,179,000元(二零零七年:4,183,000元)。

10 股息

本公司董事會不建議派發截至二零零八年十二月三十一日止年度之股息(二零零七年:無)。

11 每股(虧損)／盈利

(a) 每股基本(虧損)／盈利

每股基本(虧損)／盈利乃按本公司普通權益股東應佔虧損159,787,000元(二零零七年:溢利33,476,000元)及年內已發行普通股之加權平均股數797,524,317股股份(二零零七年:752,010,650股股份)計算如下:

普通股之加權平均股數

	2008 二零零八年	2007 二零零七年
Issued ordinary shares at 1 January	796,636,817	687,462,817
Effect of new shares issued under share option scheme (note 28(c)(ii))	887,500	20,764,166
Effect of new shares on exercise of warrants (note 28(c)(iii))	-	43,783,667
Weighted average number of ordinary shares at 31 December	797,524,317	752,010,650

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11 (LOSS)/EARNINGS PER SHARE (continued)

(b) Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of \$159,787,000 (2007: profit of \$33,476,000) and the weighted average number of ordinary shares (diluted) of 843,974,265 shares (2007: 844,075,319 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

		2008 二零零八年	2007 二零零七年
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股數	797,524,317	752,010,650
Effect of deemed issue of ordinary shares in relation to warrants issued	有關已發行認股權證之視為已發行普通股之影響	8,474,868	68,610,253
Effect of deemed issue of ordinary shares under the Company's share option scheme for nil consideration	根據本公司無償購股權計劃視為已發行普通股之影響	37,975,080	23,454,416
Weighted average number of ordinary shares (diluted) at 31 December	於十二月三十一日之普通股加權平均股數(攤薄)	843,974,265	844,075,319

12 SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

11 每股(虧損)/盈利(續)

(b) 每股攤薄(虧損)/盈利

每股攤薄(虧損)/盈利乃按本公司普通股股東應佔虧損159,787,000元(二零零七年:溢利33,476,000元)及普通股之加權平均股數(攤薄)843,974,265股股份(二零零七年:844,075,319股股份)計算如下:

普通股之加權平均股數(攤薄)

12 分部報告

分部資料乃按本集團之業務及地區分部呈列。業務分部資料作為首要分部報告形式，皆因業務分部資料較切合本集團之內部財務報告的要求。

12 SEGMENT REPORTING (continued)

Business segments

For management purposes, the Group is currently organised into three operating divisions – remanufacture and sale of computer printing and imaging products, manufacture and sale of data media products and distribution of data media products. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these business segments is presented below.

12 分部報告 (續)

業務分部

就管理而言，本集團目前劃分為三個營運部門—環保再造及銷售電腦打印及影像產品、製造及銷售數據媒體產品及分銷數據媒體產品。該等部門乃本集團主要分類資料之報告基準。

該等業務分部之分部資料如下。

		Remanufacture and sale of computer printing and imaging products \$'000 環保再造及 銷售電腦 打印及 影像產品 千元	Manufacture and sale of data media products \$'000 製造及 銷售數據 媒體產品 千元	Distribution of data media products \$'000 分銷數據 媒體產品 千元	Inter- segment elimination \$'000 分部對銷 千元	Unallocated \$'000 未分配 千元	Consolidated \$'000 綜合 千元
Year ended 31 December 2008	截至二零零八年 十二月三十一日止年度						
Revenue from external customers	來自外部客戶之收益	310,298	104,095	41,138	-	-	455,531
Inter-segment revenue	分部收益	-	2,430	-	(2,430)	-	-
Total	總額	310,298	106,525	41,138	(2,430)	-	455,531
Segment result	分部業績	73,318	(61,926)	(45,504)	-	-	(34,112)
Unallocated operating income and expenses	未分配經營收入及開支						(91,265)
Loss from operations	經營虧損						(125,377)
Finance costs	財務費用						(26,582)
Loss before taxation	除稅前虧損						(151,959)
Income tax	所得稅						(7,828)
Loss after taxation	稅後虧損						(159,787)
Depreciation and amortisation for the year	年內折舊及攤銷	14,604	10,843	48	-	150	25,645
Impairment losses for the year	年內之減值虧損	17,408	62,797	48,164	-	-	128,369

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12 SEGMENT REPORTING (continued)

Business segments (continued)

12 分部報告 (續)

業務分部 (續)

		Remanufacture and sale of computer printing and imaging products \$'000 環保再造及 銷售電腦 打印及 影像產品 千元	Manufacture and sale of data media products \$'000 製造及 銷售數據 媒體產品 千元	Distribution of data media products \$'000 分銷數據 媒體產品 千元	Inter- segment elimination \$'000 分部對銷 千元	Unallocated \$'000 未分配 千元	Consolidated \$'000 綜合 千元
Year ended 31 December 2007	截至二零零七年 十二月三十一日止年度						
Revenue from external customers	來自外部客戶之收益	283,218	83,195	51,746	–	–	418,159
Inter-segment revenue	內部收益	–	9,198	–	(9,198)	–	–
Total	總額	283,218	92,393	51,746	(9,198)	–	418,159
Segment result	分部業績	101,589	17,101	5,519	–	–	124,209
Unallocated operating income and expenses	未分配經營收入及開支						(55,583)
Profit from operations	經營溢利						68,626
Finance costs	財務費用						(25,205)
Loss from a legal claim	法律索償之虧損						(7,900)
Profit before taxation	除稅前溢利						35,521
Income tax	所得稅						(2,045)
Profit after taxation	稅後溢利						33,476
Depreciation and amortisation for the year	年內折舊及攤銷	8,693	10,941	45	–	128	19,807

12 SEGMENT REPORTING (continued)

Business segments (continued)

12 分部報告 (續)

業務分部 (續)

		Remanufacture and sale of computer printing and imaging products \$'000 環保再造及銷售 電腦打印及 影像產品 千元	Manufacture and sale of data media products \$'000 製造及 銷售數據 媒體產品 千元	Distribution of data media products \$'000 分銷數據 媒體產品 千元	Consolidated \$'000 綜合 千元
Year ended 31 December 2008	截至二零零八年 十二月三十一日止年度				
Segment assets	分部資產	485,907	66,882	31,296	584,085
Unallocated corporate assets	未分配公司資產				4,827
Total assets	總資產				588,912
Segment liabilities	分部負債	66,053	21,002	5,820	92,875
Unallocated corporate liabilities	未分配公司負債				317,585
Total liabilities	總負債				410,460
Capital expenditure incurred during the year	年內產生之資本開支	70,048	188	20	70,256

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財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

12 SEGMENT REPORTING (continued)

Business segments (continued)

		Remanufacture and sale of computer printing and imaging products \$'000 環保再造及銷售 電腦打印及 影像產品 千元	Manufacture and sale of data media products \$'000 製造及 銷售數據 媒體產品 千元	Distribution of data media products \$'000 分銷數據 媒體產品 千元	Consolidated \$'000 綜合 千元
Year ended 31 December 2007 截至二零零七年					
十二月三十一日止年度					
Segment assets	分部資產	422,030	147,053	73,748	642,831
Unallocated corporate assets	未分配公司資產				41,579
Total assets	總資產				684,410
Segment liabilities	分部負債	42,881	8,735	4,629	56,245
Unallocated corporate liabilities	未分配公司負債				291,317
Total liabilities	總負債				347,562
Capital expenditure incurred during the year	年內產生之資本開支	36,163	5,509	22	41,694

Geographical segments

The Group's operations are mainly located in the PRC including Hong Kong.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

12 分部報告 (續)

業務分部 (續)

地區分部

本集團業務主要位於中國(包括香港)。

在呈報地區分部資料時，分部收益按客戶之所在地區劃分。分部資產及資本開支則按資產所在地區劃分。

12 SEGMENT REPORTING (continued)

Geographical segments (continued)

12 分部報告 (續)

地區分部 (續)

		2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
Revenue from external customers	來自外部客戶之收益		
Asia	亞洲		
– the PRC including Hong Kong	– 中國 (包括香港)	199,864	214,759
– other regions	– 其他地區	68,705	87,492
Europe	歐洲	46,415	39,070
North and South America	南北美洲	140,128	75,971
Others	其他	419	867
		455,531	418,159
Segment assets	分部資產		
Asia	亞洲		
– the PRC including Hong Kong	– 中國 (包括香港)	575,673	663,017
– other regions	– 其他地區	–	549
Europe	歐洲	2,058	6,916
North and South America	南北美洲	11,181	13,928
		588,912	684,410
Capital expenditure incurred during the year	年內產生之資本開支		
Asia	亞洲		
– the PRC including Hong Kong	– 中國 (包括香港)	70,220	41,458
North and South America	南北美洲	36	236
		70,256	41,694

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

13 PROPERTY, PLANT AND EQUIPMENT

(a) The Group

		Land and buildings held for own use carried at fair value \$'000 按公允價值 列賬之 持作自用 土地及樓宇 千元	Plant and machinery \$'000 廠房及機器 千元	Furniture, fixtures and equipment \$'000 傢俬、 裝置及設備 千元	Motor vehicles \$'000 汽車 千元	Total \$'000 總計 千元
Cost or valuation:	成本或估值：					
At 1 January 2007	於二零零七年一月一日	15,608	395,905	80,155	3,862	495,530
Exchange adjustment	匯兌調整	12	529	220	5	766
Additions	添置	-	20,559	2,186	1,462	24,207
Disposals	出售	-	(43,601)	(14,250)	(480)	(58,331)
Revaluation adjustment	重估調整	2,939	-	-	-	2,939
At 31 December 2007	於二零零七年 十二月三十一日	18,559	373,392	68,311	4,849	465,111
Representing:	包括：					
Cost	成本	-	373,392	68,311	4,849	446,552
Valuation - 2007	二零零七年估值	18,559	-	-	-	18,559
		18,559	373,392	68,311	4,849	465,111
At 1 January 2008	於二零零八年一月一日	18,559	373,392	68,311	4,849	465,111
Exchange adjustment	匯兌調整	-	514	171	8	693
Additions	添置	-	18,692	9,414	350	28,456
Disposals	出售	-	(543)	-	-	(543)
Revaluation adjustment	重估調整	(1,880)	-	-	-	(1,880)
At 31 December 2008	於二零零八年 十二月三十一日	16,679	392,055	77,896	5,207	491,837
Representing:	包括：					
Cost	成本	-	392,055	77,896	5,207	475,158
Valuation - 2008	二零零八年估值	16,679	-	-	-	16,679
		16,679	392,055	77,896	5,207	491,837

13 物業、廠房及設備

(a) 本集團

		Land and buildings held for own use carried at fair value \$'000 按公允價值 列賬之 持作自用 土地及樓宇 千元	Plant and machinery \$'000 廠房及機器 千元	Furniture, fixtures and equipment \$'000 傢俬、 裝置及設備 千元	Motor vehicles \$'000 汽車 千元	Total \$'000 總計 千元
Cost or valuation:	成本或估值：					
At 1 January 2007	於二零零七年一月一日	15,608	395,905	80,155	3,862	495,530
Exchange adjustment	匯兌調整	12	529	220	5	766
Additions	添置	-	20,559	2,186	1,462	24,207
Disposals	出售	-	(43,601)	(14,250)	(480)	(58,331)
Revaluation adjustment	重估調整	2,939	-	-	-	2,939
At 31 December 2007	於二零零七年 十二月三十一日	18,559	373,392	68,311	4,849	465,111
Representing:	包括：					
Cost	成本	-	373,392	68,311	4,849	446,552
Valuation - 2007	二零零七年估值	18,559	-	-	-	18,559
		18,559	373,392	68,311	4,849	465,111
At 1 January 2008	於二零零八年一月一日	18,559	373,392	68,311	4,849	465,111
Exchange adjustment	匯兌調整	-	514	171	8	693
Additions	添置	-	18,692	9,414	350	28,456
Disposals	出售	-	(543)	-	-	(543)
Revaluation adjustment	重估調整	(1,880)	-	-	-	(1,880)
At 31 December 2008	於二零零八年 十二月三十一日	16,679	392,055	77,896	5,207	491,837
Representing:	包括：					
Cost	成本	-	392,055	77,896	5,207	475,158
Valuation - 2008	二零零八年估值	16,679	-	-	-	16,679
		16,679	392,055	77,896	5,207	491,837

13 PROPERTY, PLANT AND EQUIPMENT (continued)

13 物業、廠房及設備 (續)

(a) The Group (continued)

(a) 本集團 (續)

		Land and buildings held for own use carried at fair value \$'000 按公允價值 列賬之 持作自用 土地及樓宇 千元	Plant and machinery \$'000 廠房及機器 千元	Furniture, fixtures and equipment \$'000 傢俬、 裝置及設備 千元	Motor vehicles \$'000 汽車 千元	Total \$'000 總計 千元
Accumulated depreciation and impairment losses:	累計折舊及減值虧損：					
At 1 January 2007	於二零零七年一月一日	-	325,611	67,241	3,334	396,186
Exchange adjustment	匯兌調整	-	74	61	-	135
Charge for the year	本年度開支	391	10,453	2,891	552	14,287
Written back on disposals	出售撥回	-	(43,601)	(14,250)	(480)	(58,331)
Elimination on revaluation	於重估時對銷	(391)	-	-	-	(391)
At 31 December 2007	於二零零七年 十二月三十一日	-	292,537	55,943	3,406	351,886
At 1 January 2008	於二零零八年一月一日	-	292,537	55,943	3,406	351,886
Exchange adjustment	匯兌調整	-	86	51	-	137
Charge for the year	本年度開支	464	13,011	3,411	721	17,607
Written back on disposals	出售撥回	-	(363)	-	-	(363)
Impairment losses	減值虧損	-	56,078	2,902	314	59,294
Elimination on revaluation	於重估時對銷	(464)	-	-	-	(464)
At 31 December 2008	於二零零八年 十二月三十一日	-	361,349	62,307	4,441	428,097
Net book value:	賬面淨值：					
At 31 December 2008	於二零零八年 十二月三十一日	16,679	30,706	15,589	766	63,740
At 31 December 2007	於二零零七年 十二月三十一日	18,559	80,855	12,368	1,443	113,225

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

13 PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Revaluation of properties

The Group's leasehold land and buildings held for own use were revalued as at 31 December 2008 at their open market value by reference to recent market transactions in comparable properties. The valuations were performed by independent professional valuers, Greater China Appraisal Limited and Jointgoal Surveyors Limited, with recent experience in the location and category of properties being valued.

The revaluation deficits of \$1,416,000 (2007: surpluses of \$3,330,000) net of deferred tax of \$318,000 (2007: \$590,000) (note 27(b)) have been transferred to the properties revaluation reserve of the Group (note 28(a)).

Had these properties held for own use been carried at cost less accumulated depreciation, the carrying amounts would have been \$8,792,000 (2007: \$9,162,000).

(c) The analysis of net book value of properties is as follows:

13 物業、廠房及設備 (續)

(b) 物業重估

本集團持作自用之租賃土地及樓宇已於二零零八年十二月三十一日按其公開市值參考最近期可比較物業之市場交易重估。評估由獨立專業估值師漢華評值有限公司和晉高測量師行有限公司進行，彼等近期有評估相同地點及類別物業的經驗。

重估虧絀1,416,000元(二零零七年：盈餘3,330,000元)及遞延稅項淨額318,000元(二零零七年：590,000元)(附註27(b))已轉撥往本集團之物業重估儲備(附註28(a))。

倘該等持作自用物業按成本減去累計折舊計算，其賬面值將為8,792,000元(二零零七年：9,162,000元)。

(c) 物業之賬面淨值分析如下：

		The Group	
		2008	2007
		\$'000	\$'000
		本集團	
		二零零八年 千元	二零零七年 千元
In Hong Kong	香港地區		
– medium-term leases	– 中期租賃	16,200	18,000
Outside Hong Kong	香港以外地區		
– short-term leases	– 短期租賃	479	559
		16,679	18,559
Representing:	包括:		
Leasehold land and buildings held for own use carried at fair value	按公允價值列賬之持作自用租賃土地及樓宇	16,679	18,559

13 PROPERTY, PLANT AND EQUIPMENT (continued)

(d) Impairment losses

In 2008, in view of the market situation and continuous decrease in demand for data media products, the directors assessed the recoverable amount of certain plant and equipment related to the manufacture and sale of the data media products segment. The directors prepared a cash flow projection to estimate the recoverable amount of the related plant and equipment. Impairment losses of \$59,294,000 were recognised during the year to write down the plant and equipment to their recoverable amounts.

The recoverable amount is determined based on value-in-use calculation. The calculation uses 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.

Key assumptions used for value-in-use calculation:

Gross margin	毛利率	27%
Growth rate	增長率	-5%
Discount rate	貼現率	7%

Management determined the budgeted gross margin and growth rate based on past experience as well as future expected market trends. The discount rate used is pre-tax and reflects specific risks relating to the relevant segments.

13 物業、廠房及設備 (續)

(d) 減值虧損

於二零零八年，由於市況及對數據媒體產品需求持續減少，董事評估有關製造及銷售數據媒體產品分部之若干廠房及設備之可收回金額。董事已準備現金流量預算以估計相關廠房及設備之可收回金額。年內確認59,294,000元減值虧損以撇減廠房及設備至其可收回金額。

可收回金額以使用價值作計算基準而釐定。現金流量預算之計算以管理層涵蓋五年期間之財政預算作基準。超過五年期間之現金流量採用下列估計比率推算。

使用價值的主要假設：

管理層根據過往表現及未來市場趨勢預測釐定預算毛利率及增長率。所用之貼現率為除稅前貼現率，並反映相關分部之特定風險。

13 PROPERTY, PLANT AND EQUIPMENT (continued)

(e) Property, plant and equipment held under finance leases

The Group acquired certain plant and equipment under finance leases expiring from one to three years. None of the leases includes contingent rentals.

At the balance sheet date, the net book value of plant and equipment held under finance leases of the Group was \$27,877,000 (2007: \$24,359,000). These assets are pledged to secure the Group's obligations under finance leases (note 24).

(f) Property, plant and equipment leased out under operating leases

The Group leases out certain items of plant and machinery under operating leases. The leases do not have a fixed lease period. None of the leases includes contingent rentals.

(g) Property, plant and equipment pledged for bank borrowings

As at 31 December 2008, certain of the Group's land and buildings with net book value of \$16,200,000 (2007: \$18,000,000) was pledged as security for certain bank borrowings granted to the Group (note 22).

13 物業、廠房及設備 (續)

(e) 以融資性租賃持有之物業、廠房及設備

本集團以融資性租賃購入的若干廠房及設備於一至三年內屆滿。所有租約中並無或然租金條款。

於結算日，本集團以融資性租賃持有之廠房及設備賬面淨值達27,877,000元(二零零七年：24,359,000元)。此等資產已作為本集團融資性租賃債務之抵押(附註24)。

(f) 以經營租賃出租之物業、廠房及設備

本集團以經營租賃出租若干廠房及機器項目。有關租約並無固定租賃期。租約概不包括或然租金。

(g) 用作銀行借貸抵押之物業、廠房及設備

於二零零八年十二月三十一日，本集團若干土地及樓宇之賬面淨值為16,200,000元(二零零七年：18,000,000元)，乃用作抵押若干銀行授予本集團貸款之用(附註22)。

14 INTANGIBLE ASSETS

14 無形資產

		Development costs \$'000 開發成本 千元	The Group Technical know-how \$'000 本集團 技術知識 千元	Distribution channels \$'000 分銷渠道 千元	Total \$'000 總計 千元
Cost:	成本:				
At 1 January 2007	於二零零七年一月一日	39,425	5,460	–	44,885
Additions through internal development	通過內部發展添置	17,487	–	–	17,487
At 31 December 2007	於二零零七年十二月三十一日	56,912	5,460	–	62,372
At 1 January 2008	於二零零八年一月一日	56,912	5,460	–	62,372
Additions through acquisition	透過收購添置	–	26,000	15,800	41,800
At 31 December 2008	於二零零八年十二月三十一日	56,912	31,460	15,800	104,172
Accumulated amortisation and impairment losses:	累計攤銷及減值虧損:				
At 1 January 2007	於二零零七年一月一日	5,048	2,639	–	7,687
Charge for the year	本年度開支	4,428	1,092	–	5,520
At 31 December 2007	於二零零七年十二月三十一日	9,476	3,731	–	13,207
At 1 January 2008	於二零零八年一月一日	9,476	3,731	–	13,207
Charge for the year	本年度開支	5,690	1,821	527	8,038
Impairment losses	減值虧損	–	637	–	637
At 31 December 2008	於二零零八年十二月三十一日	15,166	6,189	527	21,882
Net book value:	賬面淨值:				
At 31 December 2008	於二零零八年十二月三十一日	41,746	25,271	15,273	82,290
At 31 December 2007	於二零零七年十二月三十一日	47,436	1,729	–	49,165

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財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

14 INTANGIBLE ASSETS (continued)

Development costs are amortised on a straight line basis over ten years from the date of commencement of production of the relevant products.

Technical know-how is amortised on a straight line basis over five to ten years.

Distribution channels are amortised on a straight line basis over ten years.

The amortisation charge for the year is included in "cost of sales" and "administrative expenses" in the consolidated income statement.

14 無形資產 (續)

開發成本以有關產品投產起計十年內以直線法攤銷。

技術知識按五年至十年期以直線法攤銷。

分銷渠道按十年期以直線法攤銷。

年度攤銷費用包括在綜合損益表的「銷售成本」及「行政費用」當中。

15 GOODWILL

Cost	成本
Less: Impairment loss (note 5(c))	減：減值虧損(附註5(c))
Carrying amount	賬面值

Impairment test for cash-generating unit containing goodwill

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

Distribution of data media products	分銷數據媒體產品
-------------------------------------	----------

15 商譽

The Group	
2008	2007
\$'000	\$'000
本集團	
二零零八年 千元	二零零七年 千元

39,545	39,545
(39,545)	-
-	39,545

包含商譽之現金產生單位減值檢測

商譽乃根據業務分部而分配到集團識別現金產生單位如下：

2008	2007
\$'000	\$'000
二零零八年 千元	二零零七年 千元

-	39,545
---	--------

15 GOODWILL (continued)

Impairment tests for cash-generating units containing goodwill (continued)

The recoverable amount of the CGU is determined based on value-in-use calculation. The calculation uses 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 CGU operates.

Key assumptions used for value-in-use calculation:

		2008 二零零八年	2007 二零零七年
Gross margin	毛利率	5%	14%
Growth rate	增長率	5%	5%
Discount rate	貼現率	7%	7%

Management determined the budgeted gross margin based on past performance and its expectation for market development. The weighted average growth rate is estimated by management after taking into consideration an industry growth forecast. The discount rate used is pre-tax and reflects specific risks relating to the relevant segment.

Based on the calculations, an impairment loss of \$39,545,000 was recognised during the year to write down the goodwill to nil.

15 商譽 (續)

包含商譽之現金產生單位減值檢測 (續)

現金產生單位的可收回金額以使用價值作計算基準而釐定。現金流量預算之計算以管理層涵蓋五年期間之財政預算作基準。超逾五年期間之現金流量採用下列估計比率推算。有關增長率不會超過業務現金產生單位的長期平均增長率。

使用價值的主要假設：

		2008 二零零八年	2007 二零零七年
Gross margin	毛利率	5%	14%
Growth rate	增長率	5%	5%
Discount rate	貼現率	7%	7%

管理層根據過往表現及其對市場發展的預測釐定預算毛利率。管理層通過對行業增長預測估計本集團之加權平均增長率。所用之貼現率為除稅前貼現率，並反映相關分部之特定風險。

根據計算，已於年內確認39,545,000元之減值虧損，以撇減商譽至零。

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16 INVESTMENTS IN SUBSIDIARIES

16 於附屬公司之投資

		2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
Unlisted shares, at cost	非上市股份，按成本	39,172	39,172

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

以下列表只包括對本集團之業績、資產或負債有重大影響的附屬公司之詳情。持股類別為普通股，另有表明者除外：

Name of Company 公司名稱	Place of incorporation and operation (Note (a)) 註冊成立及營運地點 (附註(a))	Particulars of issued and paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of ownership interest held by the Group (Note (b)) 本集團所持有之 所有人權益百分比 (附註(b))	Principal activities 主要業務
Afex International (HK) Limited	Hong Kong	50,000 ordinary shares of \$1 each	100	Trading of computer printing and imaging products
榮輝國際(香港)有限公司	香港	每股面值1元之普通股50,000股	100	買賣電腦印刷及影像產品
Clearview Development Limited	British Virgin Islands	10,000 ordinary shares of US\$1 each	100	Investment holding
Clearview Development Limited	英屬處女群島	每股面值1美元之普通股10,000股	100	投資控股
Feitian Magnetic Information-Technology (Shenzhen) Co., Ltd. (note (c))	The PRC	US\$2,500,000	100	Manufacture of data media products
輝電磁訊(深圳)有限公司 (附註(c))	中國	2,500,000美元	100	製造數據媒體產品
Fortune Luck Development Ltd.	British Virgin Islands	4 ordinary shares of US\$1 each	100	Distribution of data media products
鴻運發展有限公司	英屬處女群島	每股面值1美元之普通股4股	100	分銷數據媒體產品
Great China Global Limited	British Virgin Islands	1 ordinary share of US\$1	100	Distribution of data media products
偉漢國際有限公司	英屬處女群島	面值1美元之普通股1股	100	分銷數據媒體產品

16 INVESTMENTS IN SUBSIDIARIES (continued)

16 於附屬公司之投資 (續)

Name of Company 公司名稱	Place of incorporation and operation (Note (a)) 註冊成立及營運地點 (附註(a))	Particulars of issued and paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of ownership interest held by the Group (Note (b)) 本集團所持有之 所有人權益百分比 (附註(b))	Principal activities 主要業務
Havenport Management Limited	British Virgin Islands	10,000 ordinary shares of US\$1 each	100	Investment holding
Havenport Management Limited	英屬處女群島	每股面值1美元之普通股10,000股	100	投資控股
Jackin Accessories Industrial Company Limited	British Virgin Islands	1 ordinary share of US\$1	100	Investment holding
Jackin Accessories Industrial Company Limited	英屬處女群島	面值1美元之普通股1股	100	投資控股
Jackin Imaging Products Limited	Hong Kong	100 ordinary shares of HK\$1 each	100	Development of computer printing and imaging products
輝影打印耗材有限公司	香港	每股面值1港元之普通股100股	100	開發打印及影像產品
Jackin Trading Company Limited	British Virgin Islands	1 ordinary share of US\$1	100	Trading of data media products
輝影貿易有限公司	英屬處女群島	面值1美元之普通股1股	100	買賣數據媒體產品
Jackin Magnetic Company Limited	Hong Kong	10 ordinary shares of HK\$100 each and 10,000 non-voting deferred shares of HK\$100 each (Note (d))	100	Trading of data media products
輝影磁電有限公司	香港	每股面值100港元之普通股10股及每股面值100港元之無投票權遞延股份10,000股(附註(d))	100	買賣數據媒體產品

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16 INVESTMENTS IN SUBSIDIARIES (continued)

16 於附屬公司之投資 (續)

Name of Company	Place of incorporation and operation (Note (a))	Particulars of issued and paid up share capital/ registered capital	Percentage of ownership interest held by the Group (Note (b))	Principal activities
公司名稱	註冊成立及營運地點 (附註(a))	已發行及繳足股本/ 註冊資本詳情	本集團所持有之 所有人權益百分比 (附註(b))	主要業務
Jackin Manufacturing (Shenzhen) Limited	British Virgin Islands	1 ordinary share of US\$1	100	Investment holding
Jackin Manufacturing (Shenzhen) Limited	英屬處女群島	面值1美元之普通股1股	100	投資控股
Jackin Optical Marketing Company Limited	Hong Kong	2 ordinary shares of HK\$1 each	100	Trading of data media products
輝影光學銷售有限公司	香港	每股面值1港元之普通股2股	100	買賣數據媒體產品
Jackin U.S.A. Inc.	United States of America	1 ordinary share of US\$1	100	Trading of computer printing and imaging products
Jackin U.S.A. Inc.	美國	面值1美元之普通股1股	100	買賣電腦印刷及影像產品
Jackin Video Cassette Co. Limited	Hong Kong	1,000 ordinary shares of HK\$1 each and 1,000,000 non-voting deferred shares of HK\$1 each (Note (d))	100	Property holding
輝聲影帶有限公司	香港	每股面值1港元之普通股1,000股及每股面值1港元之無投票權遞延股份1,000,000股 (附註(d))	100	物業投資

16 INVESTMENTS IN SUBSIDIARIES (continued)

16 於附屬公司之投資 (續)

Name of Company 公司名稱	Place of incorporation and operation (Note (a)) 註冊成立及營運地點 (附註(a))	Particulars of issued and paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of ownership interest held by the Group (Note (b)) 本集團所持有之 所有人權益百分比 (附註(b))	Principal activities 主要業務
Jackin Video Cassette (Taiwan) Limited 台灣輝聲錄影帶股份有限公司	Taiwan 台灣	2,000,000 ordinary shares of NT\$10 each 每股面值新台幣10元之普通股2,000,000股	99.9 99.9	Property holding 物業投資
Noble Team Holdings Limited Noble Team Holdings Limited	British Virgin Islands 英屬處女群島	10,000 ordinary shares of US\$1 each 每股面值1美元之普通股10,000股	100 100	Investment holding 投資控股
Oakview International Limited Oakview International Limited	British Virgin Islands 英屬處女群島	100 ordinary shares of US\$1 each 每股面值1美元之普通股100股	100 100	Investment holding 投資控股
Prince Diamond Co., Ltd. Prince Diamond Co., Ltd.	British Virgin Islands 英屬處女群島	2 ordinary shares of US\$1 each 每股面值1美元之普通股2股	100 100	Investment holding 投資控股
深圳利滿豐源打印耗材有限公司 (Shenzhen Afex Print Image Ltd) (Note (c)) 深圳利滿豐源打印耗材有限公司 (附註(c))	The PRC 中國	HK\$5,000,000 5,000,000港元	100 100	Remanufacture of computer printing and imaging products 再造電腦印刷及影像產品

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財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

16 INVESTMENTS IN SUBSIDIARIES (continued)

16 於附屬公司之投資 (續)

Name of Company	Place of incorporation and operation (Note (a))	Particulars of issued and paid up share capital/ registered capital	Percentage of ownership interest held by the Group (Note (b))	Principal activities
公司名稱	註冊成立及營運地點 (附註(a))	已發行及繳足股本/ 註冊資本詳情	本集團所持有之 所有人權益百分比 (附註(b))	主要業務
Sky City Macao Commercial Offshore Limited	Macau	1 ordinary share of MOP100,000	100	Trading of computer printing and imaging products
天城澳門離岸商業服務有限公司	澳門	面值澳門幣 100,000元之普通股1股	100	買賣電腦印刷及影像產品
Tempair Developments Limited	British Virgin Islands	10,000 ordinary shares of US\$1 each	100	Investment holding
Tempair Developments Limited	英屬處女群島	每股面值1美元之 普通股10,000股	100	投資控股
Ugent Holdings Limited	British Virgin Islands	10,000 ordinary shares of US\$1 each	100	Investment holding
Ugent Holdings Limited	英屬處女群島	每股面值1美元之 普通股10,000股	100	投資控股
珠海利滿豐源打印耗材有限公司 (Zhuhai Afex Print Image Ltd) (Note (c))	The PRC	HK\$5,000,000	100	Remanufacture of computer printing and imaging products
珠海利滿豐源打印耗材有限公司 (附註(c))	中國	5,000,000港元	100	再造電腦印刷及影像產品
深圳市深索資訊科技有限公司 (Note (c))	The PRC	RMB500,000	100	Distribution of data media products
深圳市深索資訊科技有限公司 (附註(c))	中國	500,000人民幣	100	分銷數據媒體產品

16 INVESTMENTS IN SUBSIDIARIES (continued)

Notes:

- (a) Other than those subsidiaries incorporated in the British Virgin Islands, whose place of operations are basically in Hong Kong, the places of operations of all other subsidiaries are the same as their places of incorporation.
- (b) Except for Oakview International Limited, which is directly owned by the Company, all other subsidiaries are indirectly held by the Company.
- (c) These subsidiaries are wholly foreign-owned enterprises established in the PRC.
- (d) The Group holds 100% of the issued ordinary share capital. The deferred shares, which are not held by the Group, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the respective companies or to participate in any distribution on winding up.

17 INVENTORIES

(a) Inventories in the consolidated balance sheet comprise:

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

16 於附屬公司之投資 (續)

附註：

- (a) 除於英屬處女群島註冊成立之附屬公司而經營地點為香港外，所有其他附屬公司之經營地點與其註冊成立地點相同。
- (b) 除Oakview International Limited由本公司直接持有外，所有其他附屬公司均由本公司間接持有。
- (c) 該等附屬公司均為於中國成立之外商獨資企業。
- (d) 本集團持有100%已發行普通股股本。並非由本集團持有之遞延股份基本無權收取股息或接收有關公司任何股東大會之通告或出席有關公司任何股東大會或出席大會並於會上投票，亦無權於其清盤時參與任何分派。

17 存貨

(a) 綜合資產負債表中存貨由以下部份組成：

		The Group	
		2008	2007
		\$'000	\$'000
		本集團	
		二零零八年	二零零七年
		千元	千元
Raw materials	原材料	196,208	140,549
Work in progress	在製品	8,033	8,680
Finished goods	製成品	19,001	47,090
		223,242	196,319

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

17 INVENTORIES (continued)

(b) The analysis of the amount of inventories recognised as an expense is as follows:

		The Group 2008 \$'000 本集團 二零零八年 千元		2007 \$'000 二零零七年 千元	
Carrying amount of inventories sold	已出售存貨的賬面值	337,516		273,704	
Write down of inventories	存貨撇減	2,987		988	
		340,503		274,692	

17 存貨 (續)

(b) 確認為一項支出之存貨金額分析如下：

18 TRADE AND OTHER RECEIVABLES

		The Group 2008 \$'000 本集團 二零零八年 千元		2007 \$'000 二零零七年 千元		The Company 2008 \$'000 本公司 二零零八年 千元		2007 \$'000 二零零七年 千元	
Trade debtors and bills receivable	貿易應收賬款及 應收票據	202,694	196,446	–	–	–	–	–	–
Less: allowance for doubtful debts (note 18(b))	減：呆賬撥備 (附註18(b))	(22,899)	–	–	–	–	–	–	–
		179,795	196,446	–	–	–	–	–	–
Amount receivable from debts assignment (note 18(d))	來自債務轉讓 應收款項 (附註18(d))	–	11,644	–	–	–	–	–	–
Amounts due from disposed subsidiaries	應收已出售附屬公司之 款項	–	11,256	–	–	–	–	–	–
Other deposits, prepayments and other receivables	其他按金、預付款項及 其他應收款項	13,881	26,401	200	21	200	21		
Amounts due from subsidiaries	應收附屬公司款項	–	–	279,070	356,200	279,070	356,200		
		193,676	245,747	279,270	356,221	279,270	356,221		

18 貿易及其他應收款項

18 TRADE AND OTHER RECEIVABLES (continued)

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

Amounts due from subsidiaries are unsecured, interest free and repayable on demand.

(a) Ageing analysis

Included in trade and other receivables are trade debtors and bills receivable (net of allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

		The Group 2008 \$'000 本集團 二零零八年 千元	2007 \$'000 二零零七年 千元
Current	即期	132,868	185,453
Less than 3 months past due	逾期少於三個月	26,359	3,931
3 to 6 months past due	逾期三至六個月	3,728	3,024
Over 6 months past due	逾期六個月以上	16,840	4,038
Amounts past due	逾期金額	46,927	10,993
		179,795	196,446

Trade debtors and bills receivable are due within 60 to 180 days from the date of billing. Further details on the Group's credit policy are set out in note 30(a).

18 貿易及其他應收款項 (續)

所有貿易及其他應收款項預期將於一年內收回或確認為開支。

應收附屬公司款項乃無抵押及免息，並須應要求付還。

(a) 賬齡分析

貿易及其他應收款項包括貿易應收賬款及應收票據（扣除呆賬撥備），其於結算日之賬齡分析如下：

貿易應收賬款及應收票據自開出發票之日起計60日至180日內到期。本集團信貸政策之詳情載於附註30(a)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

18 TRADE AND OTHER RECEIVABLES (continued)

(b) Impairment of trade debtors and bills receivable

Impairment losses in respect of trade debtors and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly (see note 1 (i)(i)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

At 1 January	於一月一日
Impairment losses recognised	已確認減值虧損
At 31 December	於十二月三十一日

At 31 December 2008, the Group's trade debtors and bills receivable of \$22,899,000 (2007: Nil) were individually determined to be impaired. The Group does not hold any collateral over these balances.

18 貿易及其他應收款項 (續)

(b) 貿易應收賬款及應收票據減值

有關貿易應收賬款及應收票據之減值虧損乃使用撥備賬記錄，除非本集團信納可收回款項的可能性不大，於此情況下減值虧損則直接撇銷貿易應收賬款及應收票據（見附註1(i)(i)）。

年內呆賬撥備變動（包括特定及共同虧損部分）如下：

	The Group 2008 \$'000 本集團 二零零八年 千元	2007 \$'000 二零零七年 千元
At 1 January	-	-
Impairment losses recognised	22,899	-
At 31 December	22,899	-

於二零零八年十二月三十一日，本集團22,899,000元（二零零七年：無）之貿易應收賬款及應收票據個別釐定為已減值。本集團並無就有關結餘持有任何抵押品。

18 TRADE AND OTHER RECEIVABLES (continued)

(c) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

Neither past due nor impaired	並無逾期或減值
Less than 3 months past due	逾期少於三個月
3 to 6 months past due	逾期三至六個月
Over 6 months past due	逾期超過六個月

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

18 貿易及其他應收款項 (續)

(c) 並無減值之貿易應收賬款及應收票據

並無個別或集體減值的貿易應收賬款及應收票據賬齡分析如下：

		The Group 2008 \$'000 本集團 二零零八年 千元	2007 \$'000 二零零七年 千元
Neither past due nor impaired	並無逾期或減值	132,868	185,453
Less than 3 months past due	逾期少於三個月	26,359	3,931
3 to 6 months past due	逾期三至六個月	3,728	3,024
Over 6 months past due	逾期超過六個月	16,840	4,038
		46,927	10,993
		179,795	196,446

無逾期亦無減值的應收款項，與近期並無拖欠還款記錄的廣泛客戶有關。

逾期但無減值的應收款項與本集團若干有良好還款記錄的個別客戶有關。因信貸質素並無重大變動，根據過往經驗，管理層認為結餘可全數收回並相信無減值撥備必要。本集團並未就有關結餘持有任何抵押品。

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(Expressed in Hong Kong dollars) (以港元列賬)

18 TRADE AND OTHER RECEIVABLES (continued)

(d) Debts assignment

In order to facilitate the Group's treasury management, in November 2006 the Group assigned certain trade debtors with book carrying value totalling \$38,812,000 to an independent third party (the "Assignee") at a consideration of \$34,931,000, which is payable by the Assignee through equal quarterly instalments of approximately \$5,822,000 scheduled during February 2007 to May 2008. The difference of \$3,881,000 between the book carrying value of the assigned debts and the consideration has been deferred and amortised over the term of the instalment payments.

19 PLEDGED DEPOSITS

Pledged deposits at 31 December 2008 represented deposits pledged with a bank as guarantee issued to a supplier.

Pledged deposits at 31 December 2007 represented deposits pledged with a bank as security for a bank guarantee issued to a PRC court in connection with a legal claim. The pledged deposits were released during the year.

18 貿易及其他應收款項 (續)

(d) 債務轉讓

為便於本集團資金管理，本集團於二零零六年十一月以34,931,000元之代價將賬面值合共38,812,000元之若干貿易應收賬款轉讓予一名獨立第三方（「受讓人」），該代價由受讓人於二零零七年二月至二零零八年五月期間，以等額分期付款方式每季支付約5,822,000元。所轉讓應收賬款之賬面值與代價之間3,881,000元之差額為遞延費用，並於分期付款期間攤銷。

19 已抵押存款

於二零零八年十二月三十一日之已抵押存款相當於抵押予一間銀行作為向一名供應商作出擔保之存款。

於二零零七年十二月三十一日之已抵押存款為就有關一宗法律索償而發給中國法院之銀行擔保之保證金，以存款抵押給予該銀行。該等抵押存款已於年內解除。

20 CASH AND CASH EQUIVALENTS

20 現金及現金等價物

		The Group		The Company	
		2008	2007	2008	2007
		\$'000	\$'000	\$'000	\$'000
		本集團		本公司	
		二零零八年	二零零七年	二零零八年	二零零七年
		千元	千元	千元	千元
Deposits with banks	銀行存款	20,277	24,572	-	-
Cash at bank and in hand	銀行現金及手頭現金	2,846	14,609	67	127
Cash and cash equivalents in the balance sheet	資產負債表中現金及現金等價物	23,123	39,181	67	127
Bank overdrafts (note 22)	銀行透支 (附註22)	(10,073)	(5,138)		
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流量表中現金及現金等價物	13,050	34,043		

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

21 TRADE AND OTHER PAYABLES

21 貿易及其他應付款項

		The Group		The Company	
		2008	2007	2008	2007
		\$'000	\$'000	\$'000	\$'000
		本集團	本公司	本公司	本公司
		二零零八年	二零零七年	二零零八年	二零零七年
		千元	千元	千元	千元
Trade creditors and bills payable	貿易應付賬款及 應付票據	48,284	33,782	-	-
Accruals and other payables	預提費用及 其他應付款項	38,859	23,494	9,526	7,388
Amounts due to subsidiaries	應付附屬公司款項	-	-	48,257	50,459
Amounts due to directors	應付董事款項	1,314	-	680	-
		88,457	57,276	58,463	57,847

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

所有貿易及其他應付款項預期於一年內清還或確認為收入，或須應要求付還。

Amounts due to subsidiaries and directors are unsecured, interest free and repayable on demand.

應付附屬公司及董事款項乃無抵押及免息，並須應要求付還。

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis as of the balance sheet date.

貿易及其他應付款項包括貿易應付賬款及應付票據，於結算日的賬齡分析如下。

		The Group	
		2008	2007
		\$'000	\$'000
		本集團	本公司
		二零零八年	二零零七年
		千元	千元
By date of invoice:	按發票日計算：		
Within 3 months	3個月內	45,950	24,245
Over 3 months but within 6 months	超過3個月但6個月內	1,599	5,850
Over 6 months but within 9 months	超過6個月但9個月內	-	3,297
Over 9 months but within 12 months	超過9個月但12個月內	-	194
Over 1 year	超過1年	735	196
		48,284	33,782

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財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

22 BANK AND OTHER BORROWINGS

(a) At 31 December 2008, the bank and other borrowings were analysed as follows:

		The Group		The Company	
		2008	2007	2008	2007
		\$'000	\$'000	\$'000	\$'000
		本集團	本公司	本公司	本公司
		二零零八年 千元	二零零七年 千元	二零零八年 千元	二零零七年 千元
Bank loans and overdrafts	銀行貸款及透支				
– Import and export loans	– 進出口貸款	98,210	93,421	–	–
– Term loans	– 定期貸款	61,564	83,817	–	–
– Mortgage loans	– 按揭貸款	9,045	9,876	–	–
– Overdrafts (note 20)	– 銀行透支 (附註20)	10,073	5,138	40	–
		178,892	192,252	40	–
Other loans	其他貸款	–	750	–	–
		178,892	193,002	40	–

22 銀行及其他借貸

(a) 於二零零八年十二月三十一日，銀行及其他借貸之分析如下：

(b) At 31 December 2008, the bank and other borrowings were repayable as follows:

		The Group		The Company	
		2008	2007	2008	2007
		\$'000	\$'000	\$'000	\$'000
		本集團	本公司	本公司	本公司
		二零零八年 千元	二零零七年 千元	二零零八年 千元	二零零七年 千元
Within 1 year or on demand	1年內或按要求	156,938	146,653	40	–
After 1 year but within 2 years	超過1年但2年內	11,049	24,800	–	–
After 2 years but within 5 years	超過2年但5年內	6,681	16,694	–	–
After 5 years	超過5年	4,224	4,855	–	–
		21,954	46,349	–	–
		178,892	193,002	40	–

(b) 於二零零八年十二月三十一日，銀行及其他借貸之還款期如下：

22 BANK AND OTHER BORROWINGS (continued)

(c) At 31 December 2008, the bank and other borrowings were secured as follows:

		The Group		The Company	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
		本集團 二零零八年 千元	二零零七年 千元	本公司 二零零八年 千元	二零零七年 千元
Secured	有抵押	9,045	9,876	-	-
Unsecured	無抵押	169,847	183,126	40	-
		178,892	193,002	40	-

At 31 December 2008, the mortgage loans of the Group were secured over certain of its leasehold properties (note 13(g)).

(d) All of the Group's banking facilities are subject to the fulfilment of certain covenants as are commonly found in lending arrangements with financial institutions. In the event of breach of the covenants, the drawn down facilities become payable on demand. Further details of the Group's management of liquidity risk are set out in note 30(b).

As at 31 December 2008, the Group has breached certain financial covenants in respect of bank loans with carrying value of \$18,500,000. Upon discovery of the breach, the directors of the Company commenced a renegotiation of the terms of the loan with the related creditor bankers. These negotiations have not been concluded as at the date of the financial statements.

22 銀行及其他借貸 (續)

(c) 於二零零八年十二月三十一日，銀行及其他借貸之抵押如下：

於二零零八年十二月三十一日，本集團按揭貸款以其若干租賃物業為抵押（附註13(g)）。

(d) 本集團所有銀行信貸額均受履行與財務機構訂立之借貸安排中一般常見之若干契約所規限。倘若契約遭受違反，則已支取之信貸額將須按要求償還。本集團流動性風險管理之詳情載於附註30(b)。

於二零零八年十二月三十一日，本集團已違反賬面值為18,500,000元之銀行貸款財務契約。在發現違約情況後，本公司已與相關貸款銀行重新展開貸款條款之磋商。截至財務報表日期有關磋商結果並未落實。

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財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

23 NOTES PAYABLE

The analysis of the carrying amount of notes payable is as follows:

Secured Notes 10% 2010 (note a)	10厘二零一零年到期 有抵押票據(附註a)
Guaranteed Notes 15% 2010 (note b)	15厘二零一零年到期 有擔保票據(附註b)

(a) Secured notes and unlisted warrants issued in 2007

Pursuant to a subscription agreement (the "Subscription Agreement") entered into between the Company and a substantial shareholder (the "Subscriber") on 14 June 2007, the Company issued, and the Subscriber subscribed for, notes (the "Secured Notes") in the aggregate principal of \$78 million on 27 June 2007. The Secured Notes carry interest at a fixed rate of 10% per annum and are repayable by 27 June 2010.

The Secured Notes were secured by the shares of a wholly owned subsidiary of the Company. At 31 December 2008, the carrying value of the net assets of the subsidiary was approximately \$18,411,000 (2007: \$35,263,000).

23. 應付票據

應付票據賬面值之分析如下:

		The Group	
		2008	2007
		\$'000	\$'000
		本集團	
		二零零八年	二零零七年
		千元	千元
		76,430	76,086
		31,937	-
		108,367	76,086

(a) 於二零零七年發行的有抵押票據及非上市認股權證

根據本公司與一名主要股東(「認購人」)於二零零七年六月十四日訂立之認購協議(「認購協議」),本公司已發行而認購人則已認購於二零零七年六月二十七日總本金額為78,000,000元之票據(「有抵押票據」)。有抵押票據按固定年息率10厘計息,並須於二零一零年六月二十七日前償還。

有抵押票據以本公司一家全資附屬公司之股份作抵押。於二零零八年十二月三十一日,該附屬公司淨資產之賬面值約為18,411,000元(二零零七年:35,263,000元)。

23 NOTES PAYABLE (continued)

(a) Secured notes and unlisted warrants issued in 2007 (continued)

In addition, on 27 June 2007, pursuant to the Subscription Agreement, the Company issued, at zero consideration, to the Subscriber 56,317,689 unlisted warrants of the Company conferring rights entitling the holders to subscribe for up to \$31,200,000 in aggregate in cash for 56,317,689 new shares of \$0.1 each of the Company at an initial subscription price of \$0.554 per share. The warrants are exercisable within a period of two and half years from 28 December 2007 to 27 June 2010. None of these warrants were exercised during the years ended 31 December 2007 and 2008.

Subsequent to the balance sheet date, the Secured Notes and warrants were redeemed on 6 April 2009 pursuant to a subscription agreement in relation to the issuance of convertible bonds (note 34(c).)

(b) Guaranteed notes issued in 2008

Pursuant to a subscription agreement entered into between the Company and a substantial shareholder (the "Subscriber") on 6 October 2008, the Company issued, and the Subscriber subscribed for, notes (the "Guaranteed Notes") in the aggregate principal of \$31.2 million. The Guaranteed Notes carry interest at a fixed rate of 15% per annum and are repayable by 27 June 2010.

The Guaranteed Notes were guaranteed by a substantial shareholder of the Company. The Guaranteed Notes are interest bearing borrowings and have been accounted for in accordance with accounting policy set out in note 1(l).

23 應付票據 (續)

(a) 於二零零七年發行的有抵押票據及非上市認股權證 (續)

此外，於二零零七年六月二十七日，根據認購協議，本公司無償向認購人發行56,317,689份本公司之非上市認股權證，該等認股權證賦予持有人權利，可按初步認購價每股0.554元，以現金認購本公司每股面值0.1元之新股56,317,689股，即合共最多達31,200,000元。該等認股權證可自二零零七年十二月二十八日至二零一零年六月二十七日止兩年半內行使。截至二零零七年及二零零八年十二月三十一日止年度，此等認股權證並無行使。

結算日後，已抵押票據及認股權證已於二零零九年四月六日根據有關發行可換股債券(附註34(c))的認購協議而贖回。

(b) 於二零零八年發行之有擔保票據

根據本公司與一名主要股東(「認購人」)於二零零八年十月六日訂立之認購協議，本公司已發行而認購人則已認購總本金額為31,200,000元之票據(「有擔保票據」)。有擔保票據以固定年息率15厘計息，並須於二零一零年六月二十七日前償還。

有擔保票據由本公司主要股東擔保。有擔保票據為附息借貸，並已根據載於附註1(l)之會計政策列賬。

23 NOTES PAYABLE (continued)

(c) Unsecured notes and unlisted warrants issued in 2006

Pursuant to several subscription agreements (the "Subscription Agreements") entered into between a wholly owned subsidiary of the Company (the "Issuer") and certain independent third parties (the "Subscribers") on 28 December 2005, the Issuer issued, and the Subscribers subscribed for, notes (the "Unsecured Notes") in the aggregate principal of \$25 million on 24 March 2006. The Unsecured Notes carried interest at a fixed rate of 10% per annum, were unsecured and repayable by 23 March 2009. The Subscription Agreements and the supplementary amendments also provided that upon the receipt of proceeds from the final award in relation to a legal claim by the Group up to the aggregate principal amount of the Unsecured Notes outstanding together with interest thereon from time to time, the Issuer should within 30 days redeem the Unsecured Notes. Accordingly, the Issuer redeemed the Unsecured Notes in full in June 2006 and a loss on redemption of \$3,407,000 was recognised in profit or loss in 2006.

In addition, on 24 March 2006, pursuant to the Subscription Agreements, the Company issued, at zero consideration, to the Subscribers of 137,484,000 unlisted warrants of the Company conferring rights entitling the holders to subscribe for up to \$17,872,920 in aggregate in cash for 137,484,000 new shares of \$0.1 each of the Company at an initial subscription price of \$0.13 per share. The warrants are exercisable within a period of three years from 24 March 2006 to 23 March 2009.

During the year ended 31 December 2007, 72,234,000 of these warrants were exercised. None of the warrants were exercised during the year ended 31 December 2008.

23 應付票據 (續)

(c) 於二零零六年發行的無抵押票據及非上市認股權證

根據本公司一家全資附屬公司(「發行人」)與若干獨立第三方(「認購人」)於二零零五年十二月二十八日訂立之數項認購協議(「認購協議」)，於二零零六年三月二十四日發行人已發行而認購人則已認購總本金額為25,000,000元之票據(「無抵押票據」)。無抵押票據為無抵押，按固定年息率10厘計息，並須於二零零九年三月二十三日前償還。認購協議及補充修訂亦規定，在本集團接獲該法律索償之最終款項時，發行人須於30天內贖回無抵押票據，惟最多以尚未行使之無抵押票據總本金額連同不時應計之利息為限。因此，發行人於二零零六年六月悉數贖回無抵押票據，而贖回之虧損3,407,000元已於二零零六年的損益賬中確認。

此外，於二零零六年三月二十四日，根據認購協議，本公司無償向認購人發行137,484,000股本公司之非上市認股權證，該等認股權證賦予持有人權利，可按初步認購價每股0.13元，以現金認購本公司每股面值0.1元之新股137,484,000股，即合共最多達17,872,920元。該等認股權證可自二零零六年三月二十四日至二零零九年三月二十三日止三年內行使。

截至二零零七年十二月三十一日止年度內，72,234,000股認股權證已獲行使。截至二零零八年十二月三十一日止年度並無認股權證獲行使。

23 NOTES PAYABLE (continued)

- (d)** Both the Secured Notes, Unsecured Notes and the warrants were deemed to be compound financial instruments and have been accounted for in accordance with the accounting policy set out in note 1(m).
- (e)** As at 31 December 2008, the Group had breached certain financial covenants in respect of notes payable with carrying value of \$108,367,000. Accordingly, these notes payable have been reclassified as current liabilities at 31 December 2008. Out of the \$108,367,000, notes payable of \$76,430,000 were redeemed in April 2009 (note 23(a)). Upon discovery of the breach, the directors of the Company commenced a renegotiation of the terms of the remaining notes payable of \$31,937,000 with the note holders. The Group has obtained confirmation from the note holders that they would not request early redemption the notes.

23 應付票據 (續)

- (d)** 有抵押票據、無抵押票據及認股權證均被視為複合財務工具，並已根據附註1(m)所載之會計政策列賬。
- (e)** 於二零零八年十二月三十一日，本集團違反賬面值為108,367,000元之應付票據之若干財務契約。因此，該等應付票據於二零零八年十二月三十一日重新分類為流動負債。於108,367,000元之應付票據中，76,430,000元已於二零零九年四月贖回（附註23(a)）。於發現違約情況後，本公司董事已就餘下票據之條款與31,937,000元之票據持有人重新展開磋商。本集團已取得票據持有人之確認，彼等將不會要求提早贖回票據。

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(Expressed in Hong Kong dollars) (以港元列賬)

24 OBLIGATIONS UNDER FINANCE LEASES

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

The Group

		2008		2007	
		Present value of the minimum lease payments \$'000	Total minimum lease payments \$'000	Present value of the minimum lease payments \$'000	Total minimum lease payments \$'000
		二零零八年 最低租金現值 千元	最低租金總額 千元	二零零七年 最低租金現值 千元	最低租金總額 千元
Within 1 year	1年內	9,879	10,490	7,108	7,761
After 1 year but within 2 years	超過1年但2年內	6,696	7,119	3,844	4,334
After 2 years but within 5 years	超過2年但5年內	1,147	1,253	1,479	1,674
		7,843	8,372	5,323	6,008
		17,722	18,862	12,431	13,769
Less: total future interest expenses	減：日後利息支出總額		(1,140)		(1,338)
Present value of lease obligations	債務之現值		17,722		12,431

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets (note 13(e)).

24 融資性租賃債務

於二零零八年十二月三十一日，本集團融資性租賃債務償還如下：

本集團

		2008		2007	
		Present value of the minimum lease payments \$'000	Total minimum lease payments \$'000	Present value of the minimum lease payments \$'000	Total minimum lease payments \$'000
		二零零八年 最低租金現值 千元	最低租金總額 千元	二零零七年 最低租金現值 千元	最低租金總額 千元
Within 1 year	1年內	9,879	10,490	7,108	7,761
After 1 year but within 2 years	超過1年但2年內	6,696	7,119	3,844	4,334
After 2 years but within 5 years	超過2年但5年內	1,147	1,253	1,479	1,674
		7,843	8,372	5,323	6,008
		17,722	18,862	12,431	13,769
Less: total future interest expenses	減：日後利息支出總額		(1,140)		(1,338)
Present value of lease obligations	債務之現值		17,722		12,431

本集團之融資性租賃債務以有關資產為抵押（附註13(e)）。

25 EMPLOYEE RETIREMENT BENEFITS

The Group operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the plan vest immediately.

The employees of the Company’s subsidiaries in other jurisdictions are members of state-managed retirement benefits schemes operated by the government of the respective jurisdictions. The subsidiaries are required to contribute a specified percentage of their payroll costs to the retirement benefits schemes. The only obligation of the Group with respect of the retirement benefits schemes is to make the specified contributions.

During the year, the Group made retirement benefits scheme contributions totalling \$1,330,000 (2007: \$1,130,000). At the balance sheet date, there are no forfeited contributions.

25 僱員退休福利

本集團根據香港強制性公積金計劃條例，為根據香港僱傭條例受僱之僱員運作強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員之有關收入之5%作出供款，惟以每月有關收入20,000元為上限。向計劃作出之供款即時歸僱員所有。

於其他司法權區之本公司附屬公司之僱員為各個司法權區政府運作之國家管理退休計劃之成員。附屬公司須向退休福利計劃作出相當於該僱員薪金之特定百分比供款。本集團對退休福利計劃之唯一責任乃作出特定供款。

於年內，本集團作出退休福利計劃供款合共1,330,000元（二零零七年：1,130,000元）。於結算日，概無任何被沒收供款。

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(Expressed in Hong Kong dollars) (以港元列賬)

26 EQUITY-SETTLED SHARE-BASED COMPENSATIONS FOR EMPLOYEES

The Company has a share option scheme which was adopted on 12 June 2004 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, to take up options at nominal consideration to subscribe for shares of the Company.

The total number of shares which may be issued upon exercise of all options to be granted under the scheme shall not in aggregate exceed 10% of the total number of shares in issue as at the date of approval of the scheme, unless the Company obtains a fresh approval from its shareholders. Notwithstanding this, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme shall not exceed 30% of the total number of shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to any individual in any 12-month period shall not exceed 1% of the total number of shares in issue at any point in time, without prior approval from the Company's shareholders. Options granted to any individual who is a substantial shareholder of the Company or independent non-executive director or any of their respective associates in the 12-month period up to and including the date of such grant in excess of 0.1% of the Company's share capital at the date of grant or with a value in excess of \$5 million must be approved in advance by the Company's shareholders.

26 以股本結算股份為基礎之僱員補償

本公司已於二零零四年六月十二日採納一項購股權計劃，據此，本公司董事已獲授權酌情邀請本集團僱員以象徵式代價接納購股權，從而認購本公司股份。

根據計劃可能授出之所有購股權於獲行使後可能發行之股份總數，除非本公司取得其股東之批准，否則不可超過於批准計劃當日已發行股份總數之10%。儘管如此，根據計劃授出但未行使之所有購股權於行使後可能發行之最高股份數目，不可超過在發行股份總數之30%。於任何12個月期間向任何人士授出之購股權獲行使後已發行及將予發行之股份總數，未事先獲本公司股東批准，不可超過任何時間已發行股份總數之1%。於直至授出購股權日期（包括該日）止12個月期間向任何為本公司主要股東或獨立非執行董事或任何彼等各自之聯繫人士授出超過本公司於授出當日股本之0.1%或價值超過5,000,000元之購股權，必須事先獲本公司股東批准。

26 EQUITY-SETTLED SHARE-BASED COMPENSATIONS FOR EMPLOYEES (continued)

Options granted must be taken up within 28 days of the date of grant upon payment of \$1 per grant of options. Options may generally be exercised at any time during the period after the options have been granted, such period to expire not later than 10 years after the date of the grant of the options. The subscription price for shares will not be less than the higher of (i) the closing price of the Company's shares on the date of options granted; (ii) the average closing price of the Company's shares for the 5 business days immediately preceding the date of options granted; and (iii) the nominal value of the Company's shares. There is no minimum period for which an option must be held before it can be exercised.

(a) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

26 以股本結算股份為基礎之僱員補償 (續)

授出之購股權須於授出當日起28日內接受，並為每批購股權支付1元。購股權一般可由授出購股權後之期間內隨時行使，而有關期間於不遲於授出購股權當日後10年屆滿。股份認購價將不會低於(i)授出購股權當日本公司股份收市價；(ii)緊接授出購股權當日前五個營業日之本公司股份平均收市價；及(iii)本公司股份面值三者中之較高者。本公司並無規定購股權獲行使前須持有之最短期限。

(a) 以下為年內已授出購股權之條款及條件，據此所有購股權將透過實質交付股份而結算：

		Number of instruments 購股權數目	Vesting conditions 歸屬條件	Contractual life of options 購股權之合約年期
Options granted to directors:	授予董事之購股權：			
– on 25 January 2005	– 於二零零五年一月二十五日	13,751,138	–	10 years 10年
– on 5 July 2007	– 於二零零七年七月五日	4,500,000	–	1 year 1年
– on 6 September 2007	– 於二零零七年九月六日	4,500,000	–	1 year 1年
Options granted to employees:	授予僱員之購股權：			
– on 25 January 2005	– 於二零零五年一月二十五日	1,088,628	–	10 years 10年
– on 3 May 2007	– 於二零零七年五月三日	23,650,000	–	2 years 2年
– on 5 July 2007	– 於二零零七年七月五日	7,000,000	–	1 year 1年
– on 6 September 2007	– 於二零零七年九月六日	9,500,000	–	1 year 1年
Total share options	購股權總數	63,989,766		

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(Expressed in Hong Kong dollars) (以港元列賬)

26 EQUITY-SETTLED SHARE-BASED COMPENSATIONS FOR EMPLOYEES (continued)

(b) The number and weighted average exercise prices of share options are as follows:

26 以股本結算股份為基礎之僱員補償 (續)

(b) 購股權之數目及加權平均行使價如下：

		2008		2007	
		Weighted average exercise price '000	Number of options	Weighted average exercise price '000	Number of options
		二零零八年 加權平均 行使價	購股權數目	二零零七年 加權平均 行使價	購股權數目
Outstanding at the beginning of the year	年初尚未行使	\$0.3425	63,990	\$0.1580	45,830
Granted during the year	年內已授出	–	–	\$0.4149	67,800
Exercised during the year	年內已行使	\$0.2459	(2,150)	\$0.1805	(36,940)
Forfeited during the year	年內已沒收	\$0.1580	(1)	–	–
Cancelled during the year	年內已註銷	\$0.4961	(25,500)	\$0.5340	(12,700)
Outstanding at the end of the year	年末尚未行使	\$0.2407	36,339	\$0.3425	63,990
Exercisable at the end of the year	年末可予行使	\$0.2407	36,339	\$0.3425	63,990

The weighted average share price at the date of exercise for share options exercised during the year was \$0.2459 (2007: \$0.1805).

The options outstanding at 31 December 2008 had a weighted average exercise price of \$0.2407 (2007: \$0.3425) and a weighted average remaining contractual life of 2.6 years (2007: 2.0 years).

None of these options was exercised subsequent to the balance sheet date.

於年內行使之購股權之加權平均股價為0.2459元(二零零七年:0.1805元)。

於二零零八年十二月三十一日尚未行使之購股權之加權平均行使價為0.2407元(二零零七年:0.3425元)，而加權平均剩餘合約年期為2.6年(二零零七年:2.0年)。

於結算日後，該等購股權並未行使。

26 EQUITY-SETTLED SHARE-BASED COMPENSATIONS FOR EMPLOYEES (continued)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted was measured based on the Black-Scholes option pricing model. The inputs into the model were as follows:

		Share options granted on 於以下日期授出購股權		
		5 July 2007 and 6 September 2007 (Note i) 二零零七年 七月五日及 二零零七年 九月六日 (附註i)	3 May 2007 (Note ii) 二零零七年 五月三日 (附註ii)	25 January 2005 二零零五年 一月二十五日
Fair value at measurement date	於計量日之公允價值	\$0.165	\$0.097	\$0.096
Stock asset price	股份資產價格	\$0.530	\$0.280	\$0.1580
Exercise price	行使價	\$0.540	\$0.293	\$0.1580
Expected volatility	預期波幅	102.99%	96.77%	72%
Expected life	預期有效期	0.5 year 年	0.5 year 年	5 years 年
Risk-free rate	無風險比率	3.920%	0.990%	2.801%
Expected dividend yield	預期股息率	0%	0%	0%

Notes:

- (i) 14,000,000 share options granted on 6 September 2007 are deemed to be the replacement options for the cancelled options 12,500,000 which were initially granted on 5 July 2007. Accordingly, the fair value of these replacement options are the same as the value of options granted on 5 July 2007 in accordance with HKFRS 2.
- (ii) Share options granted on 3 May 2007 were revalued on 2 May 2008 when the directors approved to extend exercise period of the outstanding 23,650,000 options by one year. Accordingly, the options were revalued using new parameters as a result of the increased expected life in accordance with HKFRS 2.

(c) 購股權之公允價值及假設

本集團乃參考已授出之購股權之公允價值來計量授予購股權所換取所得服務之公允價值。已授出購股權之公允價值之估計乃根據畢蘇購股權定價模式計量。該模式之輸入如下：

Share options granted on
於以下日期授出購股權

		5 July 2007 and 6 September 2007 (Note i) 二零零七年 七月五日及 二零零七年 九月六日 (附註i)	3 May 2007 (Note ii) 二零零七年 五月三日 (附註ii)	25 January 2005 二零零五年 一月二十五日
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附註：

- (i) 於二零零七年九月六日授出的14,000,000份購股權被視為取代最初於二零零七年七月五日授出並已取消的12,500,000份購股權。因此，根據香港財務報告準則第2號，該等取代購股權之公允價值與於二零零七年七月五日授出的購股權之公允價值相同。
- (ii) 關於二零零七年五月三日授出的購股權，於二零零八年五月二日董事同意延長23,650,000份尚未行使購股權的行使期一年。根據香港財務報告準則第2號，因為預期有效期增加，故該等購股權乃使用新參數予以重估。

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26 EQUITY-SETTLED SHARE-BASED COMPENSATIONS FOR EMPLOYEES (continued)

(c) Fair value of share options and assumptions

(continued)

The expected volatility was based on the historical volatility of the Company's share price over the previous ten years. The expected life used in the model was adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate.

27 INCOME TAX IN THE BALANCE SHEET

(a) Current taxation in the balance sheet represents:

Provision for Hong Kong Profits Tax for the year	本年度香港利得稅撥備
Provisional Profits Tax paid	已付暫繳利得稅
Balance of Profits Tax provision relating to prior years	有關過往年度利得稅撥備結餘
Provision for overseas taxation	海外稅項撥備
Representing:	為：
Tax recoverable	可收回稅項
Tax payable	應付稅項

26 以股本結算股份為基礎之僱員補償 (續)

(c) 購股權之公允價值及假設

(續)

預期波幅乃根據本公司股價於過去十年間之過往波動情況釐定。在管理層最佳估計下，該模式所使用之預計有效期已因不可轉讓性、行使限制及行為因素之影響而予以調整。

畢蘇購股權定價模式需要投入高度主觀之假設（包括股價之波動），故主觀投入假設之變動會對公允價值估計產生重大影響。

27 資產負債表內之所得稅

(a) 資產負債表內本期稅項乃指：

The Group	
2008	2007
\$'000	\$'000
本集團	
二零零八年 千元	二零零七年 千元
6,052	2,567
-	(66)
6,052	2,501
1,811	4,119
2,467	491
10,330	7,111
(155)	-
10,485	7,111
10,330	7,111

27 INCOME TAX IN THE BALANCE SHEET

(continued)

(b) Deferred tax assets and liabilities recognised:

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

		The Group				
		Depreciation allowances in excess of the related depreciation \$'000	Tax losses \$'000	Revaluation of properties \$'000	Amortisation of intangible assets \$'000	Total \$'000
		折舊抵免超出 相關折舊 千元	稅項虧損 千元	物業重估 千元	無形資產攤銷 千元	總計 千元
Deferred tax arising from:	遞延稅項衍生自:					
At 1 January 2007	於二零零七年一月一日	12,429	(11,706)	1,066	-	1,789
(Credited)/charged to profit or loss	自損益內(計入)/扣除	(1,230)	507	-	-	(723)
Charged to properties revaluation reserve	自物業重估儲備扣除	-	-	590	-	590
At 31 December 2007	於二零零七年十二月三十一日	11,199	(11,199)	1,656	-	1,656
At 1 January 2008	於二零零八年一月一日	11,199	(11,199)	1,656	-	1,656
(Credited)/charged to profit or loss	自損益內(計入)/扣除	(4,518)	3,640	-	4,945	4,067
Credited to properties revaluation reserve	計入物業重估儲備	-	-	(318)	-	(318)
At 31 December 2008	於二零零八年十二月三十一日	6,681	(7,559)	1,338	4,945	5,405

Representing: 為:

		The Group	
		2008 \$'000	2007 \$'000
		本集團 二零零八年 千元	二零零七年 千元
Net deferred tax assets recognised on the balance sheet	於資產負債表確認之遞延稅項資產淨額	(1,132)	-
Net deferred tax liabilities recognised on the balance sheet	於資產負債表確認之遞延稅項負債淨額	6,537	1,656
		5,405	1,656

27 INCOME TAX IN THE BALANCE SHEET

(continued)

(c) Deferred tax assets not recognised

At 31 December 2008, the Group has unused tax losses of approximately \$142,828,000 (2007: 171,979,000). In accordance with the accounting policy set out in note 1(q), the Group has recognised deferred tax assets in respect of tax losses of \$44,611,000 (2007: \$63,992,000). Deferred tax assets have not been recognised in respect of the remaining tax losses as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

Tax losses of \$6,055,000 (2007: \$13,578,000) attributable to certain subsidiaries in the PRC had an expiry period of five years. The remaining tax losses of \$136,773,000 (2007: \$158,401,000) do not expire under current tax legislation.

27 資產負債表內之所得稅 (續)

(c) 未確認的遞延稅項資產

於二零零八年十二月三十一日，本集團之未動用稅項虧損約142,828,000元（二零零七年：171,979,000元）。根據附註1(q)所載之會計政策，本集團就44,611,000元（二零零七年：63,992,000元）之稅項虧損確認遞延稅項資產。由於在有關稅務司法權區及就有關實體而言有可供動用之虧損以抵銷未來應課稅溢利之可能性很低，故並無就其餘稅項虧損確認遞延稅項資產。

若干中國附屬公司應佔稅項虧損6,055,000元（二零零七年：13,578,000元）到期期間為五年。根據現行稅法，其餘稅項虧損136,773,000元（二零零七年：158,401,000元）在現行稅法下並沒有到期日。

28 CAPITAL AND RESERVES

28 股本及儲備

(a) The Group

(a) 本集團

		Share capital \$'000 股本 千元	Share premium \$'000 股份溢價 千元	Capital reserve \$'000 資本儲備 千元	Properties revaluation reserve \$'000 物業重估儲備 千元	Exchange reserve \$'000 匯兌儲備 千元	Retained profits \$'000 保留溢利 千元	Total \$'000 總額 千元
At 1 January 2007	於二零零七年一月一日	68,746	111,575	7,200	5,009	233	84,427	277,190
Surplus on revaluation of properties, net of deferred tax	扣減遞延稅項後物業之重估盈餘	-	-	-	2,740	-	-	2,740
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong	換算香港境外附屬公司的財務報表產生之匯兌差額	-	-	-	-	1,684	-	1,684
Profit for the year	年度溢利	-	-	-	-	-	33,476	33,476
Issue of new shares under share option scheme (note (c)(ii))	根據購股權計劃發行新股(附註(c)(ii))	3,694	6,342	(3,369)	-	-	-	6,667
Issue of new shares on exercise of warrants (note (c)(iii))	行使認股權證以發行新股(附註(c)(iii))	7,224	3,638	(1,471)	-	-	-	9,391
Equity-settled share-based transactions	以股本結算股份為基礎之交易							
- grant of share options	- 授出購股權	-	-	4,300	-	-	-	4,300
Issue of the Secured Notes and warrants	發行有抵押票據及認股權證	-	-	1,400	-	-	-	1,400
At 31 December 2007	於二零零七年十二月三十一日	79,664	121,555	8,060	7,749	1,917	117,903	336,848

		Share capital \$'000 股本 千元	Share premium \$'000 股份溢價 千元	Capital reserve \$'000 資本儲備 千元	Properties revaluation reserve \$'000 物業重估儲備 千元	Exchange reserve \$'000 匯兌儲備 千元	Retained profits/ accumulated losses \$'000 保留溢利/ (累計虧損) 千元	Total \$'000 總額 千元
At 1 January 2008	於二零零八年一月一日	79,664	121,555	8,060	7,749	1,917	117,903	336,848
Deficit on revaluation of properties, net of deferred tax	扣減遞延稅項後物業之重估虧絀	-	-	-	(1,098)	-	-	(1,098)
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong	換算香港境外附屬公司的財務報表產生之匯兌差額	-	-	-	-	1,258	-	1,258
Loss for the year	年度虧損	-	-	-	-	-	(159,787)	(159,787)
Issue of new shares under share option scheme (note (c)(ii))	根據購股權計劃發行新股(附註(c)(ii))	215	521	(208)	-	-	-	528
Equity-settled share-based transactions	以股本結算股份為基礎之交易							
- modification of terms of share options	- 購股權條款之修訂	-	-	(2,300)	-	-	2,300	-
- cancellation of share options	- 註銷購股權	-	-	703	-	-	-	703
At 31 December 2008	於二零零八年十二月三十一日	79,879	122,076	6,255	6,651	3,175	(39,584)	178,452

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28 CAPITAL AND RESERVES (continued)

(b) The Company

		Share capital \$'000 股本 千元	Share premium \$'000 股份溢價 千元	Contributed surplus \$'000 繳入盈餘 千元	Capital reserve \$'000 資本儲備 千元	Retained profits \$'000 保留溢利 千元	Total \$'000 總額 千元
At 1 January 2007	於二零零七年一月一日	68,746	111,575	15,048	7,200	41,443	244,012
Loss for the year (note 9)	年度虧損 (附註9)	-	-	-	-	(4,183)	(4,183)
Issue of new shares under share option scheme (note (c)(ii))	根據購股權計劃發行新股 (附註(c)(ii))	3,694	6,342	-	(3,369)	-	6,667
Issue of new shares on exercise of warrants (note (c)(iii))	行使認股權證以發行新股 (附註(c)(iii))	7,224	3,638	-	(1,471)	-	9,391
Equity-settled share-based transactions	以股本結算股份為基礎之交易						
- grant of share options	- 授出購股權	-	-	-	4,300	-	4,300
Issue of the Secured Notes and warrants	發行有抵押票據及認股權證	-	-	-	1,400	-	1,400
At 31 December 2007	於二零零七年十二月三十一日	79,664	121,555	15,048	8,060	37,260	261,587

		Share capital \$'000 股本 千元	Share premium \$'000 股份溢價 千元	Contributed surplus \$'000 繳入盈餘 千元	Capital reserve \$'000 資本儲備 千元	Retained profits/ (accumulated losses) \$'000 保留溢利/ (累計虧損) 千元	Total \$'000 總額 千元
At 1 January 2008	於二零零八年一月一日	79,664	121,555	15,048	8,060	37,260	261,587
Loss for the year (note 9)	年度虧損 (附註9)	-	-	-	-	(111,179)	(111,179)
Issue of new shares under share option scheme (note (c)(ii))	根據購股權計劃發行新股 (附註(c)(ii))	215	521	-	(208)	-	528
Equity-settled share-based transactions	以股本結算股份為基礎之交易						
- modification of terms of share options	- 購股權條款之修訂	-	-	-	(2,300)	2,300	-
- cancellation of share options	- 註銷購股權	-	-	-	703	-	703
At 31 December 2008	於二零零八年十二月三十一日	79,879	122,076	15,048	6,255	(71,619)	151,639

28 股本及儲備 (續)

(b) 本公司

28 CAPITAL AND RESERVES (continued)

(c) Share capital

(i) Authorised and issued share capital

		2008		2007	
		No. of shares '000	\$'000	No. of shares '000	\$'000
		二零零八年 股份數目 千股	千元	二零零七年 股份數目 千股	千元
Authorised:	法定:				
Ordinary shares of \$0.10 each	每股面值0.10元之普通股	1,000,000	100,000	1,000,000	100,000
Ordinary shares, issued and fully paid:	普通股·已發行及繳足:				
At 1 January	於一月一日	796,637	79,664	687,463	68,746
Shares issued under share option scheme	根據購股權計劃發行之股份	2,150	215	36,940	3,694
Shares issued on exercise of warrants	行使認股權證而發行之股份	-	-	72,234	7,224
At 31 December	於十二月三十一日	798,787	79,879	796,637	79,664

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

(ii) Shares issued under share option scheme

During the year, options were exercised to subscribe for 2,150,000 ordinary shares in the Company at a consideration of \$528,000 of which \$215,000 was credited to share capital and the balance of \$313,000 was credited to the share premium account. \$208,000 was transferred from the capital reserve to the share premium account in accordance with policy set out in note 1(p)(ii).

28 股本及儲備 (續)

(c) 股本

(i) 法定及已發行股本

		2008		2007	
		No. of shares '000	\$'000	No. of shares '000	\$'000
		二零零八年 股份數目 千股	千元	二零零七年 股份數目 千股	千元
Authorised:	法定:				
Ordinary shares of \$0.10 each	每股面值0.10元之普通股	1,000,000	100,000	1,000,000	100,000
Ordinary shares, issued and fully paid:	普通股·已發行及繳足:				
At 1 January	於一月一日	796,637	79,664	687,463	68,746
Shares issued under share option scheme	根據購股權計劃發行之股份	2,150	215	36,940	3,694
Shares issued on exercise of warrants	行使認股權證而發行之股份	-	-	72,234	7,224
At 31 December	於十二月三十一日	798,787	79,879	796,637	79,664

普通股持有人有權享有不時宣派之股息及可於本公司大會上享有一股一票之權利。所有普通股在分攤本公司剩餘資產方面享有同等權利。

(ii) 根據購股權計劃發行之股份

於年內，購股權獲行使以認購本公司2,150,000股普通股，代價為528,000元，其中215,000元計入股本，而餘下的313,000元計入股份溢價賬。208,000元已根據載列於附註1(p)(ii)之政策由資本儲備轉撥至股份溢價賬。

28 CAPITAL AND RESERVES (continued)

(c) Share capital (continued)

(ii) Shares issued under share option scheme (continued)

During 2007, options were exercised to subscribe for 36,940,000 ordinary shares in the Company at a consideration of \$6,667,000 of which \$3,694,000 was credited to share capital and the balance of \$2,973,000 was credited to the share premium account. \$3,369,000 was transferred from the capital reserve to the share premium account in accordance with policy set out in note 1(p)(ii).

(iii) Shares issued on exercise of warrants

During the year, no warrants were exercised to subscribe for ordinary shares in the Company.

During 2007, warrants were exercised to subscribe for 72,234,000 ordinary shares in the Company at a consideration of \$9,391,000 of which \$7,224,000 was credited to share capital and the balance of \$2,167,000 was credited to the share premium account. \$1,471,000 was transferred from the capital reserve to the share premium account in accordance with policy set out in note 1(m).

28 股本及儲備 (續)

(c) 股本 (續)

(ii) 根據購股權計劃發行之股份 (續)

於二零零七年內，購股權行使以認購本公司36,940,000股普通股，代價為6,667,000元，其中3,694,000元計入股本，而餘下的2,973,000元計入股份溢價賬。3,369,000元已根據載列於附註1(p)(ii)之政策由資本儲備轉撥至股份溢價賬。

(iii) 行使認股權證而發行之股份

於年內，並無認股權證獲行使以認購本公司普通股。

於二零零七年內，認股權證行使以認購本公司72,234,000股普通股，代價為9,391,000元，其中7,224,000元計入股本，而餘下的2,167,000元計入股份溢價賬。1,471,000元已根據載列於附註1(m)之政策由資本儲備轉撥至股份溢價賬。

28 CAPITAL AND RESERVES (continued)

(c) Share capital (continued)

(iv) Terms of unexpired and unexercised share options at the balance sheet date

Exercise period	行使期	Exercise price 行使價	2008 Number 二零零八年 數目	2007 Number 二零零七年 數目
25 January 2005 to 24 January 2015	二零零五年一月二十五日 至二零一五年一月二十四日	\$0.158元	14,089,138	14,839,766
3 May 2007 to 2 May 2009	二零零七年五月三日 至二零零九年五月二日	\$0.293元	22,250,000	23,650,000
5 July 2007 to 4 July 2008	二零零七年七月五日 至二零零八年七月四日	\$0.540元	–	11,500,000
6 September 2007 to 5 September 2008	二零零七年九月六日 至二零零八年九月五日	\$0.460元	–	14,000,000
			36,339,138	63,989,766

The holder of each option is entitled to subscribe for one ordinary share in the Company. Further details of these options are set out in note 26 to the financial statements.

每股購股權持有人獲賦予權力可認購一股本公司普通股。該等購股權之詳情載於財務報表附註26。

28 股本及儲備 (續)

(c) 股本 (續)

(iv) 於結算日未屆滿及未行使之購股權之條款

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

28 CAPITAL AND RESERVES (continued)

(c) Share capital (continued)

(v) Terms of unexpired and unexercised warrants at the balance sheet date

Exercise period	行使期	Exercise price	行使價	2008 Number 二零零八年 數目	2007 Number 二零零七年 數目
24 March 2006 to 23 March 2009	二零零六年三月二十四日 至二零零九年三月二十三日	\$0.130元		65,250,000	65,250,000
28 December 2007 to 27 June 2010	二零零七年十二月二十八日 至二零一零年六月二十七日	\$0.554元		56,317,689	56,317,689
				121,567,689	121,567,689

The holder of each warrant is entitled to subscribe for one ordinary share in the Company. Further details of these warrants are set out in note 23 to the financial statements.

(d) Nature and purpose of reserves

(i) Share premium

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

(ii) Capital reserve

At 31 December 2008 and 2007, the capital reserve comprises the following:

- the fair value of the actual or estimated number of unexercised share options granted to directors and employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 1(p)(ii); and
- the value of the unexercised warrants issued by the Company recognised in accordance with the accounting policy adopted for compound financial instruments in note 1(m).

28 股本及儲備 (續)

(c) 股本 (續)

(v) 於結算日未屆滿及未行使之認股權證之條款

Exercise price	行使價	2008 Number 二零零八年 數目	2007 Number 二零零七年 數目
\$0.130元		65,250,000	65,250,000
\$0.554元		56,317,689	56,317,689
		121,567,689	121,567,689

各認股權證之持有人有權認購一股本公司普通股。該等認股權證之詳情載於財務報表附註23。

(d) 儲備性質及目的

(i) 股份溢價

股份溢價賬之應用受一九八一年百慕達公司法第40條規管。

(ii) 資本儲備

於二零零八年及二零零七年十二月三十一日，資本儲備由下列項目組成：

- 根據載列於附註1(p)(ii)之以股份為基礎付款而採納之會計政策確認授予本公司董事及僱員之未行使購股權之實際或估計數目之公允價值；及
- 根據載列於附註1(m)為複合財務工具而採納之會計政策確認本公司發行之未行使認股權證之價值。

28 CAPITAL AND RESERVES (continued)**(d) Nature and purpose of reserves** (continued)*(iii) Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of subsidiaries outside Hong Kong. The reserve is dealt with in accordance with the accounting policies set out in note 1(u).

(iv) Properties revaluation reserve

This reserve has been set up and is dealt with in accordance with the accounting policies adopted for land and buildings in note 1(f).

(e) Distributability of reserves

At 31 December 2008, the aggregate amount of reserves available for distribution to equity shareholders of the Company was \$71,760,000 (2007: \$181,923,000).

The contributed surplus of the Company represented the difference between the underlying net tangible assets of the subsidiaries acquired by the Company and the nominal value of the share capital issued by the Company at the time of the Group reorganisation prior to the listing of the Company's shares in 1994. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due; and (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

28 股本及儲備 (續)**(d) 儲備性質及目的** (續)*(iii) 匯兌儲備*

匯兌儲備包括所有因換算香港境外附屬公司財務報表產生之匯兌差額。儲備根據附註1(u)所載之會計政策處理。

(iv) 物業重估儲備

該儲備已獲設立，並根據附註1(f)內就土地及樓宇所採用之會計政策處理。

(e) 可供分派儲備

於二零零八年十二月三十一日，可供分派予本公司權益股東之儲備總額為71,760,000元（二零零七年：181,923,000元）。

本公司之繳入盈餘為本公司所收購之附屬公司之相關有形資產淨值與本公司於一九九四年在其股份上市前進行之集團重組時所發行之股本之面值之差額。根據一九八一年百慕達公司法（經修訂），繳入盈餘可供分派予股東。然而，倘(i)本公司從繳入盈餘支付股息或作出分派後不能於負債到期時償還欠款；及(ii)資產之可變現值較負債及已發行股本及股份溢價賬之總和少，則本公司不得從繳入盈餘宣派或支付股息或作出分派。

28 CAPITAL AND RESERVES (continued)

(f) Capital management

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

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

The Group monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans and borrowings, trade and other payables and obligations under finance leases and the Notes issued) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

During 2008, the Group's strategy, which was unchanged from 2007, was to maintain the adjusted net debt-to-capital ratio at a reasonable level. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raised new debt financing or sell assets to reduce debt.

28 股本及儲備 (續)

(f) 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續根據持續經營基準經營，從而透過與風險水平相對應之產品及服務定價以及獲得合理成本的融資，繼續為股東創造回報。

本集團積極及定期對資本架構開展檢討及管理，以在較高股東回報情況下可能伴隨之較高借貸水平與良好的資本狀況帶來的好處及保障之間取得平衡，並因應經濟環境的變化對資本架構作出調整。

本集團以負債淨額對經調整股本比率作為監控其資本架構之基準。就此目的，經調整負債淨額獲界定為負債總額（包括計息貸款及借貸、貿易及其他應付款項、融資性租賃債務及已發行票據）加非累計擬分派股息，減現金及現金等價物。經調整資本包括股本之所有組成部分減非累計擬分派股息。

於二零零八年內，本集團秉承二零零七年之策略，將經調整負債淨額對股本比率維持於合理水平內。為維持或調整比率，本集團會對派付予股東之股息金額作出調整、發行新股份、向股東歸還資本、作出新的債務融資或出售資產以減少負債。

28 CAPITAL AND RESERVES (continued)

(f) Capital management (continued)

The adjusted net debt-to-capital ratio at 31 December 2008 and 2007 was as follows:

		Note	The Group 2008 \$'000 本集團 二零零八年 千元	2007 \$'000 二零零七年 千元
Current liabilities:	流動負債：			
– Trade and other payables	– 貿易及其他應付款項	21	88,457	57,276
– Bank and other borrowings	– 銀行及其他借貸	22	156,938	146,653
– Notes payable	– 應付票據	23	108,367	–
– Obligations under finance leases	– 融資性租賃債務	24	9,879	7,108
			363,641	211,037
Non-current liabilities:	非流動負債：			
– Bank and other borrowings	– 銀行及其他借貸	22	21,954	46,349
– Notes payable	– 應付票據	23	–	76,086
– Obligations under finance leases	– 融資性租賃債務	24	7,843	5,323
Total debt	負債淨額		393,438	338,795
Less: Cash and cash equivalents	減：現金及現金等價物	20	(23,123)	(39,181)
Net debt	負債淨額		370,315	299,614
Total capital	股本總額	28	178,452	336,848
Net debt-to-capital ratio	負債淨額對股本比率		208%	89%

The Company and its subsidiaries are subject to capital requirements imposed by certain creditor banks and note holders. During the year ended 31 December 2008, the Group did not comply with the covenants in respect of capital requirements imposed by these creditor banks and note holders. Details of the non-compliance are disclosed in notes 1(b), 22 and 23.

28 股本及儲備 (續)

(f) 資本管理 (續)

於二零零八年及二零零七年十二月三十一日之經調整負債淨額對股本比率如下：

		Note	The Group 2008 \$'000 本集團 二零零八年 千元	2007 \$'000 二零零七年 千元
Current liabilities:	流動負債：			
– Trade and other payables	– 貿易及其他應付款項	21	88,457	57,276
– Bank and other borrowings	– 銀行及其他借貸	22	156,938	146,653
– Notes payable	– 應付票據	23	108,367	–
– Obligations under finance leases	– 融資性租賃債務	24	9,879	7,108
			363,641	211,037
Non-current liabilities:	非流動負債：			
– Bank and other borrowings	– 銀行及其他借貸	22	21,954	46,349
– Notes payable	– 應付票據	23	–	76,086
– Obligations under finance leases	– 融資性租賃債務	24	7,843	5,323
Total debt	負債淨額		393,438	338,795
Less: Cash and cash equivalents	減：現金及現金等價物	20	(23,123)	(39,181)
Net debt	負債淨額		370,315	299,614
Total capital	股本總額	28	178,452	336,848
Net debt-to-capital ratio	負債淨額對股本比率		208%	89%

本公司及其附屬公司受若干債權銀行及票據持有人施加之資本規定所限。截至二零零八年十二月三十一日止年度內，本集團已違反該等債權銀行及票據持有人所施加資本規定之相關契約。違反詳情於附註1(b)、22及23披露。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

29 MAJOR NON-CASH TRANSACTIONS

- (a) During the year, additions to plant and equipment of the Group acquired under finance leases amounted to \$17,324,000 (2007: \$12,895,000).
- (b) During the year, additions to intangible assets of the Group of \$41,800,000 (2007: \$Nil) were settled by being offset against certain trade debtor balances of the Group.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and financial management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade debtors and bills receivable, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current liability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customers operates. Trade debtors and bills receivable are due within 60 to 180 days from the date of billing. Normally, the Group does not obtain collateral from customers.

29 重大非現金交易

- (a) 於年內，本集團以融資性租賃購買之廠房及設備之添置達17,324,000元（二零零七年：12,895,000元）。
- (b) 於年內，本集團藉對銷若干貿易應收款結餘之方式而添置之無形資產為41,800,000元（二零零七年：零元）。

30 財務風險管理及公允價值

信貸、流動性、利率及外幣風險於本集團一般業務過程中產生。本集團須承擔之該等風險及本集團對該等風險的財務管理政策及慣例陳述如下：

(a) 信貸風險

本集團之信貸風險主要來自貿易及其他應收款項。管理層制訂信貸政策並持續監察該等信貸風險。

就有關貿易應收賬款及應收票據而言，需要對信貸超過某一金額之所有客戶進行個別信貸評估。此等評估集中於客戶於到期及支付流動負債時之過去付款紀錄，並計入客戶之特定資料以及與客戶業務有關之經濟環境。貿易應收賬款及應收票據自開出發票之日起計60日至180日之期間內到期。一般而言，本集團不會獲得客戶之任何抵押品。

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(a) Credit risk *(continued)*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant considerations of credit risk primarily arise when the Group has significant exposure to individual customers.

At the balance sheet date, the Group has a certain concentration of credit risk as 28% (2007: 25%) and 77% (2007: 76%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group or the Company to credit risk.

(b) Liquidity risk

The treasury and liquidity management of the Group is managed on a centralised basis. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, adequate committed lines of funding from major financial institutions and funding from the note/bond holders to meet its liquidity requirements in the short and longer term.

30 財務風險管理及公允價值 (續)

(a) 信貸風險 (續)

本集團承受之信貸風險主要受各客戶個別特性所影響，而並非客戶業務所在之行業或國家，故本集團主要於需要對個別客戶承擔重大風險時對信貸風險作重大考慮。

於結算日期，由於貿易及其他應收款項總額之28%（二零零七年：25%）及77%（二零零七年：76%）分別為應收本集團最大客戶及五位最大客戶之款項，故本集團承受集中信貸風險。

本集團須承受之最大信貸風險透過各項財務資產之賬面金額於資產負債表反映。本集團並無提供任何將使本集團或本公司面臨信貸風險之擔保。

(b) 流動性風險

本集團對其庫務及流動資金進行集中管理。本集團之政策是定期監察其流動資金需求以及其遵守借貸契約之情況，以確保本集團維持充足之現金之儲備、來自主要財務機構充足之資金額度承諾，以及來自票據／債券持有人之資金，藉以應付其短期與長期之流動資金需求。

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(Expressed in Hong Kong dollars) (以港元列賬)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(b) Liquidity risk (continued)

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay:

The Group

		2008							
		Contractual undiscounted cash outflow					Balance sheet carrying amount		
		More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	二零零八年			
Within 1 year or on demand	\$'000	\$'000	\$'000	\$'000	\$'000				
		合約非折扣現金流出					資產負債表賬面值		
一年內或按要求	千元	超過一年但兩年內	千元	超過二年但五年內	千元	超過五年		千元	總計
Trade and other payables	貿易及其他應付款項	88,457	-	-	-	88,457	88,457		
Bank and other borrowings	銀行及其他借貸	159,243	11,713	6,722	4,043	181,721	178,892		
Notes payable	應付票據	109,973	-	-	-	109,973	108,367		
Obligations under finance leases	融資性租賃債務	10,490	7,119	1,253	-	18,862	17,722		
		368,163	18,832	7,975	4,043	399,013	393,438		

30 財務風險管理及公允價值 (續)

(b) 流動性風險 (續)

下表詳細列出以合約非折扣現金流量為基礎，於結算日期餘下合約到期之本集團及本公司非衍生金融負債（包括以合約利率計算之利息付款，或倘為浮息，則以結算日期之利率計算）及本集團及本公司可被要求支付之最早日期：

本集團

		2007							
		Contractual undiscounted cash outflow					Balance sheet carrying amount		
		More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	二零零七年			
Within 1 year or on demand	\$'000	\$'000	\$'000	\$'000	\$'000				
		合約非折扣現金流出					資產負債表賬面值		
一年內或按要求	千元	超過一年但兩年內	千元	超過二年但五年內	千元	超過五年		千元	總計
Trade and other payables	貿易及其他應付款項	57,276	-	-	-	57,276	57,276		
Bank and other borrowings	銀行及其他借貸	154,542	21,232	14,019	6,674	196,467	193,002		
Notes payable	應付票據	7,800	7,800	81,900	-	97,500	76,086		
Obligations under finance leases	融資性租賃債務	7,761	4,334	1,674	-	13,769	12,431		
		227,379	33,366	97,593	6,674	365,012	338,795		

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

30 財務風險管理及公允價值 (續)

(b) Liquidity risk (continued)

(b) 流動性風險 (續)

The Company

本公司

		2008						2007					
		Contractual undiscounted cash outflow						Contractual undiscounted cash outflow					
		More than 1 year or on demand \$'000	More than 1 year but less than 2 years \$'000	More than 2 years but less than 5 years \$'000	More than 5 years \$'000	Total \$'000	Balance sheet carrying amount \$'000	Within 1 year or on demand \$'000	More than 1 year but less than 2 years \$'000	More than 2 years but less than 5 years \$'000	More than 5 years \$'000	Total \$'000	Balance sheet carrying amount \$'000
		二零零八年				二零零七年							
		合約非折現現金流出				合約非折現現金流出							
		一年內 或按要求 千元	超過一年 但兩年內 千元	超過二年 但五年內 千元	超過五年 千元	總計 千元	資產負債表 賬面值 千元	一年內 或按要求 千元	超過一年 但兩年內 千元	超過二年 但五年內 千元	超過五年 千元	總計 千元	資產負債表 賬面值 千元
Trade and other payables	貿易及其他應付款項	58,463	-	-	-	58,463	58,463	57,847	-	-	-	57,847	57,847
Bank and other borrowings	銀行及其他借貸	40	-	-	-	40	40	-	-	-	-	-	-
Notes payable	應付票據	109,973	-	-	-	109,973	108,367	7,800	7,800	81,900	-	97,500	76,086
		168,476	-	-	-	168,476	166,870	65,647	7,800	81,900	-	155,347	133,933

(c) Interest rate risk

(c) 利率風險

The Group's interest rate risk arises primarily from its borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group monitors the level of its net fixed rate and variable rate borrowings and manages the contractual terms of the interest-bearing financial assets and liabilities. For this purpose the Group defines "net borrowings" as being interest-bearing financial liabilities less interest-bearing investments (excluding cash held for short-term working capital purposes). The Group's interest rate profile as monitored by management is set out in (i) below.

本集團產生之利率風險主要來自借貸。按可變利率及固定利率發出之借貸令本集團須分別承受現金流量利率風險及公允價值利率風險。本集團監管其固定利率及可變利率借貸淨額水平，並管理計息金融資產及負債之合約條款。就此用途而言，本集團將「借貸淨額」定義為計息金融負債減計息投資（持作短期營運資金用途除外）。由管理層監管之本集團利率狀況載於下列(i)。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

30 財務風險管理及公允價值 (續)

(c) Interest rate risk (continued)

(c) 利率風險 (續)

(i) Interest rate profile

The following table details the interest rate profile of the Group's net borrowings (as defined above) at the balance sheet date.

(i) 利率狀況

下表詳列本集團於結算日之借貸淨額(定義如上)之利率狀況。

		The Group			
		2008		2007	
		Effective interest rate	\$'000	Effective interest rate	\$'000
		%	本集團	%	
		二零零八年		二零零七年	
		實際利率	千元	實際利率	千元
		%		%	
Net fixed rate borrowings:	固定利率借貸淨額:				
- Bank and other borrowings	- 銀行及其他借貸	-	-	8.00	750
- Notes payable	- 應付票據	11.89	108,367	11.00	76,086
- Obligations under finance leases	- 融資性租賃負債	3.13	12,826	4.27	704
			121,193		77,540
Variable rate borrowings:	可變利率借貸:				
- Bank and other borrowings	- 銀行及其他借貸	5.00	178,892	6.36	192,252
- Obligations under finance leases	- 融資性租賃負債	3.37	4,896	4.56	11,727
			183,788		203,979
Total interest-bearing borrowings	計息借貸總額		304,981		281,519
Net fixed rate borrowings as a percentage of total interest-bearing borrowings	固定利率借貸淨額佔計息借貸總額之百分比		39.7%		27.5%

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2008, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after tax and accumulated losses by approximately \$767,000 (2007: decreased/increased the Group's profit after tax and retained profits by approximately \$841,000).

The sensitivity analysis above indicated the instantaneous change in the Group's loss after tax (and accumulated losses) that would arise assuming that the change in interest rates had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the Group's loss after tax (and accumulated losses) is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2007.

30 財務風險管理及公允價值 (續)

(c) 利率風險 (續)

(ii) 敏感度分析

於二零零八年十二月三十一日，估計利率普遍上升／下跌50個基點，而所有其他可變因素保持穩定，將已令本集團除稅後虧損及累計虧損上升／下跌約767,000元（二零零七年：本集團除稅後溢利及保留溢利下跌／上升約841,000元）。

上述敏感度分析顯示假設利率變動於結算日已發生及利率變動運用於重新計量本集團於結算日所持有的令本集團面對公允價值利率風險的財務工具時本集團除稅後虧損（及累計虧損）可能產生的即時變動。因本集團於結算日持有的非衍生工具浮動利率產生的現金流量利率風險對本集團除稅後虧損（及累計虧損）的影響估計為對該等利率變動的利息開支或收入的年度影響。二零零七年之分析乃以同一基準執行。

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars and Renminbi. The Group manages this risk as follows:

In respect of trade receivables and payables held in currencies other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

All of the Group's borrowings are denominated in the functional currency of the entity taking out the loan or, in the case of Group entities whose functional currency is Hong Kong dollars, in either Hong Kong dollars or United States dollars. Given this, management does not expect that there will be any significant currency risk associated with the Group's borrowings.

30 財務風險管理及公允價值 (續)

(d) 外幣風險

本集團面對之外幣風險主要透過銷售及採購，產生以外幣計值之應收款項、應付款項及現金結餘，即交易以業務有關之功能貨幣以外之貨幣進行。產生此風險之貨幣主要為美元及人民幣。本集團管理該風險如下：

就應收貿易賬款及應付貿易賬款（以業務相關功能貨幣以外之貨幣持有）而言，本集團確保於需要處理短期失衡時按現貨價購買或銷售外幣，以將風險淨額維持於合理水平。

本集團之所有借貸均以貸款實體之功能貨幣計值，或倘集團實體之功能貨幣為港元，則以港元或美元計值。就此而言，管理層預計本集團之借貸將不會與任何重大外幣風險有所關連。

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

30 財務風險管理及公允價值 (續)

(d) Currency risk (continued)

(d) 外幣風險 (續)

(i) Exposure to currency risk

(i) 承擔外幣風險

The following table details the Group's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

下表詳細列出本集團於結算日承擔由彼等之有關實體之功能貨幣以外之貨幣計值之已確認資產或負債所產生之外幣風險。

The Group

本集團

		Exposure to foreign currencies 外幣風險			
		2008		2007	
		United States Dollars '000 二零零八年 美元 千元	Renminbi '000 人民幣 千元	United States Dollars '000 二零零七年 美元 千元	Renminbi '000 人民幣 千元
Trade and other receivables	貿易及其他應收款項	9,507	2,131	9,873	3,453
Cash and cash equivalents	現金及現金等價物	121	797	455	3,223
Trade and other payables	貿易及其他應付款項	(4,666)	(5,486)	(6,016)	(3,482)
Bank and other borrowings	銀行及其他借貸	(9,587)	(1,400)	(6,567)	–
Net exposure arising from recognised assets and liabilities	已確認資產及負債所產生之風險淨額	(4,625)	(3,958)	(2,255)	3,194

Notes to the Financial Statements

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(Expressed in Hong Kong dollars) (以港元列賬)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax (and accumulated losses) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the balance sheet date had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

The Group

		2008 Effect on loss after tax and accumulated losses \$'000 二零零八年 對除稅後 虧損及 累計虧損 之影響 千元	Effect on other components of equity \$'000 對其他股權 部份之影響 千元		2007 Effect on profit after tax and retained profits \$'000 二零零七年 對除稅後 溢利及 保留溢利 之影響 千元	Effect on other components of equity \$'000 對其他股權 部份之影響 千元	
Increase/ (decrease) in foreign exchange rates				Increase/ (decrease) in foreign exchange rates			
匯率上升 /(下降)			對其他股權 部份之影響 千元	匯率上升 /(下降)		對其他股權 部份之影響 千元	
Renminbi	人民幣	5%	220	-	5%	168	-
		(5)%	(220)	-	(5)%	(168)	-

30 財務風險管理及公允價值 (續)

(d) 外幣風險 (續)

(ii) 敏感度分析

下表列出在結算日對本集團有重大影響的匯率倘於該日出現變化時，在假設所有其他風險變數維持不變的情況下，本集團之除稅後虧損（及累計虧損）及綜合權益的其他組成部分將會產生的即時變動。就此而言，本集團假設港元與美元之聯繫匯率將不會受美元兌其他貨幣之幣值變動有重大影響。

本集團

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(continued)*

(d) Currency risk *(continued)*

(ii) Sensitivity analysis *(continued)*

Results of the analysis as presented in the above table represent an aggregation of the instantaneous affects on each of the Group's entities' loss after tax and equity measured in the respective functional currencies, translated into Hong Kong dollar at the exchange rate ruling at the balance sheet date for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure these financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2007.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2008 and 2007.

30 財務風險管理及公允價值 (續)

(d) 外幣風險 (續)

(ii) 敏感度分析 (續)

上表所呈列之分析結果指本集團各個實體以個別功能貨幣計量 (為供呈列·已按結算日之匯率兌換為港元) 之除稅後虧損與權益之即時合併影響。

敏感度分析已假設匯率之變動已用於重新計量本集團所持有並於結算日使本集團面對外匯風險之財務工具·包括集團內公司間·以貸款人及借款人功能貨幣以外之貨幣計值之應付款項及應收款項。此分析不包括將海外業務之財務報表換算為本集團呈列貨幣所產生之差額。二零零七年之分析乃以同一基準執行。

(e) 公允價值

於二零零八年及二零零七年十二月三十一日·所有財務工具的列賬金額與其公允價值均無重大差別。

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財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

31 COMMITMENTS

- (a) Capital commitments outstanding at 31 December 2008 not provided for in the financial statements were as follows:

		2008 \$'000	2007 \$'000
		本集團 二零零八年 千元	二零零七年 千元
Contracted for	已訂約	3,250	196
Authorised but not contacted for	已獲授權但未訂約	-	3,032
		3,250	3,228

- (b) At 31 December 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2008 \$'000	2007 \$'000
		本集團 二零零八年 千元	二零零七年 千元
Within 1 year	一年內	9,701	7,374
After 1 year but within 5 years	一年後但五年內	8,418	8,049
		18,119	15,423

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

31 承擔

- (a) 於二零零八年十二月三十一日未於財務報表中作出撥備之資本承擔如下：

		2008 \$'000	2007 \$'000
		本集團 二零零八年 千元	二零零七年 千元
Contracted for	已訂約	3,250	196
Authorised but not contacted for	已獲授權但未訂約	-	3,032
		3,250	3,228

- (b) 於二零零八年十二月三十一日，本集團根據不可取消之經營租約支付之未來最低租金總額應須按以下年期支付：

		2008 \$'000	2007 \$'000
		本集團 二零零八年 千元	二零零七年 千元
Within 1 year	一年內	9,701	7,374
After 1 year but within 5 years	一年後但五年內	8,418	8,049
		18,119	15,423

本集團為數項根據經營租約持有之物業之承租人。該等租賃之初始年期通常為一至五年，可選擇重新磋商所有條款後續約。該等租賃概無包括或然租金。

31 COMMITMENTS (continued)

(c) Production commitments

In the ordinary course of its business, the Group entered into business affiliation agreements with certain major customers. Under these agreements, the Group is required to carry on certain minimum levels of production for the customers. A broad minimum production level is generally agreed annually and the specific production orders are agreed upon from time to time. The Group monitors its operations on an ongoing basis with a view to ensuring compliance with such requirements.

32 CONTINGENT LIABILITIES

Financial guarantees issued

As at the balance sheet date, the Company has issued guarantees to certain banks in respect of banking facilities granted to certain wholly owned subsidiaries which remain in force so long as the subsidiaries have drawn down under the banking facilities.

The Company is also one of the entities covered by certain cross guarantee arrangements issued by the Company and certain of its wholly owned subsidiaries to certain banks in respect of banking facilities granted to the Group which remains in force so long as the Group has drawn down under the banking facilities. Under each of these guarantees, the Company and all the subsidiaries that are a party to the guarantee are jointly and severally liable for all and any of the borrowings of each of them from the bank which is the beneficiary of the guarantee.

31 承擔 (續)

(c) 生產承擔

於其一般業務過程中，本集團與若干主要客戶訂立業務聯繫協議。根據該等協議，本集團須為客戶進行若干最低程度之生產業務。最低生產水平一般應每年協定，而具體生產訂單則應不時予以協定。本集團將持續監察其營運，務求確保遵守有關規定。

32 或然負債

已發出之財務擔保

於結算日，本公司已就授予若干全資附屬公司之銀行授信向若干銀行發出擔保，而只要該等附屬公司已根據銀行之授信取得借貸，則發出之擔保仍屬有效。

本公司亦為由本公司及其若干全資附屬公司就授予本集團之授信而向若干銀行發出之若干交互擔保安排所涉及之其中一間實體，而只要本集團已根據銀行之授信取得借貸，則發出之擔保仍屬有效。根據各項擔保，擔保之訂約方本公司及所有附屬公司須共同及個別就彼等各自銀行（擔保之受益人）取得之全部及任何借貸承擔責任。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

32 CONTINGENT LIABILITIES (continued)

Financial guarantees issued (continued)

As at the balance sheet date, the directors do not consider it probable that a claim will be made against the Company under any of the above guarantees. The maximum liability of the Company at the balance sheet date under the sole guarantee by the Company is the aggregate amount of the facilities drawn down by the subsidiaries of \$29,739,000 (2007: \$20,088,000). The maximum liability of the Company at the balance sheet date under the cross guarantee is the aggregate amount of the facilities drawn down by all the subsidiaries that are covered by the cross guarantee, being \$178,636,000 (2007: \$137,475,000).

33 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and the highest paid employees as disclosed in note 8, is as follows:

		2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
Short-term employee benefits	短期僱員福利	14,317	13,844
Post-employment benefits	離職福利	-	-
Equity compensation benefits	股本報酬福利	-	271
		14,317	14,115

Total remuneration for 2008 is included in "staff costs" (see note 5(b)).

In 2007, certain remuneration was capitalised as development costs under "intangible assets" (see note 14).

32 或然負債 (續)

已發出之財務擔保 (續)

於結算日，董事認為根據任何上述擔保不可能向本公司作出索償。於結算日，本公司根據本公司作為唯一擔保所獲之最大負債為由有關附屬公司所提取之借貸總額29,739,000元（二零零七年：20,088,000元）。於結算日，本公司根據該等交互擔保所獲之最大負債為由該等交互擔保所涉及之所有附屬公司所提取之借貸總額，為178,636,000元（二零零七年：137,475,000元）。

33 重大關連人士交易

(a) 主要管理層之酬金

本集團主要管理層之酬金（包括附註7所披露支付予本公司董事以及附註8所披露支付予最高薪僱員之金額）如下：

	2008 \$'000 二零零八年 千元	2007 \$'000 二零零七年 千元
Short-term employee benefits	14,317	13,844
Post-employment benefits	-	-
Equity compensation benefits	-	271
	14,317	14,115

二零零八年酬金總額乃計入「員工成本」（見附註5(b)）。

於二零零七年，若干酬金在「無形資產」（見附註14）項下被資本化為開發成本。

33 MATERIAL RELATED PARTY TRANSACTIONS*(continued)***(b) Other related party transactions**

During the year ended 31 December 2008, the Group paid rentals to Ms Chan Siu Chu, mother of the directors of the Company, namely Ms Ho Yin King, Helena and Mr Ho Fai Keung, Jacky and mother-in-law of the director of the Company, Ms Lo Suk King, amounting to \$282,000 (2007: \$282,000). The transactions were conducted on terms with reference to current market prices.

(c) Balances with related parties

The amount due to directors of \$1,314,000 (2007: \$Nil) are unsecured, interest free and repayable on demand, and are included in "Trade and other payables" (note 21).

34 NON-ADJUSTING POST BALANCE SHEET EVENTS

- (a) A total of 50,000,000 new shares were issued to an independent third party on 24 February 2009. Net proceeds of approximately \$13,800,000 were received by the Company.
- (b) Subsequent to the balance sheet date, warrants were exercised to subscribe for 48,250,000 ordinary shares in the Company at a consideration of \$6,273,000. Further details of these warrants are set out in note 23 to the financial statements.

33 重大關連人士交易 (續)**(b) 其他關連人士之交易**

截至二零零八年十二月三十一日止年度期間，本集團支付租金予陳少珠女士，陳少珠女士乃本公司董事何燕琼女士及何輝強先生之母親，及本公司董事盧淑琼女士之岳母，合共282,000元（二零零七年：282,000元）。該等交易乃參照現行市價進行。

(c) 與關連人士之結餘

應付董事之款項1,314,000元（二零零七年：零元）為無抵押、免息及須按要求償還，並計入「貿易及其他應付款項」（附註21）內。

34 非調整結算日後事項

- (a) 在二零零九年二月二十四日向一名獨立第三方發行合共50,000,000股新股份。本公司收取所得款項淨額約13,800,000元。
- (b) 於結算日後，認股權證獲行使以認購48,250,000股本公司普通股，代價為6,273,000元。此等認股權證之詳情載於財務報表附註23。

Notes to the Financial Statements

財務報表附註

(Expressed in Hong Kong dollars) (以港元列賬)

34 NON-ADJUSTING POST BALANCE SHEET EVENTS (continued)

- (c) Pursuant to a subscription agreement entered into between a wholly owned subsidiary of the Company (the "Issuer") and a substantial shareholder (the "Subscriber"), the Issuer issued, and the Subscriber subscribed for, convertible bonds (the "Bonds") in the aggregate principal of \$177 million on 6 April 2009. The Bonds carry interest at a fixed rate of 12% per annum, were secured by net assets of a wholly owned subsidiary of the Company and mature on 6 April 2012. Pursuant to the terms and conditions of the subscription agreement, the Bonds are convertible into the Issuer's shares representing 30% of its enlarged issued share capital. The Bonds are convertible at any time following the issuance date and up to the maturity date unless previously redeemed or converted, the Bonds will be redeemed at 100% of the outstanding principal amount of the Bonds plus all unpaid interest accrued up to the date of the redemption. No adjustments have been made to these financial statements as a result of the issues of the Bonds after the balance sheet date.

Upon recognition, the host liability including the redemption option of the Subscriber and the Issuer is stated at amortised cost while the conversion option is separately accounted for as a derivative liability and stated as fair value through profit or loss.

- (d) On 21 May 2009, the Company entered into an agreement with a third party in relation to the subscription at a price of HK\$0.195 per subscription share of 109,000,000 new shares to be allotted and issued.

34 非調整結算日後事項 (續)

- (c) 根據本公司一家全資附屬公司(「發行人」)與一名主要股東(「認購人」)訂立之認購協議，發行人已發行而認購人則已認購於二零零九年四月六日總本金額為177,000,000元之可換股債券(「該等債券」)。該等債券按固定年息率12厘計息，並以本公司一家全資附屬公司之資產淨值抵押，於二零一二年四月六日到期。根據認購協議之條款及條件，該等債券可兌換為相當於發行人經擴大已發行股本30%之股份。該等債券可於發行日後直至到期日期間任何時間作兌換。除非該等債券之前已獲贖回或轉換，否則該等債券將按其全部未償還本金額連同截至贖回日期止之未付應計利息贖回。於結算日後發行該等債券並無令本財務報表作任何調整。

確認後，包括認購人和發行人之贖回權在內之主體負債乃以攤銷成本列報，而兌換權則作為衍生負債入賬並以公允價值列賬。

- (d) 於二零零九年五月二十一日，本公司與一名第三方就按每股認購股份0.195港元之價格認購109,000,000股將予配發及發行之新股份訂立協議。

35 ACCOUNTING ESTIMATES AND JUDGEMENTS

Notes 13, 15 and 26 contain information about the assumptions and their risk factors relating to impairment of property, plant and equipment, goodwill impairment and fair value of share options granted. Other key sources of estimation uncertainty are as follows:

(a) Impairment of property, plant and equipment and intangible assets

The Group assesses annually whether property, plant and equipment and intangible assets have any indication of impairment in accordance with the relevant accounting policies. If such indication exists, the recoverable amounts of the assets would be determined by reference to value in use and net selling price. Value in use is determined using the discounted cash flow method. Owing to inherent risks associated with estimations in the timing and magnitude of the future cash flows and net selling prices, the estimated recoverable amount of the assets may be different from its actual recoverable amount and profit or loss could be affected by accuracy of the estimations.

(b) Impairment of trade and other receivables

If circumstances indicate that the carrying amount of trade and other receivables may not be recoverable, the assets may be considered impaired and an impairment loss may be recognised. The carrying amounts of trade and other receivables are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. The recoverable amount of trade and other receivables is the estimated future cash flows discounted at the current market rate of return of similar assets. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount.

35 會計估計及判斷

附註13、15及26載有與物業、廠房及設備減值、商譽減值以及已授出購股權之公允價值有關之假設及其風險因素之資料。估計不明朗因素之其他主要來源如下：

(a) 物業、廠房及設備及無形資產之減值

本集團根據相關會計政策每年評估物業、廠房及設備及無形資產是否顯示有減值跡象。如有跡象顯示出現減值，則該等資產之可收回金額將參考使用價值及售價淨額釐定。使用價值乃使用貼現現金流量法釐定。基於估算在未來現金流量及售價淨額之時間性及程度上之固有風險，該等資產之估計可收回金額或會有別於其實際可收回金額，而收益或虧損可能會受該等估算之準確性影響。

(b) 貿易及其他應收款項之減值

倘有情況顯示貿易及其他應收款項之賬面金額可能無法收回，則該等資產可被視為已減值，且減值虧損可予以確認。貿易及其他應收款項之賬面金額會定期審閱，以評估可收回金額是否已跌至低於賬面金額。貿易及其他應收款項之可收回金額乃估計未來現金流量按類似資產之現行市場回報率折現計算。本集團在釐定與可收回金額相若之合理金額時會採用所有可供使用之資料。

35 ACCOUNTING ESTIMATES AND JUDGEMENTS 35 會計估計及判斷 (續)

(continued)

(c) Write down of inventories

The Group performs regular review of the carrying amounts of inventories with reference to aged inventories analyses, historical consumption trends and management's experience and judgement. Based on this review, write down of inventories would be made when the carrying amounts of inventories decline below their estimated net realisable value. Owing to changes in market trend, actual sales may be different from estimation and profit or loss could be affected by the accuracy of this estimation.

(d) Provision for income tax

Provision for income tax is made based on the taxable income for the period as determined by the Group. The determination of taxable income involves the exercise of judgement on interpretations of the relevant tax rules and regulations. The amount of income tax and hence profit or loss could be affected by any interpretations and clarifications which the tax authority may issue from time to time.

(c) 撇減存貨

本集團參考陳舊存貨分析、過往消耗趨勢及管理層經驗與判斷定期審閱存貨之賬面金額。根據該項審閱，倘存貨之賬面金額減至低於其估計可變現淨值，則會撇減存貨。由於市場趨勢之變動，實際銷售額可能與估計有所差異，而收益或虧損可能會受該估算之準確性影響。

(d) 利得稅撥備

利得稅撥備乃按本集團所釐定期內之應課稅收入而計算。釐定應課稅收入涉及在詮釋有關稅務規則及規例時行使判斷。利得稅稅額（以至收益或虧損）可能因稅務機關不時頒佈之任何詮釋及澄清而受到影響。

36 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDED 31 DECEMBER 2008

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2008 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the financial statements:

36 已頒佈但於截至二零零八年十二月三十一日止會計年度尚未生效之修訂、新準則及詮釋之可能影響

截至刊發該等財務報表之日，香港會計師公會已頒佈多項於截至二零零八年十二月三十一日止年度尚未生效且該等財務報表並無採納的修訂、新準則及詮釋。

本集團正評估該等修訂、新準則及新詮釋預期將於首次應用期間所產生之影響。截至目前為止，本集團認為，採納上述修訂、新準則及新詮釋不大可能會對本集團之經營業績及財務狀況引起重大影響。

此外，以下新訂或經修訂的準則可能會導致須於財務報表新增或修訂有關披露：

	Effective for accounting periods beginning on or after 於下列日期或之後 起計的會計期間生效
HKFRS 8, <i>Operating segments</i> 香港財務報告準則第8號業務分部	1 January 2009 二零零九年一月一日
HKAS 1 (revised), <i>Presentation of financial statements</i> 香港會計準則第1號(經修訂)財務報表之呈列	1 January 2009 二零零九年一月一日

Financial Summary

財務概要

1. RESULTS

1. 業績

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

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Turnover	營業額	455,531	418,159	345,222	329,745	363,765
(Loss)/profit before taxation	稅前(虧損)/溢利	(151,959)	35,521	69,747	(134,012)	20,402
Income tax	所得稅	(7,828)	(2,045)	(4,782)	(1,207)	(285)
(Loss)/profit for the year	本年度(虧損)/溢利	(159,787)	33,476	64,965	(135,219)	20,117
Minority interests	少數股東權益	-	-	-	-	-
(Loss)/profit attributable to equity shareholders of the Company	本公司權益股東應佔(虧損)/溢利	(159,787)	33,476	64,965	(135,219)	20,117

2. ASSETS AND LIABILITIES

2. 資產與負債

At 31 December
於十二月三十一日

		2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Assets	資產					
Property, plant and equipment	物業、廠房及設備	63,740	113,225	99,344	119,917	199,521
Goodwill	商譽	-	39,545	39,545	39,545	39,545
Other assets	其他資產	525,172	531,640	414,346	365,569	331,184
Total assets	資產總額	588,912	684,410	553,235	525,031	570,250
Liabilities	負債					
Current liabilities	流動負債	374,126	218,148	255,375	292,822	236,265
Non-current liabilities	非流動負債	36,334	129,414	20,670	23,800	15,187
Total liabilities	負債總額	410,460	347,562	276,045	316,622	251,452
Equity attributable to equity shareholders of the Company	本公司權益股東應佔股權	178,452	336,848	277,190	208,409	318,798