



G·PROP
(HOLDINGS) LIMITED

G-PROP (HOLDINGS) LIMITED

金匡企業有限公司

Stock Code 股份代號 : 286

2007
Annual Report
二 零 零 七 年 年 報

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Corporate Information

DIRECTORS

Executive Directors:

Kong, Chi-ming (*Deputy Chairman*)
Leung, Wing-pong (*Chief Executive Officer*)
Chan, Wing-kwan (*Executive Director*)
Chang, Wing-yiu (*Executive Director*)

Independent Non-executive Directors:

Leung, Yun-fai
Lam, Yat-fai
David Chain, Chi-woo

AUDIT COMMITTEE

Lam, Yat-fai (*Chairman*)
Leung, Yun-fai
David Chain, Chi-woo

REMUNERATION COMMITTEE

Leung, Yun-fai (*Chairman*)
Lam, Yat-fai
David Chain, Chi-woo

COMPANY SECRETARY

Lam, Kwong-wai

QUALIFIED ACCOUNTANT

Wong, Yuet-ying

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
31/F, Gloucester Tower
The Landmark, 11 Pedder Street
Central, Hong Kong

公司資料

董事

執行董事：

江志明 (*副主席*)
梁榮邦 (*行政總裁*)
陳永錕 (*執行董事*)
鄭永耀 (*執行董事*)

獨立非執行董事：

梁潤輝
林日輝
錢其武

審核委員會

林日輝 (*主席*)
梁潤輝
錢其武

薪酬委員會

梁潤輝 (*主席*)
林日輝
錢其武

公司秘書

林光蔚

合資格會計師

黃月影

核數師

國衛會計師事務所
英國特許會計師
香港執業會計師
香港中環
畢打街11號
置地廣場
告羅士打大廈31樓

Corporate Information

SOLICITORS

Sit, Fung, Kwong & Shum
Chiu & Partners

PRINCIPAL BANKERS

Chong Hing Bank Limited
Standard Chartered Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

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

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Secretaries Limited
26th Floor Tesbury Centre
28 Queen's Road East
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL OFFICE

26th Floor MassMutual Tower
38 Gloucester Road Wanchai Hong Kong
Tel: (852) 2866 6999
Fax: (852) 2866 2822, 2866 2833

WEBSITE

<http://www.g-prop.com.hk>

STOCK CODE

286

BOARD LOT

2,000 Shares

公司資料

律師

薛馮鄭岑律師行
趙不渝馬國強律師事務所

主要往來銀行

創興銀行有限公司
渣打銀行(香港)有限公司

股份過戶登記總處

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

股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東28號
金鐘匯中心26樓

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要辦事處

香港灣仔告士打道38號
美國萬通大廈26樓
電話：(852) 2866 6999
傳真：(852) 2866 2822, 2866 2833

網址

<http://www.g-prop.com.hk>

股份代號

286

買賣單位

2,000股

Chairman's Statement

I am pleased to present the results of the G-Prop (Holdings) Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2007 (the "Year") to the shareholders of the Company (the "Shareholders")

RESULTS

The profit for the Year was HK\$15,193,000 and was increased by HK\$10,374,000 or 215.3%. The increase was mainly due to gain on disposal of an intangible asset of HK\$11,865,000, increase from bank interest income of HK\$3,676,000 and gain on disposal of investment properties of HK\$580,000.

DIVIDENDS

The Directors have not proposed any interim or final dividend in respect of the year ended 31 December 2007 (2006: final dividend of HK\$0.01 per share).

BUSINESS REVIEW

The Group was principally engaged in properties investment business and development of the methanol production business during the Year.

Properties Investment Business

During the Year, the remaining eight levels of the godown in Kwai Chung continued to generate rental income of HK\$2,109,000 to the Group until the completion of disposal of these eight levels properties in October 2007. On the other hand, the Group acquired twenty-five carparking spaces together five adjoining spaces at Bank of East Asia Harbour View Centre, Wanchai and the six carparking spaces and carport basement at Nine Queen's Road Central, Central, Hong Kong on 31 July 2007. The acquisition of the thirty-one carparking spaces had contributed HK\$673,000 or 23.9% to the Group's turnover and HK\$1,478,000 or 9.7% of the Group's profit which comprised of HK\$1,950,000 fair value gain on investment properties.

主席報告書

本人欣然向本公司之股東(「股東」)提呈金匡企業有限公司(「本公司」)及其附屬公司(「本集團」)截至二零零七年十二月三十一日止年度之業績(「本年度」)。

業績

本年度溢利為15,193,000港元，增加10,374,000港元或215.3%，該增加主要由於年內出售一項無形資產之收益11,865,000港元，銀行利息收入增加為3,676,000港元及出售投資物業之收益則為580,000港元。

股息

董事不建議就截至二零零七年十二月三十一日止年度派發中期股息或末期股息，(二零零六年：末期股息每股0.01港元)。

業務回顧

本年度內本集團主要經營物業投資業務及甲醇產品開發業務。

物業投資業務

本年度內，餘下位於葵涌之八層貨倉於二零零七年十月內完成出售前繼續為本集團帶來租金收入2,109,000港元。另一方面，於二零零七年七月三十一日本集團收購了香港灣仔東亞銀行港灣中心二十五個停車位連同五個毗鄰空間及中環皇后大道中九號六個停車位及地庫停車場。收購該等三十一個停車位為本集團帶來673,000港元或23.9%之營業額及1,478,000港元或9.7%之溢利，當中包括投資物業之公平值收益1,950,000港元。

Chairman's Statement

BUSINESS REVIEW (cont'd)

Development of Methanol Production Business

For the Year, the Group identified an investment opportunity and acquired 內蒙古伊澤礦業投資有限公司 (unofficial English translation as Inner Mongolia Yize Mining Company Limited) ("PRC Company") at the consideration RMB59,962,000 (equivalent to HK\$62,406,000). The PRC Company owns a piece of land at Inner Mongolia of PRC on which a plant is intended to be set up for manufacturing methanol products using coal as raw materials. As at 31 December 2007, the total investment cost of the Group relation to the development of methanol production business was HK\$157,342,000, among other things, (i) payment of the consideration of acquisition of the PRC Company, (ii) deposits payment for development cost of methanol plant and water usage right in Inner Mongolia and (iii) working capital of the PRC Company. After deducting the impairment loss on goodwill of HK\$1,470,000 on acquisition of the PRC Company, the net assets attributing to the development of methanol production business and its capital commitments, which consisted mainly of authorised and contracted for development cost of methanol plant, are HK\$155,872,000 and HK\$44,856,000 respectively as at 31 December 2007.

Issue of Subscription Shares and Convertible Bonds

In order to enlarge the capital base and to finance the development of the PRC Company, on 25 October 2007, the Group issued 740,518,325 subscription shares and HK\$108,000,000 zero coupon convertible bonds to Fame Ascent Investments Limited (an indirect wholly-owned subsidiary of Kingboard Chemical Holdings Limited) and 493,678,883 subscription shares and HK\$72,000,000 zero coupon convertible bonds to Asian Kingdom Limited (a sole ultimately and beneficially owned by Mr. Joseph Lau, Luen-hung). The net proceed after deducting the expenses in connection with the subscription shares and convertible bonds was HK\$375,552,000 which the Group intended to use for the construction of the plant of the methanol production business.

During the period from 25 October 2007 to 31 December 2007, there were no conversion of convertible bonds taken place and the principal outstanding of the convertible bonds was remained as HK\$180,000,000.

Disposal of an intangible asset

During the Year, the Group disposed of the three phase patent, which were application patent for method and device for automatically switching three-phase voltage for saving transformer, to an independent third party. Since the carrying value of the patents was fully impaired in previous years, the net proceed of the patents after deducting the direct cost in connection with the disposal was recognised as gain of HK\$11,865,000 for the Year.

主席報告書

業務回顧(續)

甲醇產品開發業務

本年度，本集團物色到一個投資機遇以代價人民幣59,962,000元(相當於62,406,000港元)收購了內蒙古伊澤礦業投資有限公司(「中國公司」)。中國公司在中國內蒙古擁有一塊地，並擬於該址興建一間以煤炭為原材料的甲醇產品生產廠房。於二零零七年十二月三十一日，本集團就發展甲醇生產業務之總投資成本為157,342,000港元，當中包括(i)支付收購中國公司之代價，(ii)甲醇廠之開發成本及位於內蒙古之用水權之按金付款，以及(iii)中國公司之營運資金。於扣除收購中國公司之商譽減值虧損1,470,000港元後，於二零零七年十二月三十一日，應佔發展甲醇生產業務之資產淨值及與甲醇廠之開發成本有關之資本承擔(主要包括已授權及已訂約者)分別為155,872,000港元及44,856,000港元。

發行認購股份及可換股債券

為擴大資本基礎及為中國公司發展籌措資金，於二零零七年十月二十五日，本集團發行740,518,325股認購股份及108,000,000港元零息可換股債券予名昇投資有限公司(建滔化工集團之一間間接全資附屬公司)及493,678,883股認購股份及72,000,000港元零息可換股債券予Asian Kingdom Limited(由劉鑾雄先生獨自最終實益擁有)。扣除有關認購股份及可換股債券之支出後所得款項淨額為375,552,000港元，本集團擬將該等資金作建造甲醇產品業務廠房之用。

由二零零七年十月二十五日至二零零七年十二月三十一日期內，無可換股債券進行兌換，及可換股債券尚未償還之本金額約為180,000,000港元。

出售一項無形資產

本年度內，本集團出售三相專利權予獨立第三方，該三相專利權為自動轉換省電變壓器三相電壓之方法及儀器之申請專利權。由於過往年度專利權之賬面值全面減值，出售該專利權所得款項扣除有關出售之直接成本後的淨額11,865,000港元確認為本年度收益。

Chairman's Statement

POST BALANCE SHEET EVENT

On 1 February 2008, the Group had entered into (i) a conditional agreement for the disposal of its entire interest in certain of its indirectly wholly owned subsidiaries, which constitutes a major and connected transaction of the Company; and (ii) a conditional agreement for the termination of a possible joint venture cooperation which is related to the formation of PRC joint venture companies as disclosed in the announcement of the Company on 21 January 2008. Besides, the Group had been informed that an agreement for sales and purchase of the shares and convertible securities of the Company was signed and as result, the purchaser of such securities is required to make mandatory unconditional cash offers (other than those already owned by or agreed to be acquired by it or parties acting in concert with it) under the Hong Kong Code on Takeovers and Mergers. Details are set out on the announcement dated 1 February 2008. Since more time is required for the negotiation between the Company and the counterparty in relation to certain amendments to the terms of the signed agreements for the purpose of compliance with the Listing Rules and for the finalisation of the content of the further announcement related to change of business plan. At the date of this annual report, the matters are still in progress and a further announcement in relation to them will be issued by the Company as soon as practicable.

PROSPECTS

The Group will continue to hold the thirty-one carparking spaces at Bank of East Asia Harbour View Centre and Nine Queen's Road Central for rental purpose. At the same time, the Directors is reviewing on the business activities in particular on the development of methanol production business and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. The Company will continue actively and consistently seek for new potential investment opportunities in order to increase the value of the Shareholders.

APPRECIATION

I would like to take this opportunity to thank the Shareholders for their continuing support and my fellow directors and staff for their dedication and hard work.

On behalf of the Board
Kong Chi-ming
Deputy Chairman

Hong Kong, 7 March 2008

主席報告書

結算日後事項

於二零零八年二月一日，本集團訂立(i)出售本集團其若干間接全資附屬公司之全部權益之有條件協議，有關交易構成本公司一項主要及關連交易；及(ii)有關終止可能進行之合營公司合作之有條件協議(如本公司於二零零八年一月二十一日之公布所披露)。此外，本集團獲知會已簽訂買賣本公司之股份及可換股證券之協議，因此，該等證券之買方須根據香港公司收購及合併守則提出強制性無條件現金收購建議(不包括該名買方或與其一一致行動人士已擁有或同意收購之本公司之銷售及可換股證券)。有關之詳情載於日期為二零零八年二月一日之公布內。由於本公司及交易方需要更多時間就若干修訂已簽署之協議之條款以符合上市規則以及就落實有關更改業務計劃之進一步公布之內容進行磋商，於本年報日期，有關之事宜仍在進行中。本公司將盡快就此刊發進一步之公布。

展望

本集團將繼續持有位於東亞銀行港灣中心及皇后大道中九號作出租用途之三十一個停車位。同時，董事將對本集團之業務活動(特別是發展甲醇生產業務)及資產進行檢討，以為本集團之未來業務發展制定業務計劃及策略。本公司將繼續積極地並堅持不懈地尋求新的潛在投資機會以增加股東之價值。

致謝

本人謹此對本公司股東之鼎力支持，以及各董事及員工對本公司付出之貢獻致以衷心感謝。

代表董事會
 副主席
 江志明

香港，二零零八年三月七日

Financial Operation Review

RESULTS

Turnover for the Year was HK\$2,812,000 and was decreased by HK\$700,000 or 19.9% when compared with the last year. The decrease in turnover was the result in decrease rental income and other investment of HK\$445,000 and HK\$255,000 respectively.

The gross profit for the Year amounted to HK\$2,498,000 (2006: HK\$1,823,000), a 37.0% increase as compared with last year due to decrease of the direct cost of HK\$314,000 (2006: HK\$1,689,000) despite a decrease in turnover.

Other operating income recorded an increase of 131.8% to HK\$5,584,000 as compared with last year (2006: HK\$2,409,000). It is mainly the bank interest income increased to HK\$5,496,000 for the Year (2006: HK\$1,820,000).

The profit attributable to the Shareholders for the Year was HK\$15,193,000, representing an increase of HK\$10,374,000 or 215.3%. Such increase was merely because of a gain on disposal of an intangible asset of HK\$11,865,000 (2006: HK\$NIL); a 202.0% or amount of HK\$3,676,000 increase in bank interest income; a gain on disposal of investment properties amounted to HK\$580,000 (2006: loss HK\$746,000); and a decrease of HK\$1,375,000 in direct cost. The basic and diluted earnings per share are HK1.5 cents (2006: HK0.6 cent) and HK1.4 cents (2006: HK0.6 cent) respectively, represents the increases of HK0.9 cent or 1.5 times and HK0.8 cent or 1.3 times respectively.

The two major non-cash cost items amounted to HK\$3,639,000 (2006: HK\$NIL) and a non-cash gain item amounted to HK\$1,609,000 (2006: HK\$4,373,000). If the three non-cash items are excluded, the core profit for the Year will become HK\$17,223,000 (2006: HK\$446,000). The adjusted basic and diluted earnings per share are HK1.69 cents (2006: HK0.06 cent) and HK1.41 cents (2006: HK0.06 cent) respectively.

The two major non-cash cost items are the effective interest expense on convertible bonds of HK\$2,169,000 (2006: HK\$Nil) and the impairment loss of goodwill of HK\$1,470,000 (2006: HK\$Nil). The non-cash gain item is the fair value changes on investment properties together with their respective deferred tax expenses are HK\$1,609,000 (2006: HK\$4,373,000).

財務業務回顧

業績

本年度營業額為2,812,000港元，較去年減少700,000港元或19.9%。營業額減少乃由於租金收入及其他投資分別減少445,000港元及255,000港元所致。

儘管營業額下跌，但由於直接成本下降為314,000港元(二零零六年：1,689,000港元)，本年度毛利為2,498,000港元(二零零六年：1,823,000港元)，較去年增長37.0%。

其他經營收入較去年增加131.8%至5,584,000港元(二零零六年：2,409,000港元)，主要由於本年度銀行利息收入增加至5,496,000港元(二零零六年：1,820,000港元)所致。

本年度股東應佔溢利為15,193,000港元，較去年上升10,374,000港元或215.3%。有關增幅僅因出售一項無形資產之收益11,865,000港元(二零零六年：零港元)；銀行利息收入增加3,676,000港元或202.0%；出售投資物業之收益580,000港元(二零零六年：虧損746,000港元)；以及直接成本下降1,375,000港元。每股基本及攤薄盈利分別為1.5港仙(二零零六年：0.6港仙)和1.4港仙(二零零六年：0.6港仙)，較去年分別上升0.9港仙或1.5倍和0.8港仙或1.3倍。

兩項主要非現金成本項目為3,639,000港元(二零零六年：零港元)及一項非現金收益項目為1,609,000港元(二零零六年：4,373,000港元)。如撇除該三項非現金項目，本年度本公司之核心盈利為17,223,000港元(二零零六年：446,000港元)。每股調整後基本及攤薄盈利將分別為1.69港仙(二零零六年：0.06港仙)和1.41港仙(二零零六年：每股0.06港仙)。

兩項主要非現金成本項目乃可換股債券之實際利息開支2,169,000港元(二零零六年：零港元)及商譽之減值虧損1,470,000港元(二零零六年：零港元)。該非現金收益項目乃有關投資物業公平值變動連同其各自之遞延稅項開支為1,609,000港元(二零零六年：4,373,000港元)。

Financial Operation Review

NET ASSETS VALUE

As at 31 December 2007, the Group's total net asset was HK\$365,659,000 (2006: HK\$128,676,000), an increase of HK\$236,983,000 or 1.8 times when compared with last year. Such increase was mainly due to (a) the issuance of 1,234,197,208 subscription shares and HK\$180,000,000 zero coupon convertible bonds and resulted in the increases of share capital, share premium and convertible bond's reserve which in the amount of HK\$12,342,000, HK\$185,404,000 and HK\$29,867,000 respectively and (b) profit for the Year of HK\$15,193,000.

Net asset value per share as at 31 December 2007 was HK\$0.180 (2006: HK\$0.162).

EQUITY

For the Year, the Company issued a total of 1,234,197,208 ordinary share of HK\$0.01 each pursuant to a subscription agreement at subscription price of HK\$0.162 per share on 25 October 2007. The number of issued ordinary shares as at 31 December 2007 and 2006 were 2,028,255,008 and 794,057,800 respectively.

DEBT AND EQUITY RATIO

The Group has an outstanding convertible bonds of HK\$180,000,000 as at 31 December 2007.

As at 31 December 2007, the debt to equity ratio was 39.3% (2006: Nil) which was expressed as a percentage of the carrying amount of the liability component of the convertible bonds of HK\$143,678,000 over the net assets of HK\$365,659,000 as at 31 December 2007. Besides, the Group did not have any financial instruments used for hedging purpose.

CAPITAL COMMITMENTS

The capital commitments outstanding as at 31 December 2007 were approximately HK\$44,856,000, consisted mainly of authorised and contracted for development cost of methanol plant.

財務業務回顧

資產淨值

於二零零七年十二月三十一日，本集團資產淨值總額為365,659,000港元(二零零六年：128,676,000港元)，較去年上升236,983,000港元或1.8倍。有關增幅主要源自(a)1,234,197,208股認購股及零息可換股債券180,000,000港元之發行，以及股本、股份溢價及可換股債券之儲備因而分別增加12,342,000港元、185,404,000港元及29,867,000港元；及(b)本年度溢利15,193,000港元。

於二零零七年十二月三十一日，每股資產淨值為0.180港元(二零零六年：0.162港元)

股權

本年度，本公司根據於二零零七年十月二十五日所訂立之認購協議以每股認購價0.162港元，發行每股0.01港元之普通股總計1,234,197,208股。於二零零七年及二零零六年十二月三十一日，已發行普通股股數分別為2,028,255,008股及794,057,800股。

債項與股權比率

於二零零七年十二月三十一日，本集團未清償的可換股債券為180,000,000港元。

於二零零七年十二月三十一日，債項與股權比率為39.3%(二零零六年：無)此為於二零零七年十二月三十一日可換股債券之負債組成部分之賬面值143,678,000港元對資產淨值365,659,000港元之百分比。此外，本集團並無使用任何金融工具作對沖用途。

資本承擔

於二零零七年十二月三十一日未履行之資本承擔約44,856,000港元，主要包括已授權及已訂約的甲醇廠房的開發成本。

Financial Operation Review

FINANCIAL AND INTEREST INCOME/EXPENSES

Interest income was included in turnover and other operating income. Interest received, other than from loans receivables, from bank interest income was HK\$5,496,000 (2006:HK\$1,820,000). The finance cost was HK\$2,169,000 (2006: HK\$ Nil) which was effective interest expense on convertible bonds for the Year.

REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 31 December 2007, the Group employed a total of seven staff excluding the Directors (2006: three staff). The additional five head counts were all employed for the PRC Company during the Year. Total staff cost for the Year was approximately HK\$825,000 (2006: HK\$1,118,000). Remuneration package comprised of salaries and year-end bonuses based on individual merits. The Company had adopted share option scheme since 15 February 2002 (the "2002 Scheme"). Details of the 2002 Scheme are disclosed in the consolidated financial statements for the Year. There were no outstanding options at the beginning and at the end of the year. No options were granted, exercised, cancelled and lapsed during the Year.

PROPERTY VALUATION

During the Year, the Group had disposed of investment properties and assets classified as held for sale with their carrying values of HK\$35,600,000 and HK\$9,338,000 respectively. The Group's investment properties were revalued at 31 December 2007 by Norton Appraisals Limited, an independent firm of professional property valuers, at HK\$31,000,000 after taking a gain of fair value changes on investment properties amounted to HK\$1,950,000 during the Year.

財務業務回顧

財務及利息收入／支出

營業額及其他經營收入包括利息收入。除應收貸款之利息外，銀行利息收入的已收利息為5,496,000港元(二零零六年：1,820,000港元)。而財務成本2,169,000港元(二零零六年：零港元)為本年度可換股債券的實際利息開支。

酬金政策及購股權計劃

於二零零七年十二月三十一日，本集團共有僱員7名(不包括董事)(二零零六年：3名)。本年度內增加之5名職員全為中國公司增聘。本年度職員總成本約為825,000港元(二零零六年：1,118,000港元)。酬金福利包括薪金及按個別表現釐定之年終花紅。本公司採納始於二零零二年二月十五日之購股權計劃(「二零零二年計劃」)。二零零二年計劃之詳情於本年度之綜合財務報表內披露。本年初及本年年終並無購股權尚未行使，本年度內亦無授出、行使、註銷及失效購股權。

物業估值

本年度內，本集團已出售投資物業及列作持有待售資產之賬面值分別為35,600,000港元及9,338,000港元。本集團之投資物業由獨立專業物業估值師行普敦國際評估有限公司於二零零七年十二月三十一日進行之估值為31,000,000港元，已扣除本年度入賬的投資物業公平值變動之收益1,950,000港元。

Profiles of Directors and Senior Executives

EXECUTIVE DIRECTORS

Mr. KONG, Chi-ming, aged 44, has been an Executive Director of the Company since July 2005 and was appointed Deputy Chairman of the Company in November of the same year. Mr. Kong holds a Bachelor Degree and a Master Degree in Business Administration. He has over 17 years of experience in the management and development of property projects in China.

Mr. LEUNG, Wing-pong, aged 46, has been an Executive Director of the Company since October 2002 and was appointed as Chief Executive Officer of the Company in July 2005. Mr. Leung has over 20 years' experience in the area of internal audit. Mr. Leung is a member of the Hong Kong Securities Institute and is also a Responsible Officer of a securities and futures firm in Hong Kong.

Mr. CHAN, Wing-kwan, aged 61, has been the Executive Director of the Company nominated by Kingboard Chemical Holdings Limited's Group ("KB") since October 2007. He is responsible for overseeing the coal mine and methanol project in Inner Mongolia Yize Mining Investment Co. Ltd.. Mr. Chan had a degree of Doctor of Business Science from Pacific Western University L.A. and had over 22 years' experience in the sales and distribution of electronic components, industrial chemicals and printed circuit boards. He is also the managing director and shareholder of KB and managing director of Kingboard Copper Foil Holdings Limited and a non-executive director of Elec & Eltek International Company Limited, both of which are subsidiaries of KB and listed on The Singapore Exchange.

Mr. CHANG, Wing-yiu, aged 41, has been the Executive Director of the Company nominated by KB since Oct 2007. He also appointed as the executive director and chief executive officer of Inner Mongolia Yize Mining Investment Co. Ltd. in November of the same year, being an indirect wholly-owned subsidiary of the Company. Mr. Chang is responsible for supervising the day-to-day operations of the coal mine and methanol Project. He has over 16 years' experience in laminates production. Mr. Chang graduated from the Hong Kong Polytechnic University with a higher diploma in marine electronics. He also is an executive director and shareholder of KB and a non-executive director of Elec & Eltek International Company Limited, being a subsidiary of KB and listed on The Singapore Exchange.

董事及高級行政人員簡介

執行董事

江志明先生，44歲，自二零零五年七月起為本公司之執行董事及於同年十一月任命為本公司之副主席。江先生持有工商管理學士及碩士學位。彼累積逾十七年中國房地產項目管理及發展工作之經驗。

梁榮邦先生，46歲，自二零零二年十月起為本公司之執行董事及於二零零五年七月任命為本公司之行政總裁。梁先生在內部核數方面積逾二十年經驗。彼為香港證券專業學會會員，梁先生亦為香港一間證券及期貨公司之負責人員。

陳永銀先生，61歲，自二零零七年十月起為建滔化工集團（「建滔」）提名之本公司執行董事。彼是負責監督煤礦及甲醇項目。陳先生持有洛杉磯 Pacific Western University 商業科學系博士學位，並對銷售及分銷電子零件、工業化工產品及印刷線路板有超過22年經驗。彼現為建滔之董事總經理及股東，亦為 Kingboard Copper Foil Holdings Limited 之董事總經理及依利安達集團有限公司之非執行董事，該兩家公司均為建滔之附屬公司及於新加坡證券交易所有限公司上市。

鄭永耀先生，41歲，自二零零七年十月起為建滔提名之本公司執行董事。彼同年十一月並獲委任為內蒙古伊澤礦業有限公司（為本公司間接全資擁有附屬公司）之執行董事及行政總裁。鄭先生負責管理煤礦及甲醇項目之日常工作。彼於製造覆銅面板方面有超過16年經驗。鄭先生畢業於香港理工大學，持有航海電子高級文憑。彼亦為建滔之執行董事及股東、及依利安達集團有限公司（為建滔之附屬公司及於新加坡證券交易所有限公司上市）之非執行董事。

Profiles of Directors and Senior Executives

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEUNG, Yun-fai, aged 50, has been an Independent Non-executive Director of the Company since November 2003. Mr. Leung holds a Bachelor Degree of Business Administration from Newport University in the United States. He is also a director of a financial consulting firm in Hong Kong and had over 22 years of auditing and accounting experience with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu.

Mr. LAM, Yat-fai, aged 42, has been an Independent Non-executive Director of the Company since December 2003. Mr. Lam is a Certified Public Accountant (Practising). He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Lam worked with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu for over 10 years. He has over 18 years' experience in auditing, taxation, corporate finance and accounting. Mr. Lam is also the independent non-executive director of Oriental Press Group Limited, Yunnan Enterprises Holdings Limited and New Smart Energy Group Limited, all of which are public companies listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Dr. David CHAIN, Chi-woo, aged 59, has been an Independent Non-executive Director of the Company since September 2004. Dr. Chain is a registered medical practitioner and started private practice since 1978. He is a graduate of The University of Hong Kong. For the period from 1986 to 1992, Dr. Chain was appointed as a Vice Chairman of Causeway Bay District Scout Council. For the period from 2000 to 2001, he was a member of Kowloon West District Advisory Committee of The Hongkong Bank Foundation District Community Programme.

SENIOR EXECUTIVES

Mr. LAM, Kwong-wai, aged 52, has been the Group Financial Controller of the Company since November 2003 and appointed as the Company Secretary from January 2007. Mr. Lam also is the Group Financial Controller and the Company Secretary of Chinese Estates Holdings Limited and Chi Cheung Investment Company, Limited. He is a qualified accountant and holds a Master Degree in Business Administration from the University of Warwick, United Kingdom. Mr. Lam has over 30 years of experience in auditing, finance and accounting.

Mr. Stanley Fu, Chi-kwong, aged 44 has been the general manager of an indirect wholly-owned subsidiary of the Company since November 2007 and is responsible to manage the Methanol Project in Inner Mongolia of PRC which was newly acquired by the Group during the Year. Mr. Fu holds a Bachelor of Science and has 20 years' China trade and over 5 years' experience in management of investment project in PRC. He previously worked as a General Manager of Kingboard (Jiangsu) Chemical Company Limited.

董事及高級行政人員簡介

獨立非執行董事

梁潤輝先生，50歲，自二零零三年十一月起為本公司之獨立非執行董事。梁先生於美國Newport University取得工商管理學士資歷。彼亦為一間香港財務顧問公司之董事及在關黃陳方會計師行及德勤·關黃陳方會計師行於審計及會計方面積逾二十二年經驗。

林日輝先生，42歲，自二零零三年十二月起為本公司之獨立非執行董事。林先生現職執業會計師。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。彼曾於關黃陳方會計師行及德勤·關黃陳方會計師行工作逾十年。林先生於審計、稅務、企業融資及會計方面積逾十八年經驗。彼亦為東方報業集團有限公司、雲南實業控股有限公司及駿新能源集團有限公司之獨立非執行董事，該等公司均為於香港聯合交易所有限公司主板上市之公眾公司。

錢其武醫生，59歲，自二零零四年九月起為本公司之獨立非執行董事。錢醫生為註冊醫生及自一九七八年起私人執業。彼於香港大學畢業。錢醫生於一九八六年至一九九二年期間獲委任為銅鑼灣分區童軍委員會副主席。彼於二零零零年至二零零一年期間為匯豐銀行慈善基金社區發展計劃西九龍區諮詢委員會委員。

高級行政人員

林光蔚先生，52歲，自二零零三年十一月本公司之集團財務總監及由二零零七年一月獲委任為本集團之公司秘書。林生先現時亦是華人置業集團及至祥置業有限公司之集團財務總監及公司秘書。彼為合資格會計師，持有英國華威大學工商管理碩士學位。林生先在審計、財務及會計方面積逾三十年經驗。

傅志光先生，44歲，自二零零七年十一月起為本公司之一間間接全資附屬公司之總經理並負責管理本年度本集團在中國內蒙古最新購入的甲醇項目。傅先生持有理學士學位及擁有二十年中國商貿及累積逾五年的中國投資項目管理之經驗。彼曾任職於建滔(江蘇)化工有限公司之總經理。

Directors' Report

The Directors present their annual report and the audited consolidated financial statements for the Year.

PRINCIPAL ACTIVITIES

The company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 41 to the financial statements.

TURNOVER AND CONTRIBUTION BY SEGMENT

The Group's turnover and contribution to profit from operations analysed by principal activities are set out in notes 6 and 7 to the financial statements.

SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES

Particulars of the Company's principal subsidiaries and jointly controlled entities as at 31 December 2007 are set out in notes 41 and 42 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement on page 33.

In the opinion of the Directors, the Company's reserves available for distribution represented retained profits with an amount of HK\$73,121,000 as at 31 December 2007 (2006: HK\$ 77,018,000).

The Directors have not proposed any interim and final dividend in respect of the year ended 31 December 2007 (2006: HK\$0.01 per share).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five years is set out on page 99.

董事會報告書

董事會提呈本年度之年報連同審核綜合財務報表。

主要業務

本公司為投資控股公司。其主要附屬公司之主要業務載於財務報表附註41。

營業額及分類貢獻

本集團按主要業務分析之營業額及來自營運之溢利貢獻載於財務報表附註6及7。

附屬公司及共同控制機構

於二零零七年十二月三十一日，本公司之主要附屬公司及共同控制機構詳情分別載於財務報表附註41及42。

業績及分派

本集團截本年度之業績載於第33頁之綜合收益表。

董事認為，本公司之可供分派儲備指於二零零七年十二月三十一日之保留溢利73,121,000港元（二零零六年：77,018,000港元）。

截至二零零七年十二月三十一日止，董事並未建議就本年度派付中期股息及末期股息（二零零六年：每股0.01港元）。

財務概要

本集團過往五年之業績、資產及負債概要載於第99頁。

Directors' Report

INVESTMENT PROPERTIES

During the Year, the Group disposed of investment properties and assets classified as held for sale with carrying amounts of HK\$35,600,000 and HK\$9,338,000 respectively at total considerations of HK\$45,518,000. On the other hand, the Group acquired investment properties at fair value of HK\$29,050,000 through acquisition of subsidiaries on 31 July 2007.

The Group's investment properties were revalued as at 31 December 2007 by an independent firm of professional property valuers, on an open market value basis. Details are set out in note 15 to the financial statements.

A summary of the investment properties held by the Group as at 31 December 2007 is set out on page 100.

SHARE CAPITAL

Pursuant to a subscription agreement dated 1 August 2007, the Company issued a total of 1,234,197,208 ordinary share of HK\$0.01 each at subscription price of HK\$0.162 per share on 25 Oct 2007. The number of issued ordinary shares as at 31 December 2007 and 2006 were 2,028,255,008 and 794,057,800 respectively.

Details of the above movements in the share capital of the Company are set out in note 32 of the financial statements.

RESERVES

Movements in the reserves of the Group during the Year are set out on page 35 of the financial statements.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist at the laws of Bermuda, being the jurisdiction in which the Company is incorporated.

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

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

董事會報告書

投資物業

本年度內，本集團以總代價45,518,000港元出售賬面值分別為35,600,000港元及9,338,000港元之投資物業及列為持作出售之資產。另一方面，本集團於二零零七年七月三十一日通過收購附屬公司按公平值29,050,000港元收購投資物業。

本集團之投資物業於二零零七年十二月三十一日由獨立物業估值師按公開市值基準重估，有關詳情載於財務報表附註15。

本集團於二零零七年十二月三十一日持有之投資物業之概要載於第100頁。

股本

根據於二零零七年八月一日訂立之認購協議，本公司於二零零七年十月二十五日以認購價每股0.162港元發行總計1,234,197,208股每股0.01港元之普通股份。截至二零零七及二零零六年十二月三十一日止，已發行普通股之數量分別為2,028,255,008股及794,057,800股。

本公司股本變動之詳情載於財務報表附註32。

儲備

本集團在本年度內之儲備變動載於財務報表第35頁。

股本優先購買權

本公司於百慕達註冊成立，該司法轄區之法律並無股本優先購買權存在。

買賣或贖回本公司之上市證券

本年度內，本公司或其任何附屬公司概無買賣或贖回本公司任何上市證券。

Directors' Report

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors for the Year and up to the date of this report were:

Executive Directors

Mr. Leung, Wing-pong (<i>Chief Executive Officer</i>)	
Mr. Kong, Chi-ming (<i>Deputy Chairman</i>)	
Mr. Chan, Wing-kwan (<i>Executive Director</i>)	(appointed on 25 October 2007)
Mr. Chang, Wing-yiu (<i>Executive Director</i>)	(appointed on 25 October 2007)
Ms. Halina Hung, Shi-wei	(resigned on 1 March 2007)
Mr. Ming-wai Lau	(appointed on 1 March 2007 & resigned on 31 May 2007)

Independent non-executive Directors

Mr. Leung, Yun-fai
Mr. Lam, Yat-fai
Dr. David Chain, Chi-woo

In accordance with clauses 86(2) of the Company's bye-laws, Mr. Chan, Wing-kwan and Mr. Chang, Wing-yiu will retire and being eligible, offer himself for re-election at the forthcoming annual general meeting.

Pursuant to the clauses 87(1) and 87(2) of the Company's bye-laws, Mr. Kong, Chi-ming and Dr. David Chain, Chi-woo will be retire from office by rotation from re-election at the forthcoming annual general meeting.

No Directors being proposed for re-election at the forthcoming annual general meeting has any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事會報告書

董事及董事之服務合約

本年度及截至本報告日期止本公司之董事如下：

執行董事

梁榮邦先生 (<i>行政總裁</i>)	
江志明先生 (<i>副主席</i>)	
陳永鋹先生 (<i>執行董事</i>)	(於二零零七年十月二十五日獲委任)
鄭永耀先生 (<i>執行董事</i>)	(於二零零七年十月二十五日獲委任)
熊思慧女士	(於二零零七年三月一日辭任)
劉鳴焯先生	(於二零零七年三月一日獲委任並 於二零零七年五月三十一日辭任)

獨立非執行董事

梁潤輝先生
林日輝先生
錢其武醫生

根據本公司之公司細則第86(2)條，陳永鋹先生及鄭永耀先生將於應屆股東週年大會上告退並符合資格且願意膺選連任。

根據本公司之公司細則第87(1)及87(2)條，江志明先生及錢其武醫生將於應屆股東週年大會上輪值告退以作膺選連任。

擬於應屆股東週年大會上概沒有董事因彼與本公司或其任何附屬公司訂立為期一年而於本集團尚未決議且沒有作出賠償(除法定賠償外)之服務合約建議膺選連任。

Directors' Report

DIRECTORS' INTERESTS IN SHARES AND SHORT POSITION

As at 31 December 2007, none of the Directors, chief executive nor their associates, had any interests or short position in any shares, underlying shares or rights to subscribe for the securities of the Company and its associated corporations, as recorded in the register maintained by the Company under Section 352 of the Securities and Futures ordinance (the "SFO"), or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

SHARE OPTION SCHEME

The Company had adopted a share option scheme since 15 February 2002 (the "2002 Scheme") for which the details are set out in note 33 to the financial statements.

No options were outstanding at 31 December 2007 under the 2002 Scheme. No options were granted, exercised, cancelled or lapsed during the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share option scheme as disclosed above, at no time during the Year was the Company, its holding companies or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

董事會報告書

董事之股份權益及淡倉

於二零零七年十二月三十一日，概無董事、最高行政人員或彼等之關聯人士於本公司或其聯營團體之任何股份、相關股份或可認購其證券之權利而須記錄於本公司按證券及期貨條例（「證券及期貨條例」）第352條而存置之登記冊內之任何權益或淡倉，或則依據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）所載上市公司董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所之權益或淡倉。

認購股權計劃

本公司於二零零二年二月十五日採納一項認購股權計劃（「二零零二年計劃」），有關詳情載於財務報表附註33。

就二零零二年計劃內，於二零零七年十二月三十一日概無尚未行使之認購股權。本年度並無認購股權授出、行使、註銷或失效。

董事購買股份或債券之權利

除上文所披露之認購股權計劃外，本公司、其控股公司或其任何附屬公司或同系附屬公司於本年度內任何時間均無作出任何使董事藉可購入本公司或任何其他法人團體之股份或債務證券（包括債券）中而獲得利益之安排。

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE SECURITIES OF THE COMPANY

As at 31 December 2007, the following parties were recorded in the register kept by the Company under section 336 of the SFO as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

Long position in shares

於股份之好倉

Name of shareholder 股東名稱	Number of shares 股份數目	Number of underlying shares 相關股份數目	Capacity 身份	Notes 附註	Percentage of shareholding 股權百分比%
Paul Y. Holdings Company Limited	150,981,076		Beneficial owner and interest of controlled corporation 實益擁有人及受控制公司之權益	1 & 3	7.44
Chinese Estates Holdings Limited 華人置業集團	277,858,761		Interest of controlled corporation 受控制公司之權益	1, 2 & 3	13.69
Global King Ltd.	277,858,761		Trustee 信託人	5	13.69
GZ Trust Corporation	277,858,761		Trustee, beneficiary of a trust and interest of controlled corporation 信託人、信託受益人及受控制公司之權益	5	13.69
Asian Kingdom Limited	493,678,883	444,444,444	Beneficial owner 實益擁有人	6	46.25
Crown Jade Limited	493,678,883	444,444,444	Interest of controlled corporation 受控制公司之權益	6	46.25
Mr. Joseph Lau, Luen-hung 劉鑾雄先生	771,537,644	444,444,444	Founder and beneficiary of a trust and interest of controlled corporation 信託之創立人及受益人與受控制公司之權益	4 & 6	59.95
Fame Ascent Investments Limited 名昇投資有限公司	740,518,325	666,666,666	Beneficial owner 實益擁有人	7	69.38
Jamplan (BVI) Limited	740,518,325	666,666,666	Interest of controlled corporation 受控制公司之權益	7	69.38
Kingboard Chemical Holdings Limited 建滔化工集團	740,518,325	666,666,666	Interest of controlled corporation 受控制公司之權益	7	69.38

董事會報告書

主要股東於本公司之證券權益

於二零零七年十二月三十一日，本公司按證券及期貨條例第336條存置之登記冊所載錄，以下人士直接或間接擁有或被視為擁有本公司已發行股本5%或以上之權益：

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE SECURITIES OF THE COMPANY (cont'd)

Long position in shares (cont'd)

Notes:

1. Paul Y. Holdings Company Limited ("Paul Y.") was the beneficial owner of 113,818,911 shares. Chinese Estates Holdings Limited ("Chinese Estates") was deemed to be interested in the same parcel of shares in which Paul Y. was interested since Chinese Estates owned the entire issued share capital of Paul Y..

In addition, Great Empire International Ltd. ("Great Empire") was the beneficial owner of 37,162,165 shares. Each of Chinese Estates, Paul Y. and Goldstance Group Limited ("Goldstance Group") was deemed to be interested in the same parcel of shares in which Great Empire was interested since Chinese Estates owned the entire issued share capital of Paul Y., which owned the entire issued share capital of Goldstance Groups, which in turn owned the entire issued share capital of Great Empire.

2. Million Point Limited ("Million Point") was the beneficial owner of 50,000,000 shares. Each of Chinese Estates, Chinese Estates, Limited and Cosmos Success Limited was deemed to be interested in the same parcel of shares in which Million Point was interested since Chinese Estates owned the entire issued share capital of Chinese Estates, Limited, which in turn owned the entire issued share capital of Cosmos Success Limited, which in turn owned the entire issued share capital of Million Point.

Moreover, Luckpoint Investment Limited ("Luckpoint") was the beneficial owner of 76,877,685 shares. Each of Chinese Estates and China Entertainment and Land Investment Company, Limited ("CELI") was deemed to be interested in the same parcel of shares in which Luckpoint was interested since Chinese Estates owned the entire issued share capital of CELI, which in turn owned the entire issued share capital of Luckpoint.

3. Ms. Halina Hung, Shi-wei, previous Chairman was an employee of a subsidiary of Chinese Estates. Mr. Lau, Ming-wai, previous Chairman is a director of Chinese Estates and certain of its subsidiaries. Mr. Leung, Wing-pong and Mr. Kong, Chi-ming, Directors of the Company, are also employees of subsidiaries of Chinese Estates and/or Paul Y.. These subsidiaries are not themselves substantial shareholders of the Company.
4. Mr. Joseph Lau, Luen-hung ("Mr. Lau") by virtue of his 53.48% interest in the issued share capital of Chinese Estates, was deemed to be interested in the same interests stated against Chinese Estates under the provision of the SFO.
5. GZ Trust Corporation as trustee of a discretionary trust held units in a unit trust of which Global King Ltd. was the trustee. Global King Ltd. was entitled to exercise more than one-third of the voting power at general meetings of Chinese Estates. Accordingly, Global King Ltd. and GZ Trust Corporation were deemed to be interested in the same interests stated against Chinese Estates.

董事會報告書

主要股東於本公司之證券權益 (續)

於股份之好倉 (續)

附註：

1. Paul Y. Holdings Company Limited (「Paul Y.」) 為 113,818,911 股股份之實益擁有人。由於華人置業集團 (「華置」) 擁有 Paul Y. 之全部已發行股本，因此華置被視為於 Paul Y. 所擁有之同一批股份中擁有權益。

此外，Great Empire International Ltd. (「Great Empire」) 為 37,162,165 股股份之實益擁有人。由於華置擁有 Paul Y. 之全部已發行股本，而 Paul Y. 擁有 Goldstance Group Limited (「Goldstance Group」) 之全部已發行股本，因此華置、Paul Y. 及 Goldstance Group 各被視為於 Great Empire 所擁有之同一批股份中擁有權益。

2. Million Point Limited (「Million Point」) 為 50,000,000 股股份之實益擁有人。由於華置擁有華人置業有限公司之全部已發行股本，而華人置業有限公司擁有 Cosmos Success Limited 之全部已發行股本，而 Cosmos Success Limited 擁有 Million Point 之全部已發行股本，因此華置、華人置業有限公司及 Cosmos Success Limited 各被視為於 Million Point 所擁有之同一批股份中擁有權益。

並且，樂邦投資有限公司 (「樂邦」) 為 76,877,685 股股份之實益擁有人。由於華置擁有中華娛樂置業有限公司 (「中娛置業」) 之全部已發行股本，而中娛置業擁有樂邦之全部已發行股本，因此華置及中娛置業各被視為於樂邦所擁有之同一批股份中擁有權益。

3. 本公司前主席熊思慧女士曾為華置一間附屬公司之僱員。本公司前主席劉鳴煒先生是華置及其若干附屬公司之董事，本公司董事梁榮邦先生及江志明先生亦為華置及／或 Paul Y. 之附屬公司之現任僱員。該等附屬公司本身並非本公司之主要股東。
4. 劉鑾雄先生 (「劉先生」) 因為擁有華置之已發行股本 53.48% 權益，故根據證券及期貨條例之條文被視為擁有華置所擁有之權益。
5. GZ Trust Corporation (作為一項酌情信託之信託人) 持有若干單位由 Global King Ltd. 任信託人之信託基金。Global King Ltd. 有權於華置之股東大會上行使三分之一以上之投票權。因此，Global King Ltd. 及 GZ Trust Corporation 被視為擁有華置所擁有之權益。

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE SECURITIES OF THE COMPANY (cont'd)

Long position in shares (cont'd)

Notes: (cont'd)

- Asian Kingdom Limited ("Asian Kingdom") was the beneficial owner of 493,678,883 shares. Under the provision of the SFO, since Asian Kingdom was the beneficial owner of HK\$72,000,000 zero coupon convertible bonds, Asian Kingdom was deemed to be interested in the 444,444,444 conversion shares which might fall to be allotted and issued to Asian Kingdom upon full conversion of the conversion rights attaching to the convertible bonds at the conversion price. The entire issued share capital of Asian Kingdom was held by Crown Jade Limited ("Crown Jade"), which was in turn owned by Mr. Lau. Each of Crown Jade and Mr. Lau was deemed to be interested in the same parcel of shares in which Asia Kingdom was interested.
- Fame Ascent Investments Limited ("Fame Ascent") was the beneficial owner of 740,518,325 shares. Under the provision of the SFO, since Fame Ascent was the beneficial owner of HK\$108,000,000 zero coupon convertible bonds, Fame Ascent was deemed to be interested in the 666,666,666 conversion shares which might fall to be allotted and issued to Fame Ascent upon full conversion of the conversion rights attaching to the convertible bonds at the conversion price. The entire issued share capital of Fame Ascent was held by Jamplan (BVI) Limited ("Jamplan"), which was in turn owned by Kingboard Chemical Holdings Limited ("Kingboard"). Each Jamplan and Kingboard was deemed to be interested in the same parcel of shares in which Fame Ascent was interested.

All the interests stated above represent long position which included interests in shares and underlying shares. As at 31 December 2007, no short position was recorded in the register kept by the Company under section 336 of the SFO.

DIRECTORS' INTEREST IN CONTRACTS

No contract of significance, to which the Company, its holding companies, subsidiaries or fellow subsidiaries was a party and in which any one of the Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

董事會報告書

主要股東於本公司之證券權益 (續)

於股份之好倉 (續)

附註：(續)

- Asian Kingdom Limited (「Asian Kingdom」) 為 493,678,883 股股份之實益擁有人。根據證券及期貨條例規定，由於 Asian Kingdom 為 72,000,000 港元零息可換股債券之實益擁有人，Asian Kingdom 擁有附於可換股債券之兌換權利可以兌換價配發及發行 444,444,444 股兌換股份。Crown Jade Limited (「Crown Jade」) 擁有 Asian Kingdom 之全部已發行股本；而劉先生擁有 Crown Jade 之全部已發行股本，因此 Crown Jade 及劉先生各被視為於 Asian Kingdom 所擁有之同一批股份之權益。
- 名昇投資有限公司 (「名昇」) 為 740,518,325 股股份之實益擁有人。根據證券及期貨條例規定，由於名昇為 108,000,000 港元零息可換股債券之實益擁有人，名昇擁有附於可換股債券之以兌換價配發及發行 666,666,666 股兌換股份。Jamplan (BVI) Limited (「Jamplan」) 擁有名昇之全部已發行股本；而建滔化工集團 (「建滔」) 擁有 Jamplan 之全部已發行股本，因此 Jamplan 及建滔各被視為於名昇所擁有之同一批股份之擁有權益。

上述所有權益均為好倉 (包括股份及相關股份之權益)。於二零零七年十二月三十一日，本公司根據證券及期貨條例第 336 條存置之登記冊中並無任何淡倉記錄。

董事於合約中之權益

本公司各董事在本公司、其控股公司、附屬公司或同系附屬公司於年結日或年內任何時間訂立之重要合約中概無直接或間接擁有重大權益。

Directors' Report

REMUNERATION POLICIES AND SHARE OPTION SCHEME

Remuneration package comprised of salaries and year-end bonuses based on individual merits. The Company had adopted a share option scheme since 15 February 2002 (the "2002 Scheme"). Details of the 2002 Scheme are set out in note 33 to the financial statements. There were no outstanding options at the beginning and at the end of the Year. No options were granted, exercised, cancelled or lapsed for the Year.

PENSION SCHEMES

The Group operates two pension schemes:

- (1) the provident fund scheme as defined in the Mandatory Provident Fund Scheme Ordinance, Chapter 485 of the laws of Hong Kong (the "MPF Scheme"); and
- (2) the provident fund scheme as defined in the Occupational Retirement Scheme Ordinance, Chapter 426 of the laws of Hong Kong (the "Top-up Scheme").

Both the MPF Scheme and the Top-up Scheme were defined contribution schemes and the assets of both schemes were managed by their respective trustees accordingly.

The MPF Schemes was available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions were made by the Group at 5% based on the staff's relevant income. The maximum relevant income for contribution purpose is HK\$20,000 per month. Staff members were entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefits were required by law to be preserved until the retirement age of 65.

董事會報告書

酬金政策及認購股權計劃

酬金包括薪金及按個別表現釐定之年終花紅。自二零零二年二月十五日本公司採納認購股權計劃(「二零零二年計劃」)。二零零二年計劃之詳情載於財務報表附註33。本年初及年終並無認購股權尚未行使。本年度亦無授出、行使、註銷或及已經失效之認購股權。

退休金計劃

本集團推行兩項退休金計劃：

- (1) 香港法例第485章強制性公積金計劃條例所界定之公積金計劃(「強積金計劃」)；及
- (2) 香港法例第426章職業退休計劃條例所界定之公積金計劃(「補足計劃」)。

強積金計劃及補足計劃均為定額供款計劃，該等計劃之資產乃由各自之受託人管理。

強積金計劃可供所有18至64歲受僱於香港最少60日之本集團僱員參加。本集團根據僱員之有關入息作出5%之供款。就供款而言，有關入息上限為每月20,000港元。不論其於本集團之服務年期，僱員均可取得100%本集團供款連同應計回報，惟根據法例，有關利益將保留至退休年齡65歲方可領取。

Directors' Report

PENSION SCHEMES (cont'd)

The Top-up Scheme was available to those employees with basic salary over HK\$20,000 and/or years of service over 5. Contributions to the Top-up Scheme were made by the Group at 5%, 7.5% or 10% of staff's basic salary (depending on the length of service) less the Group's mandatory contribution under the MPF Scheme. Staff members were entitled to 100% of the Group's contributions together with accrued returns after completing 10 years of service or more, or attaining the retirement age, or were entitled at a reduced scale between 30% to 90% of the Group's contributions after completing a period of service of at least 3 years but less than 10 years. The Top-up Scheme allowed any forfeited contributions (made by the Group for any staff member who subsequently left the Top-up Scheme prior to vesting fully in such contributions) to be used by the Group to offset the current level of contributions of the Group.

The Group's cost for the schemes charged to consolidated income statement for the Year amounted to HK\$12,000 (2006:HK\$9,000) after reduction of HK\$16,000 (2006:HK\$52,000) from the forfeited contribution of the Top-up Scheme.

During the Year, contributions to the Top-up Scheme of HK\$12,000 (2006:HK\$18,000) were forfeited and used to reduce existing level of contributions. As at 31 December 2007, HK\$14,000 (2006:HK\$9,000) was utilised and the balance of HK\$7,000 (2006:HK\$9,000) was available to reduce future contribution.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's largest customer and five largest customers accounted for approximately 36.3% and 79.6% respectively, of the Group's total turnover for the Year.

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers accounted for approximately 75.4% and 96.3% respectively, of the Group's total purchase for the Year.

None of the Directors, their associates, or any shareholders which, to the knowledge of the Directors, own more than 5% of the Company's issued share capital, had any interest in the share capital of any other of the five largest customers or suppliers of the Group.

董事會報告書

退休金計劃(續)

補足計劃可供基本薪金超過20,000港元及／或年資超過五年之僱員參加。本集團乃根據僱員之基本薪金按其服務年期，作出5%、7.5%或10%之補足計劃供款，並減去本集團根據強積金計劃作出之強制性供款。僱員於服務滿10年或以上或到退休年齡時可取得100%本集團供款連同應計回報，而服務年期滿3年但不足10年之僱員則可按遞減比例取得30%至90%本集團供款。補足計劃容許本集團將任何已沒收供款(即本集團就任何可獲得全部供款前退出補足計劃之僱員而作出之供款)用以抵銷本集團現有之供款水平。

自補足計劃之已沒收供款中扣除12,000港元(二零零六年：9,000港元)後，本集團本年度就該等計劃於綜合收益表扣除之費用為16,000港元(二零零六年：52,000港元)。

本年度內，已沒收補足計劃之供款12,000港元(二零零六年：18,000港元)，並用作減低現時之供款水平。於二零零七年十二月三十一日已動用14,000港元(二零零六年：9,000港元)，而餘額7,000港元(二零零六年：9,000港元)將可用作減少未來供款。

主要客戶及供應商

本集團最大客戶及五大客戶之總銷售額分別約佔本集團本年度總營業額之36.3%及79.6%。

本集團最大供應商及五大供應商之總購貨額分別約佔本集團本年度總購貨額之75.4%及96.3%。

就董事所知悉概無董事、其聯繫人士或擁有5%以上之本公司已發行股本之任何股東亦擁有本集團任何其中五大客戶或供應商之股本權益。

Directors' Report

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors of the Company (the "INED" or "INEDs"), an annual confirmation of his independence pursuant to Rules 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08 of the Listing Rules required at least 25% of the issued share capital of the Company must be held in public hands. Based on information that is publicly available to the Company and within the knowledge of the Directors as at 4 March 2008 (the latest practicable date prior to the issue of the annual report), the obligation has been complied with.

POST BALANCE SHEET EVENT

Details of significant post balance sheet event are set out in note 43 to the financial statements.

AUDITORS

The consolidated financial statements for the Year were audited by Messrs. HLB Hodgson Impey Cheng ("HLB") who will retire, being eligible, offer themselves for re-appointment at the conclusion of the forthcoming annual general meeting.

There have been no other changes of auditors in the past three years except for Messrs. Deloitte Touche Tohmatsu resigned on 15 November 2006 and HLB was appointed as the auditors of the Company on 2 January 2007.

On behalf of the Board

Kong, Chi-ming

Deputy Chairman

Hong Kong, 7 March 2008

董事會報告書

委任獨立非執行董事

本公司已根據上市規則第3.13條接獲本公司各獨立非執行董事(「獨立非執行董事」)發出之年度獨立性確認書。本公司認為，全體獨立非執行董事均為獨立人士。

足夠之公眾持股量

上市規則第8.08條規定，本公司最少25%之已發行股本須由公眾人士持有，按所得資料及據董事所知，於二零零八年三月四日(本年報刊發前之最後實際可行日期)，本公司已符合上述規定。

結算日後事項

結算日後重大事項之詳情載於財務報表附註43。

核數師

本公司財務報表已由國衛會計師事務所(「國衛」)審核，彼將於應屆股東週年大會上告退並符合資格願意膺選連任。

除於二零零六年十一月十五日德勤•關黃陳方會計師行辭任及於二零零七年一月二日國衛獲委任為本公司之核數師外，本公司在過去三年間並無出現其他核數師更換。

代表董事會

副主席

江志明

香港，二零零八年三月七日

Corporate Governance Report

The Company is committed to principles of good corporate governance so as to ensure better transparency and safeguard the interests of the Shareholders.

CORPORATE GOVERNANCE PRACTICE

The Company had fully applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the Year. None of the Directors was aware of any information that would reasonably indicate that the Company was not any part of the accounting period covered by the Year, incompliance with the Code except for certain deviation in respect of the followings:-

Under code provision A.4.1 in Appendix 14 of the Listing Rules, non-executive directors should be appointed for specific terms and subject to re-election. However, the INEDs are not appointed for any specific term, although they are subject to retirement by rotation at the Company's annual general meeting in accordance with the Company's Bye-laws.

Besides, under code provision A.2 in Appendix 14 of the Listing Rules, the roles of chairman are management of the board, among other things, ensuring that all directors are properly briefed on issue arising at board meetings and the directors receive adequate information, which must be completed and reliable, in a timely manner. Although the chairman of the Company ("Chairman") resigned on 31 May 2007 and the vacancy has not been filled up to the date of this report, the deputy chairman of the Company ("Deputy Chairman") had taken the role of the Chairman since 1 June 2007. Accordingly, the Directors consider that the code provision under A.2 in Appendix 14 has been complied.

THE MODEL CODE

The Securities Transaction Code of the Company has been adopted without deviation by the Board in accordance with Appendix 10 to the Model Code. The Company had made specific enquiry of all Directors whether they had complied with the required standard set out in the Model Code regarding to directors' securities transactions and all Directors confirmed that they had complied with the Model Code during the Year.

BOARD OF DIRECTORS

The Board comprises four executive Directors and three non-executive Directors. The Directors biographies are set out on the pages 10 to 11 of this annual report. None of the Directors has financial business, family or other material/relevant relationship among them.

企業管治報告

本公司致力維持良好企業管治，以確保具有更高透明度及保障股東利益。

企業管治常規守則

整個本年度內，本公司已應用上市規則附錄14所載之企業管治常規守則（「守則」）訂明之原則，並遵守有關規定。本公司董事概不知悉有任何資料可合理指出本公司於本年度年報涵蓋之會計期間內並無遵守守則，惟下述若干偏離者除外：

根據上市規則附錄14第A.4.1守則條文，非執行董事須按特定任期委任及須膺選連任。而本公司獨立非執行董事並非按任何特定任期委任，則須根據本公司之公司細則於本公司股東週年大會上輪席告退。

此外，根據上市規則附錄14第A.2條守則條文，主席一職為董事會之管理層，其中包括負責確保向全體董事妥為簡介董事會會議商討之事宜，並確保董事適當時候接獲完整可靠之資料。儘管本公司之主席（「主席」）於二零零七年五月三十一日辭任，而截至本年報之日期止尚未填補有關空缺，從二零零七年六月一日起已由本公司副主席（「副主席」）已署理主席之職務。故此，董事會確認已遵守上市規則附錄14條第A.2條守則條文。

標準守則

董事會已概無偏離地根據上市規則附錄10之標準守則應用為本公司之證券交易守則。本公司已就董事有否遵守標準守則內有關董事進行證券交易之規定標準向全體董事作出特別查詢，而全體董事亦已確認本年度內彼等已遵守標準守則。

董事會

董事會由四位執行董事及三位非執行董事組成。董事履歷載於本年報第10頁至第11頁。概無董事彼等於財政業務，血緣或其他重大／相關關係。

Corporate Governance Report

BOARD OF DIRECTORS (cont'd)

Under the Listing Rules, the board of the directors of a listed company must include at least three independent non-executive directors. The Code recommends that a least one third of the directors should be independent non-executive directors.

The Company considers that it is important for the Board to include a balanced composition of executive directors, non-executive directors and the INEDs, so that there is a strong independent element on the Board which can effectively exercise independent judgment on actions of the Company. Hence, the current composition of the Board is higher than the Best Practices of the Code with the INEDs representing approximately 42.9% of the Board.

The individual attendance of each Director at the Board meeting held during the Year is as follows:-

企業管治報告

董事會(續)

根據上市規則，上市公司董事之董事會須至少有三位獨立非執行董事。守則建議至少有三分之一董事屬獨立非執行董事。

本公司考慮到董事會應包括平衡比例之執行董事及非執行董事(包括獨立非執行董事)之重要性；致使董事會具備高度獨立性之原素以能有效地為本公司作出獨立判斷。因此，於佔董事會約42.9%之獨立非執行董事使目前董事會之組成較最佳守則之標準更高。

於本年度內舉行之董事會會議，董事之個別出席率如下：

Directors		No of Board Meetings Held	Attendance Rate
董事		董事會會議舉行次數	出席率
Executive Directors			
執行董事			
Mr. Kong, Chi-ming (<i>Deputy Chairman</i>)	江志明先生(副主席)	4/4	100%
Mr. Leung, Wing-pong (<i>Chief Executive Officer</i>)	梁榮邦先生(行政總裁)	4/4	100%
Mr. Chan, Wing-kwan (<i>Executive Director</i>) (appointed on 25 Oct 2007)	陳永銀先生(執行董事) (於二零零七年十月二十五日獲委任)	1/1	100%
Mr. Chang, Wing-yiu (<i>Executive Director</i>) (appointed on 25 Oct 2007)	鄭永耀先生(執行董事) (於二零零七年十月二十五日獲委任)	1/1	100%
Ms. Halina Hung, Shi-wei (<i>Chairman</i>) (resigned on 1 March 2007)	熊思慧女士(主席) (於二零零七年三月一日辭任)	0/0	100%
Mr. Lau Ming-wai (<i>Chairman</i>) (appointed on 1 March 2007 & resigned on 31 May 2007)	劉鳴煒先生(主席) (於二零零七年三月一日獲委任及 於二零零七年五月三十一日辭任)	1/1	100%
Independent Non-executive Directors			
獨立非執行董事			
Mr. Leung, Yun-fai	梁潤輝先生	4/4	100%
Mr. Lam, Yat-fai	林日輝先生	4/4	100%
Dr. David Chain, Chi-woo	錢其武醫生	4/4	100%
Average Attendance Rate	平均出席率		100%

Corporate Governance Report

BOARD OF DIRECTORS (cont'd)

The Board formulates overall strategy of the Group, monitors its financial performance and maintains effective oversight over the management of the Group (the "Management"). The Board meets regularly to conduct and approve transactions which are significant to the Group as a whole. The Board has delegated daily operations and administration to the Management in order to smooth out the operation of the Group.

During the Year, four physical board meetings had been held. The Company Secretary had duly sent notice of the board meeting to the Directors at least 14 days before the meetings so that they could include matters for discussion in the agenda if needed. The agenda and the board papers were sent to all Directors at least 3 days before the date of the board meeting. Draft and final versions of minutes of the board meeting were circulated to all Directors for their comments and records respectively.

In order to reinforce independence, accountability and responsibility, the role of the Chairman has separated from that of the chief executive officer of the Company pursuant to A.2.1 in Appendix of the Listing Rules. The responsibilities are clearly established and set out in writing. Although the Chairman resigned on 31 May 2007 and the vacancy has not been filled up to the date of this report, the Deputy Chairman had taken up the roles of Chairman since 1 June 2007. Accordingly, the Directors consider that this code provision under A.2.1 in Appendix 14 has been complied with.

The INEDs who possess appropriate professional qualifications and serve the important function of advising the Management on strategy development and ensuring that the Board maintains high standards of financial and other mandatory reporting as well as providing adequate checks and balances for safeguarding the interests of the Shareholders as a whole.

The Board had received from the INEDs' written annual confirmations of their independence and satisfied their independence in accordance with the Listing Rules. The INEDs were not appointed for any specific term as they would be subject to retirement by rotation in accordance with clause 87(1) of the Company's Bye-laws.

企業管治報告

董事會(續)

董事會制定本集團整體策略，監控其財務表現，並維持對本集團管理層(「管理層」)之有效監督。董事會定期舉行會議，以進行及批准對本集團整體而言屬重大之交易。董事會將日常運作及行政事務交託予管理層，確保本集團運作暢順。

本年度內，4次董事親臨出席之董事會會議已告舉行。公司秘書於會議舉行最少14日前向董事正式發出會議通知，以便董事可按需要將須予討論事宜納入議程。議程及董事會文件已於董事會會議舉行日期最少3日前送交所有董事。董事會之會議紀錄草稿及最終定稿分別傳閱給由所有董事以提供意見及備存。

為加強獨立性、問責性及職能，已根據上市規則附錄A.2.1條守則條文主席之角色與本公司行政總裁之角色已作區分。彼等之職能已清楚劃分並以書面列明。儘管本公司主席於二零零七年五月三十一日辭任，而截至本年報之日期止尚未填補有關空缺，從二零零七年六月一日起已由副主席署理主席之職務。故此，董事會確認已遵守上市規則之附錄14條第A.2.1條守則條文。

各獨立非執行董事均擁有合適之專業資格，以負責其重要職能：就策略性發展向管理層提供意見，並確保董事會維持財務及其他法定報告方面之高度準則；以及進行足夠監察及平衡工作，保障股東之整體利益。

董事會已收到各獨立非執行董事就其獨立性年度書面確認函件，彼等並符合上市規則之獨立性規定。獨立非執行董事並非按任何特定任期委任，而須根據本公司之公司細則第87(1)條輪席告退。

Corporate Governance Report

REMUNERATION COMMITTEE

The Remuneration Committee whose members composed by all INEDs who are appointed by the Board to review and endorse remuneration policies of the Directors and the senior management of the Company in the light of current trends and business requirements, and to make recommendations to the Board as deemed necessary.

The individual attendance of each members of the Remuneration Committee held for the Year is as follows:

Members	成員	No of Meetings Held 會議舉行次數	Attendance Rate 出席率
Mr. Leung, Yun-fai (<i>Chairman</i>)	梁潤輝先生(主席)	2/2	100%
Mr. Lam, Yat-fai	林日輝先生	2/2	100%
Dr. David Chain, Chi-woo	錢其武醫生	2/2	100%
Average Attendance Rate	平均出席率		100%

At the meetings, the their current remuneration trend in Hong Kong was adopted as a reference for the recommendation on the remuneration policies of the Directors and the staff of the Group. Annual remuneration of HK\$10,000 and HK\$70,000 for each Executive Director and each INED respectively were recommended to the Board which was authorised to fix the remuneration of Directors in the general meeting.

The Company had adopted share option scheme since 15 February 2002, which serves as an incentive to attract, retain and motivate talented eligible staff, including Directors. Details of the share option scheme are set out on note 33 to the financial statements.

企業管治報告

薪酬委員會

薪酬委員會之成員由所有獨立非執行董事組成，並由董事會委任，而負責因應現行趨勢及業務需求檢討及批准董事及本公司之高級管理層之薪酬政策，於其認為需要時向董事會作出建議。

於本年度舉行之薪酬委員會之會議，各成員之個別出席率如下：

Members	成員	No of Meetings Held 會議舉行次數	Attendance Rate 出席率
Mr. Leung, Yun-fai (<i>Chairman</i>)	梁潤輝先生(主席)	2/2	100%
Mr. Lam, Yat-fai	林日輝先生	2/2	100%
Dr. David Chain, Chi-woo	錢其武醫生	2/2	100%
Average Attendance Rate	平均出席率		100%

會上，薪酬委員會檢討香港當時之薪酬趨勢，並採納為董事及本集團僱員之薪酬政策作出建議時之參考資料。薪酬委員會已向已於股東大會上被授權制定薪酬之董事會建議，各執行董事及獨立非執行董事之年度薪酬分別為10,000港元及70,000港元。

本公司於二零零二年二月十五日起採納一項購股權計劃，以作為吸引、挽留及鼓舞優秀合資格員工(包括董事)之獎勵。有關購股權計劃之詳情載於財務報表附註33。

Corporate Governance Report

ACCOUNTABILITY AND AUDIT

The Directors are responsible for the preparation and the true and fair presentation of the Group's consolidated financial statements in accordance with the Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance (the "HKCO"). In preparing the consolidated financial statements for the Year, the Directors had selected appropriate significant accounting policies which were consistently applied to all the years, made critical accounting judgments and estimations prudently and reasonably that have most significantly effect on the amounts recognised in the consolidated financial statements, prepared the consolidated financial statements in accordance with the HKFRSs and the HKCO. The auditors are responsible to express an opinion on these consolidated financial statements on based on their audit. The details of the auditors' responsibilities are set out in the Auditors' Report.

INTERNAL CONTROL

The Directors are responsible for the maintaining an adequate system of internal control and have to review its effectiveness regularly. The internal control system includes a well-established organisational structure with clearly defined lines of responsibility and authority, which is designed to safeguard assets from misappropriation, maintain proper accounts and ensure compliance with regulations. For the Year, the Directors had conducted a preliminary review on the existing internal control system of the Company and considered that the system had effectively safeguard the assets of the Group. The Directors will continue to enhance the system to cope with the changes in business environment with reference to the recommendations of the Audit Committee.

AUDIT COMMITTEE

The Audit Committee whose members have been composed by all INEDs since May 2005. The role of the Audit Committee are mainly: (i) to review financial statements of the Group; (ii) to oversee the internal control system; (iii) to review the Company's compliance with statutory, regulatory or legal requirement and the Listing Rules; and (iv) to monitor the works of the external auditors.

企業管治報告

問責及核數

董事按香港會計公會發行之香港財務報告準則（「香港財務報告準則」）及香港公司條例（「香港公司條例」）之披露規定負責編制並真實公平地呈列之本集團綜合財務報表。在編制本年度綜合財務報表時，董事已選擇合適之重要會計政策並貫徹多年執行，對綜合財務報表確認之數目具重大影響者審慎而合理地作出關鍵性之會計判斷及估計，並根據香港財務報告準則及公司條例編制綜合財務報表。核數師負責根據其審核綜合財務報表表達意見。有關核數師職責之詳情載於核數師報告。

內部監控

董事負責維持適當之內部監控系統，並定期檢討其成效。內部監控系統包括組織完善、職權明確之架構，其設計目的在於保障資產免被挪用，保證賬目妥善編製，並確保遵行有關規例。本年度，董事已初步檢討本公司現行內部監控系統並認為系統有效保障本集團之資產。董事將繼續提升系統質素，並參考審核委員會之建議，以應付營商環境之轉變。

審核委員會

自二零零五年五月起，審核委員會之成員由所有獨立非執行董事組成。審核委員會之職責主要為：(i) 審閱本集團之財務報表；(ii) 監察內部監控系統；(iii) 檢討本公司有否遵守法定、規管或法律規定及上市規則；及(iv) 監察外聘核數師之工作。

Corporate Governance Report

AUDIT COMMITTEE (cont'd)

The individual attendance of each members of the Audit Committee held during the Year is as follows:

Members	成員	No of Meetings Held 會議舉行次數	Attendance Rate 出席率
Mr. Lam, Yat-fai (<i>Chairman</i>)	林日輝先生 (<i>主席</i>)	3/3	100%
Mr. Leung, Yun-fai	梁潤輝先生	3/3	100%
Dr. David Chain, Chi-woo	錢其武醫生	3/3	100%
Average Attendance Rate	平均出席率		100%

The Audit Committee met three times in 2007 to review or discuss with the Management: (i) the financial statements of the Group for the year ended 31 December 2006 and for the six months ended 30 June 2007 before submitting to the Board for approval; (ii) the Listing Rules and statutory compliance; (iii) the effectiveness of internal control system; (iv) the Company's external auditors on scope of audit and audit findings for the year ended audit; and (v) the term of external auditors.

In order to enhance the independent reporting by the external auditors, a session of the meeting held on 5 March 2007 was attended only by the Audit Committee's members and the external auditors without the presence of the Management. No irregularities on the financial statements have been noted from the external auditors and also no management letter has been issued to the Board.

During the Year, the Audit Committee had performed the following works:

- (i) reviewed the consolidated financial statements for the year ended 31 December 2006 and for the six months ended 30 June 2007;
- (ii) reviewed the effectiveness of the internal control system;
- (iii) reviewed the Company's compliance with the statutory, regulatory or legal requirements and the Listing Rules;
- (iv) discussed with the external auditors on scope of audit and audit findings; and
- (v) reviewed and approved the term of the external auditors.

企業管治報告

審核委員會(續)

於本年度舉行之審計委員會之會議，各成員之個別出席率如下：

Members	成員	No of Meetings Held 會議舉行次數	Attendance Rate 出席率
Mr. Lam, Yat-fai (<i>Chairman</i>)	林日輝先生 (<i>主席</i>)	3/3	100%
Mr. Leung, Yun-fai	梁潤輝先生	3/3	100%
Dr. David Chain, Chi-woo	錢其武醫生	3/3	100%
Average Attendance Rate	平均出席率		100%

審核委員會於二零零七年曾三次與高級管理層舉行會議以審閱或討論：(i) 在提交董事會批准前本集團於截至二零零六年十二月三十一日止年度及截至二零零七年六月三十日止六個月之財務報表；(ii) 遵守上市規則及法定規定；(iii) 內部監控系統之成效；(iv) 本公司之外聘核數師本年終審核之核數範圍及核數結果；及 (v) 外聘核數師之年期。

為提高外聘核數師報告之獨立性，二零零七年三月五日舉行之會議部份時間僅得審核委員會成員及外聘核數師出席，並無高級管理層與會。外聘核數師並無發現財務報表有任何不尋常之地方，故亦無向董事會發出任何管理建議書。

本年度內，審核委員會已進行以下工作：

- (i) 審閱截至二零零六年十二月三十一日止年度及截至二零零七年六月三十日止六個月之綜合財務報表；
- (ii) 檢討內部監控系統之成效；
- (iii) 檢討本公司有否遵守法定、規管或法律規定及上市規則；
- (iv) 與外聘核數師討論核數範圍及核數結果；及
- (v) 審閱及批准外聘核數師之年期。

Corporate Governance Report

AUDIT COMMITTEE (cont'd)

The Audit Committee is satisfied with the integrity of the financial statements of the Group and considers that the existing internal control systems works effectively to safeguard the assets of the Group and will review regularly with the Board to enhance the system.

INDEPENDENT AUDITORS

Messrs. HLB Hodgson Impey Cheng ("HLB") were re-appointed as the Independent Auditors by the Shareholders at the 2007 annual general meeting of the Company. In order to maintain the independence and objectivity of the Independent Auditors (which for these purposes include any entity under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally), they are also engaged for non-audit works with approval of the Audit Committee or the independent board committee (as may be established under the Listing Rules from time to time) as appropriate.

The Independent Auditors were engaged on an ad hoc basis to supply non-audit service such as the appointment of reporting accountants for certain the major transactions and connected transactions during the Year. The fundamental policy is to ensure that the engagement of the Independent Auditors for non-audit services will not harm their independence or cause any bias on the preparation of financial statements of the Company on auditing. During the Year, the fee for engaging the Independent Auditors to carry out reporting accountants works on those transactions amounted to HK\$480,000.

At the annual general meeting held on 15 May 2007, HLB were re-appointed by the Shareholders as the Independent Auditors of the Company at a fee to be agreed with the Board. The Audit Committee reviewed the terms of engagement letter of the Independent Auditors in mid December 2007 and approved the audit fees for auditing the financial statements of the Group for the Year at HK\$420,000.

It is recommended that HLB shall be re-appointed as the Independent Auditors for the financial year 2008 at a fee to be agreed with the Board.

企業管治報告

審核委員會(續)

審核委員會信納本集團財務報表屬完整可靠，認為現行內部監控系統有效保障本集團之資產，並將定期協同董事會進行檢討，提升系統質素。

獨立核數師

國衛會計師事務所(「國衛」)已獲股東於本公司二零零七年股東週年大會上續聘為獨立核數師。為保持獨立核數師之獨立性及客觀性(就此而言包括與核數師行共同控制、擁有或管理之任何機構，或合理或知情第三方在接獲一切相關資格後合理認為在國家或國際方面屬核數師行一部份之任何機構)，其亦會受聘進行非核數工作，並獲審核委員會或獨立董事委員會(不時按上市規則成立者)視乎情況而言批准。

獨立核數師於特別情況下提供非審核之服務，如被聘任為申報會計師以處理年內之若干主要交易及關連交易。本公司之基本政策乃確保獨立核數師對非審核服務之參與不會損害其獨立性或導致編製本公司財務報表時構成審核偏頗。本年度內，聘任獨立核數師為申報會計師以處理該等交易之費用為480,000港元。

於二零零七年五月十五日舉行之股東週年大會上，國衛獲股東重選為本公司之獨立核數師，費用有待與董事會商討。審核委員會於二零零七年十二月中旬檢討獨立核數師之委聘書之條款，並批准本年度本集團財務報表之審核費用為420,000港元。

茲建議續聘國衛為本公司二零零八年財政年度之獨立核數師，費用有待與董事會磋商。

Corporate Governance Report

DELEGATION BY THE BOARD

The Board has formulated and delegated matters and transactions to the Management for execution. The limit of authority is clearly documented and when such limit is exceeded, the Management will refer it to the Board for decision. Clear directions have been given to the Management where the Management should report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Group. Matters involving major acquisitions and disposals, approval of major capital transactions and other significant operational and financial matters are decided by the Board. These arrangements will be reviewed on a periodic basis or revised and updated when there is change of the Management.

COMMUNICATION WITH SHAREHOLDERS

Shareholders' Right

According to the clause 58 of the Company's Bye-laws, members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meeting of the Company shall at all times have the right, by written requisition to the Board or the Company's Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposits of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with provision of Section 75(3) of the Companies Act 1981 of Bermuda.

Specific enquiries by the Shareholders requiring the Board's attention can be made in writing to the Company's Secretary at the Company's business address in Hong Kong. Other general enquires can be directed to the Company through the Group's Investor Relations Manager. Details of contact are set out in the Company's website.

企業管治報告

董事會委派事宜

董事會已規劃及委派管理層執行所有事情及交易。有關權限已清楚列明，而於超出其權限時，管理層會提交董事會以作決定。於管理層代表本集團作出決策或訂立任何承諾前，管理層須向董事會匯報及取得事先批准並已被獲發出清晰指引。在有關重大收購及出售、批准重大資本交易及其他重要營運及財務之事宜，是由董事會決定。此等安排會作定期檢討，或於管理層出現變動時作出修訂及更新。

與股東之溝通

股東權利

根據本公司之公司細則第58條，股東於任何時間內均有權向董事會或公司秘書遞交請求書，要求董事會就處理請求書所述業務交易召開股東特別大會，惟股東於遞交請求書當日須持有不少於十分之一之本公司已繳足資本（於本公司股東大會上具投票權者），而該大會須於請求書遞交日期後兩個月內舉行。倘董事會於請求書遞交日期起計21日內未有開始召開該大會，則該等請求者可按百慕達一九八一年公司法第75(3)條之規定自行召開大會。

股東如有須董事會注意之特定查詢，可以書面列出，遞交本公司之香港營業地址予公司秘書。其他一般查詢可交由本集團之投資者關係經理轉交本公司。聯絡詳情請參閱本公司之網站。

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS (cont'd)

Communications with Shareholders and Investors

The board recognises the importance of good communications with the Shareholders. The Company's annual general meeting is a valuable forum for the Board to communicate directly with the Shareholders. The Chairman as well as the chairman of the Audit and Remuneration Committee together with the external auditors is present to answer the Shareholders' questions. The notice of annual general meeting is distributed to the Shareholders at least 21 days before the annual general meeting. It sets out the procedures for demanding and conducting a poll and other relevant information of the proposed resolutions. The chairman of annual general meeting explains the procedures for demanding and conducting a poll again at the beginning of the annual general meeting and (except where a poll is demanded) reveals the number of proxies for and against filed in respect of each resolution. The results of the poll, if any, were published in the newspapers and on the websites of the Stock Exchange and the Company before 25 June 2007 and has published on the websites of the Stock Exchange and the Company since 25 June 2007, the date which the abolition of the paid announcement requirement was implemented and the regime for electronic submission of regulatory information dissemination on the website of the Stock Exchange was launched.

The corporate's website as another channel to further promote the effectiveness of communication in order to disseminate information and other relevant financial and non-financial information electronically to the Shareholders on a timely basis.

CONCLUSION

The Company believes that the corporate governance enhancing is essential to promote and develop an ethical and healthy corporate culture. The Company is continuously trying its best to maintain, strengthen and improve the current practices on the basis of our experience, regulatory changes and developments.

企業管治報告

與股東之溝通(續)

與股東及投資者之溝通

董事會認為與全體股東保持良好溝通極為重要。本公司之股東週年大會乃董事會與股東直接溝通之重要渠道。董事會主席以及審核及薪酬委員會之主席連同外聘核數師均會出席，解答股東之疑問。本公司會於舉行股東週年大會前最少21日向全體股東分發股東週年大會通函，當中載有要求表決及進行表決之程序，以及與提呈大會之決議案有關之其他資料。股東週年大會之主席於股東週年大會開始時，會解釋要求表決及進行表決程序，並(除要求以投票方式表決外)宣佈就每項決議案已接獲受委代表之贊成及反對票數。表決結果(如有)：於二零零七年六月二十五日之前於報章及聯交所以及本公司網站刊載及自二零零七年六月二十五日(於此日期是實行禁止付費公告要求及以電子方式於聯交所網站宣傳正當信息資料)於聯交所以及本公司之網站刊載。

本公司之網站為進一步促進有效溝通之另一渠道，適時以電子方式提供資料及其他有關財務及非財務資料於股東。

總結

本公司相信提升企業管治水平乃推動及發展道德及健康企業文化之要素。根據本公司之經驗、規例變動及發展，本公司將繼續盡力維持、加強及改善現有守則。

Independent Auditors' Report



TO THE SHAREHOLDERS OF G-PROP (HOLDINGS) LIMITED *(incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of G-prop (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 33 to 98, which comprise the consolidated balance sheet as at 31 December 2007, 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' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated 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 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

獨立核數師報告書

31/F, Gloucester Tower	香港
The Landmark	中環
11 Pedder Street	畢打街11號
Central	置地廣場
Hong Kong	告羅士打大廈31樓

致金匡企業有限公司股東 *(於百慕達註冊成立之有限公司)*

吾等已審核第33頁至第98頁所載金匡企業有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。綜合財務報表包括於二零零七年十二月三十一日之綜合資產負債表、截至該日止年度之綜合收益表、綜合股本權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明附註。

董事編製綜合財務報表之責任

貴公司董事須遵照香港會計師公會頒布之香港財務報告準則以及香港公司條例之披露規定，負責編製並真實公平地呈列此等綜合財務報表。此責任包括設計、實行及維持與編製並真實公平地呈列綜合財務報表有關之內部監控，以確保其並無重大錯誤陳述(不論其由欺詐或錯誤引起)；選擇及應用適當會計政策；並在不同情況下作出合理之會計估算。

核數師之責任

吾等負責根據吾等之審核結果對綜合財務報表發表意見。本報告謹按照百慕達公司法第90條而僅向閣下編製，並不作其他用途。吾等不會就報告內容而向任何其他人士負責或承擔責任。

吾等按照香港會計師公會頒布之香港核數準則進行審核工作。該等準則要求吾等在策劃和進行審核工作時須符合道德規範，使吾等能就綜合財務報表是否存有重要錯誤陳述作合理之確定。

Independent Auditors' Report

AUDITORS' RESPONSIBILITY (cont'd)

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

Hong Kong, 7 March 2008

獨立核數師報告書

核數師之責任(續)

審核範圍包括進行程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。選用之程序須視乎核數師之判斷，包括評估綜合財務報表之重大錯誤陳述(不論其由欺詐或錯誤引起)之風險。在作出該等風險評估時，核數師將考慮與公司編製並真實公平地呈列綜合財務報表有關之內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策之恰當性，董事所作會計估算之合理性，並就財務報表之整體呈列方式作出評估。

吾等相信，就提出審核意見而言，吾等所獲審核憑證屬充分恰當。

意見

吾等認為，根據香港財務報告準則，綜合財務報表真實公平地反映 貴集團於二零零七年十二月三十一日之財務狀況以及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露要求妥為編製。

國衛會計師事務所

英國特許會計師
香港執業會計師

香港，二零零八年三月七日

Consolidated Income Statement

For the year ended 31 December 2007

綜合收益表

截至二零零七年十二月三十一日止年度

			2007	2006
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Turnover	營業額	6	2,812	3,512
Direct costs	直接成本		(314)	(1,689)
Gross profit	毛利		2,498	1,823
Other operating income	其他經營收入	8	5,584	2,409
Administrative expenses	行政開支		(4,979)	(3,293)
Finance cost	財務成本	9	(2,169)	–
Gain/(loss) on disposal of investment properties	出售投資物業之收益/(虧損)		580	(746)
Gain on disposal of an intangible asset	出售一項無形資產之收益		11,865	–
Impairment loss of goodwill	商譽減值之虧損		(1,470)	–
Fair value changes on investment properties	投資物業公平值變動		1,950	5,318
Profit before tax	除稅前溢利	10	13,859	5,511
Income tax credit/(expense)	所得稅抵免/(開支)	12	1,334	(692)
Profit for the year	本年度溢利		15,193	4,819
Dividends	股息	13	–	7,941
Earnings per share	每股盈利	14		
Basic (HK cents per share)	基本(每股港仙)		1.5	0.6
Diluted (HK cents per share)	攤薄(每股港仙)		1.4	0.6

The accompanying notes form an integral part of these financial statements.

隨附附註為財務報表之一部份。

Consolidated Balance Sheet

As at 31 December 2007

綜合資產負債表

二零零七年十二月三十一日

		Notes 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	15	31,000	35,600
Intangible asset	無形資產	16	-	-
Goodwill	商譽	17	10,459	-
Property, plant and equipment	物業、廠房及設備	18	4,250	-
Prepaid lease payments	預付租賃款項	19	60,397	-
Interests in associates	聯營公司權益	20	-	-
Interests in jointly controlled entities	共同控制機構權益	21	-	-
Available-for-sale financial assets	可供待售之金融資產	22	-	220
			106,106	35,820
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項	23	438	312
Deposits and prepayments	按金及預付款項	24	70,424	281
Short-term loans receivable	應收短期貸款	25	-	-
Prepaid lease payments	預付租賃款項	19	1,253	-
Tax prepaid	預付稅款		106	-
Time deposits, bank balances and cash	定期存款、銀行結存 及現金	26	354,015	88,062
			426,236	88,655
Assets classified as held for sale	列為持作出售之資產	27	-	9,338
			426,236	97,993
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	28	888	639
Accruals and deposits received	應付未付款項及已收按金		1,965	2,590
Tax payable	應繳稅項		463	-
Amounts due to fellow subsidiaries	應付同系附屬公司款項	29	-	185
			3,316	3,414
Net current assets	流動資產淨值		422,920	94,579
Total assets less current liabilities	總資產減流動負債		529,026	130,399
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	30	143,678	-
Deferred tax liabilities	遞延稅項負債	31	19,689	1,723
			163,367	1,723
Total assets and liabilities	總資產及負債		365,659	128,676
Capital and reserves	股本及儲備			
Share capital	股本	32	20,282	7,940
Share premium and reserves	股份溢價及儲備		345,377	120,736
Total equity	股本權益總額		365,659	128,676

Approved by the Board of Directors on 7 March 2008 and signed on its behalf by:

董事會已於二零零八年三月七日批准及由以下代表簽署：

Kong, Chi-ming
Director

江志明
董事

Leung, Wing-pong
Director

梁榮邦
董事

The accompanying notes form an integral part of these financial statements.

隨附附註為財務報表之一部份。

Consolidated Statement of Changes in Equity

For the year ended 31 December 2007

綜合股本權益變動報表

截至二零零七年十二月三十一日止年度

		Share capital	Share premium	Convertible bonds equity reserve	Translation reserve	Retained profits	Total
		股本	股份溢價	可換股債券 股本權益儲備	匯兌儲備	保留溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2006	於二零零六年一月一日	7,940	24,764	—	234	98,860	131,798
Dividend paid	已付股息	—	—	—	—	(7,941)	(7,941)
Profit for the year	本年度溢利	—	—	—	—	4,819	4,819
At 31 December 2006 and 1 January 2007	於二零零六年十二月 三十一日及二零零七年 一月一日	7,940	24,764	—	234	95,738	128,676
Profit for the year	本年度溢利	—	—	—	—	15,193	15,193
Exchange reserve	匯兌儲備	—	—	—	2,118	—	2,118
Total income recognised for the year	本年度確認收入總額	—	—	—	2,118	15,193	17,311
Shares issued (Note 32)	已發行股份(附註32)	12,342	185,404	—	—	—	197,746
Issue of convertible bonds	發行可換股債券	—	—	36,297	—	—	36,297
Deferred tax	遞延稅項	—	—	(6,430)	—	—	(6,430)
Dividend paid	已付股息	—	—	—	—	(7,941)	(7,941)
At 31 December 2007	於二零零七年 十二月三十一日	20,282	210,168	29,867	2,352	102,990	365,659

Consolidated Cash Flow Statement

For the year ended 31 December 2007

綜合現金流量表

截至二零零七年十二月三十一日止年度

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Operating activities	經營業務		
Profit before tax	除稅前溢利	13,859	5,511
Adjustments for:	按下列各項調整：		
Interest income	利息收入	(5,532)	(1,846)
Profit on disposal of an intangible asset	出售一項無形資產之溢利	(11,865)	-
Fair value changes on investment properties	投資物業公平值變動	(1,950)	(5,318)
(Gain)/loss on disposal of investment properties	出售投資物業(收益)/虧損	(580)	746
Gain on disposal of a subsidiary	出售一間附屬公司收益	(33)	-
Impairment loss of goodwill	商譽減值之虧損	1,470	-
Depreciation on property, plant and equipment	物業、廠房及設備之折舊	11	-
Amortisation of prepaid lease payments	預付租賃款項之攤銷	4	-
Impairment on available-for-sale assets	持作出售資產之減值	220	-
Interest expenses	利息支出	2,169	-
Write-back of allowance for bad and doubtful debts	撥回呆壞賬準備	-	(327)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(2,227)	(1,234)
(Increase)/decrease in trade and other receivables	貿易及其他應收款項(增加)/減少	(100)	209
(Increase)/decrease in deposits and prepayments	按金及預付款項(增加)/減少	(64,903)	133
Decrease in trade and other payables	貿易及其他應付款項減少	(3,487)	(188)
(Decrease)/increase in accruals and deposits received	應付未付及已收按金(減少)/增加	(625)	285
(Decrease)/increase in amounts due to fellow subsidiaries	應付同系附屬公司款項(減少)/增加	(185)	39
Cash used in operations	經營活動所用之現金	(71,527)	(756)
Income taxes paid	已付所得稅	(108)	-
Net cash used in operating activities	經營活動所用之現金淨額	(71,635)	(756)
Investing activities	投資活動		
Interest received, other than from loans receivable	已收利息，不包括應收貸款之利息	5,532	1,846
Proceeds on disposal of a subsidiary	出售一間附屬公司所得款項	8	-
Proceeds on disposal of an intangible asset	出售一項無形資產所得款項	11,865	-
Acquisition of subsidiaries	收購附屬公司	(93,620)	-
Purchase of property, plant and equipment	購入物業、廠房及設備	(238)	-
Proceeds from disposal of investment properties	出售投資物業所得款項	45,518	67,354
Net cash (used in)/generated from investing activities	投資活動(所用)/所得之現金淨額	(30,935)	69,200

Consolidated Cash Flow Statement

For the year ended 31 December 2007

綜合現金流量表

截至二零零七年十二月三十一日止年度

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Financing activities	融資活動		
Net Proceeds from issue of convertible bonds	發行可換股債券所得款項淨額	177,806	–
Net proceeds from issue of shares	發行股份所得款項淨額	197,746	–
Dividends paid	已付股息	(7,941)	(7,941)
		<hr/>	<hr/>
Net cash generated from/(used in) financing activities	融資活動所得/(所用) 現金淨額	367,611	(7,941)
		<hr/>	<hr/>
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	265,041	60,503
Effect of foreign exchange rate changes	外幣匯兌率變動影響	912	–
Cash and cash equivalents at the beginning of the year	年初現金及現金等值項目	88,062	27,559
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	年終現金及現金等值項目	354,015	88,062
		<hr/> <hr/>	<hr/> <hr/>
Analysis of the balance of cash and cash equivalents	現金及現金等值項目結存分析		
Time deposits, bank balances and cash	定期存款、銀行結存及現金	354,015	88,062
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these financial statements.

隨附附註為財務報表之一部份。

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

1. GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

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

The Company's principal activity is investment holding and the principal activities of its principal subsidiaries and jointly controlled entities are set out in Notes 41 and 42 respectively.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for current accounting periods of the Group and the Company.

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented except for the additional disclosures requirements under the Hong Kong Financial Reporting Standard ("HKFRS") 7 Financial instruments: Disclosures and the amendment to Hong Kong Accounting Standard ("HKAS") 1 Presentation of financial statements: Capital disclosures.

綜合財務報表附註

截至二零零七年十二月三十一日止年度

1. 一般資料

本公司為一間於百慕達註冊成立之受豁免有限公司。本公司之股份在香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

綜合財務報表以港元呈列，而港元為本公司之功能貨幣。

本公司為投資控股公司，其主要附屬公司及共同控制機構之主要業務分別載於附註41及42。

2. 應用新訂及經修訂香港財務報告準則

於本年度，本集團首次應用香港會計師公會（「香港會計師公會」）頒布，並於本集團及本公司之現行會計期間生效之若干新訂準則、修訂及詮釋（「新香港財務報告準則」）。

採納此等之新香港財務報告準則並無對現行或過往會計期間業績及財務狀況之編制及呈報方式構成重大影響，除香港財務報告準則（「香港財務報告準則」）第7號財務工具：披露中新增之披露規定及香港會計準則（「香港會計準則」）修訂第1號財務報表呈列方式：資本披露。

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

綜合財務報表附註

截至二零零七年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (cont'd)

The Group has not early adopted the following new standard, amendment or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standard, amendment or interpretations will have no material impact on the results and the financial position of the Group.

2. 應用新訂及經修訂香港財務報告準則(續)

本集團並無提早應用下列已頒布但尚未生效之新訂準則、修訂或詮釋。本公司董事預計，應用該等新準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

HKAS 1 (Revised)	Presentation of Financial Statements ¹	香港會計準則第 1 號 (經修訂)	財務報表呈列 ¹
HKAS 23 (Revised)	Borrowing Costs ¹	香港會計準則第 23 號 (經修訂)	借貸成本 ¹
HKFRS 8	Operating Segments ¹	香港財務報告準則 第 8 號	經營分部 ¹
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions ²	香港(國際財務報告 詮釋委員會)– 詮釋 第 11 號	香港財務報告準則 第 2 號—集團及庫存 股票交易 ²
HK(IFRIC) – Int 12	Service Concession Arrangements ³	香港(國際財務報告 詮釋委員會)– 詮釋 第 12 號	服務特許權安排 ³
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁴	香港(國際財務報告 詮釋委員會)– 詮釋 第 13 號	客戶忠誠計劃 ⁴
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ³	香港(國際財務報告 詮釋委員會)– 詮釋 第 14 號	香港會計準則第 19 號—界定利益資產 之限制、最低撥 款規定以及相 互關係 ³

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

² Effective for annual periods beginning on or after 1 March 2007.

³ Effective for annual periods beginning on or after 1 January 2008.

⁴ Effective for annual periods beginning on or after 1 July 2008.

¹ 於二零零九年一月一日或之後開始之年度期間生效。

² 於二零零七年三月一日或之後開始之年度期間生效。

³ 於二零零八年一月一日或之後開始之年度期間生效。

⁴ 於二零零八年七月一日或之後開始之年度期間生效。

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules").

The measurement basis used in the preparation of the consolidated financial statements is historical cost as modified by the revaluation of certain investment properties and certain financial instruments which are carried at fair value.

The preparation of the consolidated financial statements requires the management of the Group to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements were disclosed in Note 5.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operation policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

綜合財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策概要

編製此等綜合財務報表所採納之主要會計政策列載如下。除另有說明外，此等政策已貫徹應用於所有呈報年度。

綜合財務報表乃根據由香港會計師公會頒布之香港財務報告準則、香港公認會計原則、香港公司條例之披露規定、以及聯交所證券上市規則(「上市規則」)之適用披露條款編制。

編製綜合財務報表時採用之計量基準為歷史成本法，並按若干以公平值列賬之重估投資物業及金融工具而作出修訂。

編製綜合財務報表要求本集團之管理層於應用本公司之會計政策時作出判斷。需要高度精密判斷或複雜的領域或涉及綜合財務報表關鍵假設和估計的領域於附註5披露。

(a) 綜合基準

綜合財務報告包括本公司及其附屬公司每年截至十二月三十一日止之財務報表。

附屬公司

附屬公司指本集團有權監管其財務及經營政策之一切機構(包括為特殊項目的機構)，通常附帶擁有其過半數投票權之股權。於評估本集團是否控制另一機構時，會考慮現時可行使之潛在投票權之存在及影響。

附屬公司自其控制權轉移予本集團當日起綜合入賬，並於控制權終止當日停止綜合入賬。

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

綜合財務報表附註

截至二零零七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

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

All significant inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Interests in associates are accounted by the equity method of accounting and are initially recognised at cost. The Group's interests in associates includes goodwill (net of any impairment losses) identified in acquisition.

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

3. 主要會計政策概要(續)

(a) 綜合基準(續)

本集團採用收購會計法為本集團所收購之附屬公司列賬。收購成本按所獲資產之公平值、所發行之股本工具及在交易時所產生或所承擔之負債，加上直接與收購事項有關的成本。業務合併中所購入之可識別資產、所承擔之負債及或然負債，均於收購當日按其公平價值初步計算，而不考慮任何少數股東權益之數額。收購成本超出集團應佔所購入可識別資產之公平價值之部分乃記錄為商譽。倘收購成本低於所購入附屬公司資產淨值之公平價值，則差額將直接於收益表確認。

所有重大之集團內公司之間交易、結餘及未變現盈利於綜合時予以抵銷。除非交易有證據顯示所轉讓資產出現減值，未變現虧損亦予以抵銷。附屬公司之會計政策在必要情況下予以改變，以確保與本集團所採納之政策一致。

聯營公司

聯營公司指本集團對其有重大影響力但不擁有控制權之一切機構，並通常附帶擁有百分之二十至五十投票權之股權。於聯營公司之權益採用會計權益法列賬，並起初按成本確認。本集團於聯營公司之權益包括於收購時產生的商譽減除任何減值虧損。

聯營公司之業績、資產及負債乃以會計權益法於該等綜合財務報表內列賬。根據權益法，於聯營公司之權益乃按成本於綜合資產負債表中列賬，並就本集團在於收購後應佔該聯營公司之損益及權益之變動作出調整，以及減去任何已鑒定之減值虧損。當本集團應佔某聯營公司之虧損相等於或超出其於該聯營公司之權益(其包括任何長期權益，而此實質上構成本集團於該聯營公司之投資淨額一部份)，則本集團終止確認應佔之進一步虧損。在作出額外應佔虧損撥備及確認負債，僅以本集團已產生法律或推定責任或代表該聯營公司作出付款為限。

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

綜合財務報表附註

截至二零零七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

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

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

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

When a group entity transacts with a jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

3. 主要會計政策概要(續)

(a) 綜合基準(續)

倘某集團機構與本集團之聯營公司進行交易，則會以本集團於有關聯營公司之權益為限而抵銷損益。

共同控制機構

共同控制機構指以合資安排另行成立之獨立機構，其合資方擁有對該機構之經濟活動共同控制權。

共同控制機構之業績及資產與負債利用會計權益法計入綜合財務報表。根據權益法，於共同控制機構之權益以成本在綜合資產負債表內列賬，並經本集團在收購後應佔共同控制機構損益及權益變動而調整，以及減去任何已識別減值虧損列賬。倘本集團應佔共同控制機構之虧損相等於或高於其於該共同控制機構之權益(包括任何長期權益，此實質上構成本集團於該共同控制機構之淨投資一部分)，則本集團會終止確認其應佔之進一步虧損。在作出額外應佔之虧損撥備及會確認負債，惟僅以本集團已產生法定或推定責任或代表該共同控制機構付款為限。

倘某集團機構與本集團之共同控制機構進行交易，抵銷未變現之損益則會以本集團於有關共同控制機構之權益為限，惟倘未變現虧損證實已轉讓資產出現減值，則全數確認虧損。

Notes to the Consolidated Financial Statements

For the year ended 31 December 2007

綜合財務報表附註

截至二零零七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries, associates and jointly controlled entities at the date of acquisition. Goodwill on acquisitions of subsidiaries is presented separately in the balance sheet. Goodwill on acquisitions of associates or jointly controlled entities is included in interests in associates or jointly controlled entities and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

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

On subsequent disposal of a subsidiary, jointly-controlled entities and associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate.

3. 主要會計政策概要(續)

(b) 商譽

商譽指收購之成本超出收購當日本集團應佔所收購附屬公司、聯營公司及共同控制機構可識別資產淨值之公平值之差額。收購附屬公司之商譽乃個別呈列於資產負債表中。收購聯營公司或共同控制機構之商譽乃納入於聯營公司或共同控制機構之權益，並以作為整體結餘之一部分進行減值測試。分別確認之商譽乃每年評估減值，並按成本減累計減之值虧損列賬。商譽之減值虧損不會撥回。

就減值測試而言，收購產生之商譽會分配至各預期可受惠於收購之協同效益之有關現金產生單位或多組現金產生單位。商譽所屬之現金產生單位會每年及於有跡象顯示與商譽有關之現金產生單位可能出現減值時進行減值測試。就財政年度內收購所產生之商譽而言，商譽所屬之現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則減值之虧損會先分配以調減該單位任何商譽之賬面值，其後則按該單位內各項資產之賬面值之比例分配至該單位之其他資產。商譽可收回金額為其公平值較高值減銷售成本及所用值。任何商譽之減值之虧損會即時於收益表中確認。商譽之減值之虧損不會於其後期間撥回。

於其後出售附屬公司、共同控制機構及聯營公司時，出售之收益或虧損均參考出售日期之資產淨值計算，包括任何仍未攤銷之應佔商譽及有關儲備(如適用)。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss. The results of subsidiaries are accounted by the Company on the basis of dividend received or receivables.

(d) Revenue recognition

Rental income, including rental invoiced in advance from properties let under operating leases, is recognised on a straight-line basis over the period of the respective leases.

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

(e) Investments properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Any gain or loss arising from the fair value changes on the investment properties is recognised directly in the income statement in which they arise.

3. 主要會計政策概要(續)

(c) 在附屬公司之投資

在附屬公司之投資乃按成本減任何已識別之減值之虧損列入本公司資產負債表。附屬公司之業績乃由本公司按已收及應收股息之基準列賬。

(d) 收入確認

租金收入(包括根據經營租約租出之物業預先發出發票之租金)以直線法按有關租約年期確認。

利息收入根據尚未償還之本金金額以適用利率按時間比例基準計算。

(e) 投資物業

於初步確認時，投資物業乃按成本(包括任何直接應佔之開支)計量。於初步確認後，投資物業利用公平值模型計量。投資物業公平值變動產生之損益會於產生期間計入收益表。

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Property, plant and equipment

Property, plant and equipment other than leasehold land and land use right are stated at cost less subsequent depreciation and impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment (other than leasehold land and land use right) over their estimated useful lives and after taking into account their estimated residual value using the straight-line method, at the following rate per annum:

Buildings	Over the remaining unexpired terms of the leases
Leasehold improvement	5 to 10 years
Furniture, fixtures and equipments	5 to 10 years
Motor vehicles	5 years

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

When the leasehold land and land use right and buildings are in the course of construction for production, supply of goods or services, or for administrative purpose, the leasehold land and land use right component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land and land use right is included as part of cost of buildings under construction. Buildings under construction are carried as cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management of the Group).

3. 主要會計政策概要(續)

(f) 物業、廠房及設備

物業、廠房及設備(租賃土地及土地使用權除外)按成本減後續折舊及減值虧損列賬。

物業、廠房及設備(租賃土地及土地使用權除外)按估計可使用年期，並計及估計剩餘價值以直線法根據以下年率折舊，以撇銷其成本：

樓宇	按租約剩餘年期
租賃物業裝修	5至10年
家私、裝置及設備	5至10年
汽車	5年

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時不再確認。於不再確認該資產時所產生之任何盈虧(以出售所得款項淨額與該項目之賬面值之差額計算)將計入不再確認該項目年度內之綜合收益表。

倘興建中租賃土地及土地使用權及樓宇乃作生產、提供貨品或服務或行政用途，有關租賃土地部分及土地使用權分類為預付租賃款項，並以直線法按租期攤銷。於興建期間，就租賃土地及土地使用權撥備之攤銷開支列作在建樓宇成本部分。在建樓宇按成本減去任何可識別減值虧損列賬。樓宇於可供使用時開始折舊(即於樓宇達致按本集團管理層擬定方式在所需地點及環境時運作)。

Notes to the Consolidated Financial Statements

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Interest in leasehold land and land use right

Interest in leasehold land and land use right represents prepaid lease payments made and are amortised over the lease term on a straight-line basis.

(h) Patent

Patent is stated at cost less amortisation and accumulated impairment losses. Amortisation is calculated to write off the cost of patent over its estimated useful life, using the straight-line method.

(i) Impairment of tangible and intangible assets other than goodwill

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. In additions, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, in which the recoverable amount is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as revaluation decrease under that standard.

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

綜合財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策概要(續)

(g) 租賃土地及土地使用權之權益

租賃土地及土地使用權之權益指預付租賃款項，並以直線法按租期攤銷。

(h) 專利權

專利權按成本減攤銷及累積減值之虧損列賬。計算攤銷時乃按估計可用年期以直線法撇銷專利權之成本。

(i) 有形及無形資產(商譽除外)之減值

於每個結算日，本集團會檢討其資產之賬面值以確定有否跡象顯示其資產已出現減值虧損。另外，無限使用年限之無形資產及尚未可供使用之無形資產每年進行減值測試，而不論何時出現可能減值之跡象。倘資產之可收回數額估計低於其賬面值，則有關資產之賬面值減至其可收回數額，可收回數額為其公平值減銷售成本及其使用值中的較高數。減值虧損隨即確認為支出，除非有關資產乃根據另一標準重估款額而釐定者，則作別論。倘出現此種情況，該筆減值虧損根據此標準會視作一項重估減值。

當某項減值虧損在日後扭轉虧損劣勢，則有關資產之賬面值須增至其經修訂之估計可收回款額，惟該已增加之賬面值不可超越有關資產在假設以往年度並無確認任何減值虧損之情況下而原定之賬面值。在減值虧損扭轉虧損劣勢時，有關款額須立即確認為一項收入，除非有關資產乃根據另一標準重估款額而釐定者，則作別論。倘出現此種情況，該筆減值虧損根據此標準會視作一項重估減值。

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Leasing

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

The Group as lessor

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

The Group as lessee

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

(k) Foreign currencies

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

3. 主要會計政策概要 (續)

(j) 租約

凡租約條款規定將租賃資產擁有權之絕大部份風險及回報轉移至承租人之租約均列為財務租約。所有其他租約分類為經營租約。

本集團為出租人

經營租約之租金收入會以直線法按有關租約年期在收益表中確認。磋商及安排經營租約時產生之初步直接成本會加入租賃資產之賬面值，並以直線法按租約年期確認為開支。

本集團為承租人

根據經營租約應付之租金會以直線法按有關租約年期在收益表中扣除。作為訂立經營租約獎勵之已收及應收利益以直線法按有關租約年期確認為租金開支扣減。

(k) 外幣換算

在編製個別集團機構之綜合財務報表時，以該機構功能貨幣以外之貨幣(外幣)進行之交易按交易日通用之匯率以其功能貨幣(即該機構經營之主要經濟環境之貨幣)記錄。於各結算日，以外幣列值之貨幣項目以結算日通用之匯率重新換算。以外幣列值並按公平值列賬之非貨幣項目以釐定公平值當日通用之匯率重新換算。以外幣列值並以歷史成本計量之非貨幣項目不會重新換算。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Foreign currencies (cont'd)

Exchange differences arising on the settlement of monetary item, and on the translation of monetary items, are recognised in the income statement in the period in which they arise, except for exchange differences arising on monetary items that form part of the Group's net investment in a foreign operation, in which case such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

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

綜合財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策概要 (續)

(k) 外幣換算 (續)

結算貨幣項目及換算貨幣項目時產生之匯兌差額於產生之期間在收益表中確認，惟倘若匯兌差額乃產生自組成本集團之外國業務投資淨額之貨幣項目，倘出現此種情況，該匯兌差額於綜合財務報表內確認為股本權益。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內之收益表中，惟重新換算非貨幣項目產生之差額有關之損益直接於股本權益確認外，在此情況下，匯兌差額亦會直接於股本權益中確認。

為呈列綜合財務報表的目的，本集團境外業務的資產及負債均以結算日通用匯率換算為本公司的呈列貨幣（即港元），而其收入及開支則以本年度平均匯率予以換算。除非匯率於期內波動很大，在此情況下，以交易日通用之匯率換算。產生的匯兌差異確認為一個股本權益的獨立部分（換算儲備）。該匯兌差額於該境外業務被出售期間於收益表內確認。

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(I) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

3. 主要會計政策概要 (續)

(I) 稅務

所得稅支出指當期應付稅項及遞延稅項。

當期應付稅項按年度應課稅溢利計算。應課稅溢利與收益表所報純利不同，此乃由於其不包括在其他年度應課稅或可扣減之收入及支出項目，亦不包括收益表內永不課稅或扣減之項目。本集團結算日前制定或實際制定之稅率釐定當期稅項之負債。

遞延稅項確認於就財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之差異，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅暫時差異確認，而遞延稅項資產則限於較可能於日後取得應課稅溢利，並可用以抵銷可扣減暫時差異時確認。若暫時差異因於一項開始確認之其他資產及負債既不影響應課稅溢利亦不影響會計溢利之交易而引致(業務合併除外)，則不會確認該等資產及負債。

除非本集團可控制有關暫時差異之回撥及暫時差異在可見將來不會回撥之情況下，由投資附屬公司、聯營公司及共同控制機構產生之應課稅暫時差異，其遞延稅項負債均予以確認。

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Taxation (cont'd)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised based on sales that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those asset. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised into the income statement in the period in which they are incurred.

(n) Retirement benefits scheme contributions

The pension cost charged in the income statement represents the contributions payable in respect of the current year to the defined contribution schemes.

3. 主要會計政策概要 (續)

(l) 稅務 (續)

遞延稅項資產之賬面值於每個結算日均作檢討，並在不大可能再有足夠應課稅溢利收回全部或部份資產時減少。

遞延稅項乃按預期於負債或資產根據於結算日前已採用或實際採用之銷售償還或變現期間之稅率計算。遞延稅項會扣自或計入收益表，惟有關直接扣自或計入股本權益之項目外，其遞延稅項亦會於股本權益中處理。

(m) 借貸成本

於購買，興建或製造合資格資產之直接應佔借貸成本，將撥作為該等資產之部分成本。當該等資產實質上達至擬定用途或銷售時借貸成本便不再作資本化。

所有其他借貸成本已於發生時於收益表確認。

(n) 退休福利計劃供款

自收益表扣除之退休金成本指於本年度向定額供款計劃所作之供款。

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Financial instruments

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

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The Group's major financial assets are trade and other receivables, deposits and prepayments, short-term loans receivable, time deposits, bank balances and cash which fall within the category of loans and receivables and available-for-sale financial assets respectively and the accounting policies adopted are set out below.

3. 主要會計政策概要 (續)

(o) 金融工具

當一家集團機構成為金融工具合約條文之一方，則於資產負債表內確認金融資產及金融負債。金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔之交易成本(以公平值計量且公平值計入損益之金融資產及金融負債除外)乃於初步確認時加入金融資產或金融負債(如適用)之公平值，或從金融資產或金融負債之公平價值扣除。收購以公平值計量且公平值計入損益之金融資產或金融負債直接應佔之交易成本，即時於損益內確認。

金融資產

本集團之金融資產分類為以下四個類別其中之一，包括以公平值計量且公平值計入損益之金融資產、貸款及應收款項、持有至到期之投資及可供出售金融資產。所有正常購買或銷售之金融資產，按交易日之基準確認及不予確認。正常購買或銷售金融資產是指按照市場規定或慣例須在一段期限內進行資產交付之金融資產買賣。本集團之主要金融資產為貿易及其他應收款項存款、按金及預付款、應收短期貸款、定期存款、銀行結存及現金分別屬貸款及應收款項以及可供出售金融資產兩類，而所採納之會計政策載列如下。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Financial instruments (cont'd)**Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories under HKAS 39. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in the income statement. Any impairment losses on available-for-sale financial assets are recognised in the income statement. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. 主要會計政策概要 (續)

(o) 金融工具 (續)

貸款及應收款項

貸款及應收款項為並未於交投活躍之市場內報價而附帶固定或可議定付款之非衍生金融資產。於初步確認後之每個結算日，貸款及應收款項使用實際利率法按經攤銷成本減任何可識別減值之虧損列賬。當有客觀證據顯示資產已減值，則於損益賬確認減值之虧損，並以資產之賬面值與按原實際利率折現其估計未來現金流量之現值兩者之差額計量。當於確認減值後發生一項事件可以客觀地與資產可收回款項增加有關，減值之虧損於其後期間撥回，但以所撥回於減值日期資產之賬面值為限，不得超過該項資產原未確認減值之經攤銷成本。

可供待售之金融資產

可供待售之金融資產為非衍生項目，無論是否劃分為香港會計準則第39號下之任何其他類別。於初步確認後之每個結算日，可供待售金融資產按公平值計量。公平值之變動於股本權益中確認，直至該金融資產被出售或釐定為已減值，屆時過往於股本權益中確認之累計收益或虧損會自股本權益中剔除，並於收益確認。可供待售之金融資產之任何減值之虧損於收益表確認。可供待售股本權益投資之減值之虧損將不會於往後期間撥回。就可供待售債項投資而言，倘該投資之公平值增加可客觀地與確認減值之虧損後之事件有關，則減值之虧損將獲撥回。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) *Financial instruments (cont'd)**Financial liabilities and equity*

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

An equity instrument is any contract that evidences a residual interest in the asset of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Group's financial liabilities are mainly comprised of other financial liabilities which include trade and other payables, accruals and deposits received which fall within the category of other financial liabilities. These financial liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Convertible bonds

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

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

3. 主要會計政策概要(續)

(o) 金融工具(續)

金融負債及股本權益

集團機構發行之金融負債及股本工具乃根據所訂立合約安排之內容及金融負債與股本工具之定義予以分類。

股本工具為可證明於本集團資產經扣除其所有負債後之餘額權益之任何合約。本公司發行之股本工具乃按已收所得款項扣除直接發行成本後記錄。

本集團之金融負債主要包括其他金融負債(包括貿易及其他應付款項、應付未付款項及已收按金(屬其他金融負債))。該等金融負債其後利用實際利率法按經攤銷成本計算。

可換股債券

本公司所發行包括負債及可換股期權部份之可換股債券於初步確認時被分別分類為相關之項目。以兌換固定金額現金或以固定數目之本公司本身股本工具之其他財務資產結算之可換股期權為股本工具。

於初步確認時，負債部份之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項與轉往負債部份之公平值之差額，即代表可讓持有人將可換股債券兌換為股本權益之認購期權應列入股本權益內(可換股債券股本權益之儲備)。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) **Financial instruments (cont'd)***Convertible bonds (cont'd)*

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

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

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

3. 主要會計政策概要 (續)

(o) **金融工具 (續)***可換股債券 (續)*

於往後期間，可換股債券之負債部份乃使用實際利率法按攤銷成本列賬。股本權益部份，即可將負債部份兌換為本公司普通股之期權，將保留於可換股債券股本儲備，直至內置期權獲行使為止（在此情況下，可換股債券股本儲備之結餘將轉移至股份溢價）。倘期權於到期日尚未獲行使，可換股債券權益之儲備之結餘將撥至保留溢利內。期權兌換或到期時將不會於收益表中確認任何盈虧。

發行可換股債券有關之交易成本，按所得款項之分配比例撥往負債及股本權益部份。股本權益部份有關之交易成本會直接於股本權益內扣除。負債部份有關之交易成本計入負債部份之賬面金額，並利用實際利率法於可換股債券期限內予以攤銷。

倘可換股債券獲兌換，可換股債券股本權益及兌換時之負債部分之賬面值轉換成股本及股份溢價作為發行股票的代價。倘可換股債券獲贖回，資本儲備將撥至保留溢利。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Financial instruments (cont'd)*Derecognition*

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

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

(p) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(q) Provision

A provision is recognised when the Group has a present legal or constructive obligation, as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value money is material, the amount of a provision is the present value at the balance sheet date of the expenditures expected to be required to settle the obligation.

3. 主要會計政策概要 (續)

(o) 金融工具 (續)*取消確認*

若從資產收取現金流量之權利已到期，或財務資產已轉讓及本集團已將其於財務資產擁有權之絕大部份風險及回報轉移，則財務資產將被取消確認。於取消確認財務資產時，資產賬面值與已收取代價及已直接於股本權益確認之累計損益之總和之差額，將於損益中確認。

倘於有關合約之特定責任獲解除、取消或到期，則財務負債將予取消確認。取消確認之財務負債賬面值與已付代價之差額乃於收益表中確認。

(p) 現金及現金等值項目

現金及現金等值項目包括手頭現金、銀行通知存款及原到期日不超過三個月之其他高流動性短期投資。

(q) 撥備

倘本集團因過往事件而導致現時須承擔法律性或推定性責任，而履行該等責任時將可能需要資源外流，並可就有關責任之金額作出可靠之估計，則會確認撥備。倘貨幣時間價值之影響重大，則撥備金額為預計履行責任所需支出於結算日之現值。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Share-based payment transactions**Equity-settled share-based payment transactions***Share options granted to the employees of the Company*

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

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

(s) Related parties transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control or common significant influences.

A transaction is considered to be a related party transaction where there is a transfer of resources or obligations between related parties.

(t) Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets are available for immediate sale in its present condition.

Assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

3. 主要會計政策概要 (續)

(r) 以股份支付之交易**以股本權益結算並以股份支付之交易***授予本公司僱員之購股權*

已接獲服務之公平值參考於授出日期所授出購股權之公平值釐定，以直線法於歸屬日期支銷，並相應增加股本權益(購股權儲備)。

於行使購股權時，以往於購股權儲備確認之款項將撥入股份溢價。當購股權已沒收或於屆滿日期仍未行使時，以往於股本權益(購股權儲備)確認之款項將撥入保留溢利。

(s) 關連人士交易

倘任何一方可直接或間接控制另一方在財務及營運決策上對其發揮重大影響力，則雙方視為有關連。倘任何人士均受同一人士控制或發揮重大影響，則雙方亦視為有關連。

當關連人士之間發生資源或責任轉讓時，則該項交易被視為關連人士交易。

(t) 列為持作出售之資產

倘非流動資產之賬面值主要由出售交易而非透過持續使用取得，將被列為持作出售之資產。僅於出售極有可能發生及資產能以現狀即時出售時方符合此條件。

列為持作出售之資產以資產過往之賬面值及公平價值減出售成本之較低金額計算。

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4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

4.1 *Financial risk management objectives and policies*

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

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Interest rate risk management

The Group's fair value interest rate risk relates primarily to fixed-rate financial liabilities. The Group's cash flow interest rate risk relates primarily to short-term bank deposits. The Group monitors the interest risk exposure on a continuous basis and adjusts the portfolio of interest-bearing financial assets and liabilities when necessary. If a general increase or decrease of 20 basis points in interest rates, with all other variables held constant, would increase or decrease the group's profit after tax for the year ended 31 December 2007 by approximately HK\$7,080,000 (2006: HK\$1,761,000).

4. 財務風險管理目標及政策

4.1 財務風險管理目標及政策

本集團之主要金融工具包括應收貸款、貿易應收款項及貿易應付款項、可換股債券、定期存款及銀行結存。該等金融工具之詳情披露於各附註內。該等金融工具附帶之風險及有關如何降低該等風險之政策載於下文。本集團管理層管理及監察該等風險，確保能以有效方式及時實施適當之措施。

信貸風險

倘若交易對手無法履行彼等於二零零七年十二月三十一日有關各類已確認金融資產之債項，本集團承受之最大信貸風險為綜合資產負債表內列示之該等資產之賬面值。為盡量降低信貸風險，本集團管理層已指派一組人員負責釐定信貸額度、信貸批核及其他監管程序，確保能採取跟進行動追收逾期貸款。此外，於每個結算日，本集團檢討每宗個別貿易債項之可收回款項，確保就無法收回款項作出足夠之減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

利率風險管理

本集團之公平值利率風險主要指定息金融負債。本集團之現金流量風險主要指短期銀行存款。本集團持續監察利率風險，且倘需要則調整附息金融資產及負債組合。倘利率一般上調或下調20個基本點，其他可變因素保持不變，截至二零零七年十二月三十一日止年度除稅後利潤則調高／調低約7,080,000港元(二零零六年：1,761,000港元)。

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4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

4.1 Financial risk management objectives and policies (cont'd)

Foreign currency risk management

The main operations of the Group were in the People's Republic of China other Hong Kong and Macau (the "PRC") and Hong Kong and majority of the transactions were denominated in Renminbi and Hong Kong dollars. The Group did not use any derivative financial instruments to hedge for its foreign exchange risk exposure during the years.

The Renminbi has appreciated against Hong Kong dollar by approximately 6% for the year of 2007. The sensitivity analysis includes only outstanding Renminbi denominated monetary item (Bank balance, receivable and payables) and adjust their translation at the year end for a 6% change in foreign currency rates. If Renminbi had strengthened by 6% against Hong Kong dollar, the effect of the change would increase the group's profit after tax by approximately HK\$4,328,000 (2006: HK\$ Nil).

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and consider obtaining banking facilities to support the Group's short, medium and long-term funding and liquidity management requirements. The management of the Group continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's financial liabilities (including trade payables, other payables and accruals) are matured within one months and no interest bearing for the both years' balance sheet date, excepted the three year's zero coupon convertible bonds with face value of HK\$180,000,000 which should be matured after two years from 31 December 2007.

4.2 Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

1. the fair value of financial assets and financial liabilities with standard terms and conditions and trade on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and

4. 財務風險管理目標及政策 (續)

4.1 財務風險管理目標及政策 (續)

外幣風險管理

本集團主要業務在中華人民共和國(「中國」)(不包括香港及澳門)及香港，主要交易以人民幣與港元為單位。本集團並無利用任何衍生金融工具來對沖年內的外匯風險。

於二零零七年人民幣對港元大約升值了6%。敏感性分析僅包括以人民幣為單位的貨幣餘額(銀行結存，應收款項及應付款項)，並且於年底調整了外幣匯兌率6%的變動。倘人民幣對港元升值6%，該變動之影響將為本集團除稅後利潤調高約4,328,000港元(二零零六年：零港元)。

流通性風險管理

本集團透過擁有適當的儲備來管理流通性風險及獲取銀行融資以支援本集團之短期，中期及長期資金及流通性管理需求。本集團監理層持續監管預測及實際現金流及配對金融資產及負債之到期組合管理流通性風險。

本集團之金融負債(包括貿易應付款項，其他應付款項及應付未付款項)於一個月內到期並且兩年之結算日均無附息，除了賬面值為180,000,000港元的三年零息可換股債券，該等零息可換股債券應於由二零零七年十二月三十一日起兩年後到期。

4.2 金融工具之公平值

金融資產及金融負債之公平值按以下方式釐定：

- 1 具標準條款及條件且於活躍流動市場買賣之金融資產及金融負債之公平值乃分別經參考市場之買賣盤報價釐定；及

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4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

4.2 Fair value of financial instruments (cont'd)

2. the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

Except for the liability component of convertible bonds which recorded at amortised cost as below, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities in the consolidated financial statements approximate to their fair values:

		2007 二零零七年		2006 二零零六年	
		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Convertible bonds*	可換股債券*	143,678	140,845	—	—

- * The fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without conversion option.

4.3 Capital risk management

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for the shareholders of the Company ("Shareholders") and benefits for other stakeholders;
- To support the Group's stability and growth; and
- To maintain an optimal capital structure to reduce the costs of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to the Shareholders, return capital to the Shareholders, issue new shares or sell assets to reduce debt.

4. 財務風險管理目標及政策 (續)

4.2 金融工具之公平值(續)

2. 其他金融資產及金融負債之公平值乃根據普遍採納之定價模式並按使用現時可得市場交易價格或利率的折現現金流量分析釐定。

除按攤銷成本計入以下報表的可換股債券之負債部分，董事認為計入綜合財務報表的金融資產及金融負債之賬面值，與其公平值相若：

		2007 二零零七年		2006 二零零六年	
		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Convertible bonds*	可換股債券*	143,678	140,845	—	—

- * 負債部分之公平值指合約所定之未來現金流量按當時市場上向具有大致相同之信貸級別並提供大致相同之現金流量但並無換股期權之財務票據之市場利率進行貼現後之現值。

4.3 資本風險管理

本集團管理資本之宗旨如下：

- 確保本集團有能力繼續持續經營，從而繼續為本公司之股東(「股東」)帶來回報及為其他權益人帶來盈利；
- 支持本集團之穩定及發展；及
- 維持最佳的資本架構以減低資本成本。

為維持或調整資本架構，本集團可能調整向股東發出之股息金額，向股東發出之資本回報，發行新股或出售資產減債。

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4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

4.3 Capital risk management (cont'd)

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and the Shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy. The management of the Group regards total equity as capital, for capital management purpose.

During the years, the Group's overall strategy remains unchanged.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in Note 3, the management of the Group has made the following judgment that have most significantly effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Income taxes

As at 31 December 2007, a deferred tax asset has been recognised in relation to the unused tax losses of approximately HK\$101,000 (2006: HK\$2,077,000). The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in the income statement for the period in which such a reversal takes place.

Estimated impairment of goodwill

Determining whether goodwill is impaired according to the recoverable amount which requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the balance date was HK\$10,459,000 after an impairment loss of HK\$1,470,000 was recognised in the income statement for the year ended 31 December 2007.

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4. 財務風險管理目標及政策 (續)

4.3 資本風險管理 (續)

本集團積極定期檢討及管理資本架構，力求達到最理想的資本架構及股東回報；過程中，本集團考慮的因素計有：本集團日後的資本需求與資本效率、當前及預期之盈利能力、預期之營運現金流量、預期資本開支及預期策略投資機會等。本集團目前並未採納任何正式股息政策。本集團之管理為了資本管理之宗旨把整體權益計為資本。

本年度內，本集團之整體策略保持不變。

5. 關鍵會計判斷及估計不確定性之主要來源

應用附註3所述本集團之會計政策時，本集團管理層已作出對財務報表中確認之金額有最重大影響之下列判斷(於下文處理涉及估計者除外)。

所得稅

於二零零七年十二月三十一日，有關未使用稅項虧損之遞延稅項資產約101,000港元(二零零六年：2,077,000港元)已經確認。遞延稅項資產能否變現主要視乎日後是否具有足夠之未來溢利或應課稅暫時差異。倘若未來之實際溢利低於預期，則可能產生重大之遞延稅項資產撥回，該項撥回將於出現撥回發生之期間內在收益表內確認。

商譽之估計減值

釐定商譽是否出現減值時須根據可收回金額估計商譽所獲分配之賺取現金單位使用價值。本集團計算使用價值時須就預期源自該賺取現金單位之日後現金流量及合適之折現率作出估計，藉以計算現值。扣除截至二零零七年十二月三十一日止年度之收益內確認之減值虧損1,470,000港元後，於結算日商譽之賬面值為10,459,000港元。

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on method of valuation which involves certain estimates. In relying on the valuation report, the management of the Group has exercised their judgment and are satisfied that the method of valuation is reflective of the current market conditions. Should there are changes in assumptions due to change of market conditions, the fair value of the investment properties will change in future.

6. TURNOVER

Turnover represents the net amounts received and receivables from third parties and is summarised as follows:

Rental income	租金收入
Income from finance	財務收入

5. 關鍵會計判斷及估計不確定性之主要來源(續)

投資物業

投資物業根據獨立專業估值師之估值以公平值列賬。決定公平值時，估值師根據之估值方式涉及若干估計。依靠該估值報告時，本集團管理層行使本身的判斷並信納有關估值方式反映了當時市況。如市況的轉變引致有關假設的更改，投資物業的公平值未來將會改變。

6. 營業額

營業額為已收及應收第三方之款項淨額，茲概述如下：

	2007	2006
	HK\$'000	HK\$'000
	千港元	千港元
Rental income	2,782	3,227
Income from finance	30	285
	2,812	3,512

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into three operating divisions – (i) investment and finance; (ii) properties investment; and (iii) methanol. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Investment and finance	–	investing and financing activities
Properties investment	–	property leasing
Methanol	–	development, manufacture and sales of methanol product and by-products

7. 業務及地區分類

業務分類

因應管理需要，本集團現將營運業務劃分為以下三個部門 – (i) 投資與財務；(ii) 物業投資；及 (iii) 甲醇。本集團乃按該等部門申報其主要之分類資料。

主要業務如下：

投資與財務	–	投資及財務業務
物業投資	–	物業租賃
甲醇	–	甲醇產品及副產品之開發、生產及銷售

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(cont'd)**Business segments (cont'd)**

For the year ended 31 December 2007

7. 業務及地區分類(續)

業務分類(續)

截至二零零七年十二月三十一日止年度

		Investment and finance	Properties investment	Methanol	Consolidated
		投資與財務	物業投資	甲醇	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Income statement	收益表				
Turnover	營業額				
External sales	外界銷售	30	2,782	-	2,812
Segment result	分類業績	26	6,420	(1,438)	5,008
Interest income	利息收入				5,532
Unallocated income	未分配收入				11,870
Unallocated corporate expenses	未分配公司開支				(6,382)
Finance cost	財務成本				(2,169)
Profit before tax	除稅前溢利				13,859
Income tax credit	所得稅抵免				1,334
Profit for the year	年內溢利				15,193
Balance sheet	資產負債表				
Assets	資產				
Segment assets	分類資產	35	34,615	167,187	201,837
Unallocated corporate assets	未分配公司資產				330,505
Consolidated total assets	綜合總資產				532,342
Liabilities	負債				
Segment liabilities	分類負債	(10)	(4,289)	(11,315)	(15,614)
Unallocated corporate liabilities	未分配公司負債				(151,069)
Consolidated total liabilities	綜合總負債				(166,683)
Other segment information	其他分類資料				
Fair value changes on investment properties	投資物業公平值變動	-	1,950	-	1,950
Depreciation and amortisation	折舊及攤銷	-	-	15	15
Capital additions	資本增加	-	-	341	341
Impairment loss of goodwill	商譽減值虧損	-	-	1,470	1,470

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(cont'd)**Business segments (cont'd)**

For the year ended 31 December 2006

7. 業務及地區分類(續)

業務分類(續)

截至二零零六年十二月三十一日止年度

		Investment and finance 投資與財務 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Income statement	收益表			
Turnover	營業額			
External sales	外界銷售	285	3,227	3,512
Segment result	分類業績	612	6,264	6,876
Interest income	利息收入			1,846
Unallocated corporate expenses	未分配公司開支			(3,211)
Profit before tax	除稅前溢利			5,511
Income tax expense	所得稅開支			(692)
Profit for the year	年內溢利			4,819
Balance sheet	資產負債表			
Assets	資產			
Segment assets	分類資產	—	44,679	44,679
Unallocated corporate assets	未分配公司資產			89,134
Consolidated total assets	綜合總資產			133,813
Liabilities	負債			
Segment liabilities	分類負債	—	3,810	3,810
Unallocated corporate liabilities	未分配公司負債			1,327
Consolidated total liabilities	綜合總負債			5,137
Other segment information	其他分類資料			
Fair value changes on investment properties	投資物業公平值變動	—	5,318	5,318
Impairment losses reversed in the income statement	於收益表中撥回之減值虧損	327	—	327
Other non-cash expenses	其他非現金開支	—	(12)	(12)

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截至二零零七年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(cont'd)**Geographical segments**

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

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

	Hong Kong		The PRC		Consolidated	
	香港	2006	中國	2006	綜合	2006
	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Carrying amounts of segment assets	393,451	133,813	138,891	–	532,342	133,813
Additions to property, plant and equipment	–	–	341	–	341	–

地區分類

本集團之業務位於香港及中國。

按資產所在地作出之分類資產賬面值及物業、廠房及設備增加分析如下：

8. OTHER OPERATING INCOME

	2007	2006
	HK\$'000	HK\$'000
	千港元	千港元
Other operating income included the followings:		
Interest income	5,532	1,846
Written back of allowance for bad and doubtful debts	–	327
Gain on disposal of a subsidiary (Note 35)	33	–

8. 其他經營收入

9. FINANCE COST

	2007	2006
	HK\$'000	HK\$'000
	千港元	千港元
Effective interest expense on convertible bonds	2,169	–

9. 財務成本

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10. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

Staff costs:	員工成本：
Directors' remuneration (Note 11)	董事酬金(附註11)
Salaries and other benefits	薪金及其他福利
Retirement benefit scheme contributions excluding directors and after forfeited contribution of HK\$12,000 (2006: HK\$9,000)	退休福利計劃供款不 包括董事並已扣除 已沒收供款 12,000 港元 (二零零六年：9,000 港元)

Auditors' remuneration	核數師酬金
Impairment loss on available-for-sale financial assets	可供出售金融資產之減值虧損
Depreciation on property, plant and equipment	物業、廠房及設備之折舊
Amortisation on prepaid lease payments	預付租賃款項之攤銷

and after crediting:

Gross rental income from investment property	投資物業之租金收入總額
Less: direct operating expenses from investment properties that generated rental income during the year	減：本年度內產生租金收入 之投資物業直接經營開支
direct operating expenses from investment properties that did not generate rental income during the year	本年度內並無產生租金收入 之投資物業直接經營開支

10. 除稅前溢利

除稅前溢利已扣除：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
234	204
809	1,066
16	52
1,059	1,322
420	300
220	-
11	-
4	-
2,782	3,227
(285)	(965)
(29)	-
2,468	2,262

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截至二零零七年十二月三十一日止年度

11. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

11. 董事及僱員酬金

(a) Directors' emoluments

The aggregate amount of emoluments payable to the directors of the Company for the year was HK\$234,000 (2006: HK\$204,000).

The remuneration of every director for the year ended 31 December 2007 and 2006 is shown as below:

(a) 董事酬金

本年度應付本公司董事酬金總額為234,000港元(二零零六年:204,000港元)。

截至二零零七年及二零零六年十二月三十一日止年度各董事之酬金呈列如下：

Name of directors	董事姓名	Directors' fees		Salaries and benefits-in-kind		Retirement scheme contributions		Total	
		2007	2006	2007	2006	2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事								
Halina Hung, Shi-wei *	熊思慧*	2	4	-	-	-	-	2	4
Lau, Ming-wai **	劉鳴煒**	2	-	-	-	-	-	2	-
Chan, Wing Kwan ***	陳永銳***	-	-	-	-	-	-	-	-
Chang, Wing Yiu ***	鄭永耀***	-	-	-	-	-	-	-	-
Aaron Tam, Chong-cheong ****	譚頌翔****	-	-	-	-	-	-	-	-
Leung, Wing-pong	梁榮邦	10	10	-	-	-	-	10	10
Kong, Chi-ming	江志明	10	10	-	-	-	-	10	10
		24	24	-	-	-	-	24	24
Independent non-executive directors	獨立非執行董事								
Leung, Yun-fai	梁潤輝	70	60	-	-	-	-	70	60
Lam, Yat-fai	林日輝	70	60	-	-	-	-	70	60
David Chain, Chi-woo	錢其武	70	60	-	-	-	-	70	60
		210	180	-	-	-	-	210	180
		234	204	-	-	-	-	234	204

* appointed on 11 August 2006 and resigned on 1 March 2007

** appointed on 1 March 2007 and resigned on 31 May 2007

*** appointed on 25 October 2007

**** resigned on 11 August 2006

* 於二零零六年八月十一日委任，二零零七年三月一日辭任

** 於二零零七年三月一日委任，二零零七年五月三十一日辭任

*** 於二零零七年十月二十五日委任

**** 於二零零六年八月十一日辭任

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截至二零零七年十二月三十一日止年度

11. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (cont'd)

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, two (2006: one) were independent non-executive directors of the Company whose emoluments are included in (a) above. The emoluments of the remaining three (2006: four) individuals were as follows:

Salaries and other benefits	薪金及其他福利
Retirement benefit scheme contributions	退休福利計劃供款

The emoluments of each individual were within the emolument band of less than HK\$1,000,000.

For the year ended 31 December 2007 and 2006, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group. No directors waived any emoluments in the year ended 31 December 2007 and 2006.

12. INCOME TAX (CREDIT)/EXPENSE

The tax (credit)/charge comprises: 稅項(抵免)/支出包括：

Current tax – Hong Kong	當期稅項－香港
Deferred tax (Note 31)	遞延稅項(附註31)

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profits for the year ended 31 December 2007. No provision for the Hong Kong Profits Tax has been made for the year ended 31 December 2006 as the group companies which are subject to Hong Kong Profits Tax either incurred tax losses or have tax losses brought forward to set off assessable profits.

11. 董事及僱員酬金(續)

(b) 僱員酬金

本集團五位最高薪酬僱員其中兩位(二零零六年：一位)為本公司之獨立非執行董事，其酬金資料載列於上文(a)。餘下三位(二零零六年：四位)人士之酬金資料載列如下：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
748	1,125
14	52
762	1,177

每位人士之酬金為1,000,000港元以下之酬金級別。

截至二零零七年及二零零六年十二月三十一日止年度，本集團概無支付任何酬金予該五位最高薪酬僱員(包括董事)作為其加入或加入本集團時之報酬。截至二零零七年及二零零六年十二月三十一日止年度，並無董事放棄任何酬金。

12. 所得稅(抵免)/開支

2007	2006
HK\$'000	HK\$'000
千港元	千港元
467	—
(1,801)	692
(1,334)	692

香港利得稅乃根據截至二零零七年十二月三十一日止年度估計應課稅溢利按稅率17.5%計算。由於須繳付香港利得稅之集團公司於截至二零零六年十二月三十一日止年度產生稅務虧損或有承前稅務虧損以抵銷年內之應課稅溢利，故該等集團公司並無為香港利得稅作出撥備。

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

12. INCOME TAX (CREDIT)/EXPENSE (cont'd)

Taxation arising in the PRC or other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

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

		2007	2006		
		HK\$'000	%	HK\$'000	%
		千港元		千港元	
Profit before tax	除稅前溢利	13,859		5,511	
Tax at the Hong Kong Profits tax rate of 17.5%	按香港利得稅稅率 17.5% 計算之稅項	2,425	17.5	965	17.5
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(3,143)	(22.7)	(1,264)	(22.9)
Tax effect of expenses not deductible for tax purposes	稅務上不可扣減支出之稅務影響	388	2.8	977	17.7
Tax effect of tax losses/deferred tax assets not recognised	不予確認稅項虧損/遞延稅項資產之稅務影響	531	3.8	1,850	33.6
Utilisation of tax losses previously not recognised	動用先前未確認之稅務虧損	(1,535)	(11.1)	(1,836)	(33.3)
Income tax (credit)/expense	所得稅(抵免)/支出	(1,334)	(9.7)	692	12.6

Details of deferred taxation are set out in Note 31.

遞延稅項之詳情載於附註 31。

13. DIVIDENDS

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Proposed final dividend of HK\$ Nil (2006: HK\$0.01) per share	擬派末期股息每股零港元 (二零零六年：每股 0.01 港元)	-	7,941

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 December 2007 (2006: HK\$0.01 per share).

董事未建議派發截至二零零七年十二月三十一日止年度之任何股息(二零零六年：每股 0.01 港元)。

The proposed final dividend for the year ended 31 December 2006 of HK\$0.01 per share was approved by the Shareholders in general meeting and paid during the year.

截至二零零六年十二月三十一日止年度之建議末期股息每股 0.01 港元於股東大會上獲股東批准，並於本年度內派付。

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

14. EARNINGS PER SHARE

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

Earnings:

Earnings for the purpose of basic earnings per share 用作計算每股基本盈利之盈利
 Effect of dilutive potential ordinary shares: 攤薄潛在普通股之影響：
 – effective interest expense on convertible bonds – 可換股債券實際利息支出
 – deferred tax relating to effective interest expense on convertible bonds – 與可換股債券利息支出相關之遞延稅項

14. 每股盈利

每股基本及攤薄盈利乃根據以下數據計算：

盈利：

	2007	2006
	HK\$'000	HK\$'000
	千港元	千港元
	15,193	4,819
	2,169	–
	(380)	–
	16,982	4,819

Number of shares

Weighted average number of ordinary shares in issue 已發行普通股份之加權平均股數
 Adjustment for assumed exercise of convertible bonds 假設可換股債券獲行使而就此作出調整

股份數目

	2007	2006
	1,020,609,068	794,057,800
	203,957,382	–
	1,224,566,450	794,057,800

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

15. INVESTMENT PROPERTIES

15. 投資物業

		HK\$'000 千港元
Fair value	公平值	
At 1 January 2006	於二零零六年一月一日	107,720
Disposals	出售	(68,100)
Increase in fair value recognised in income statement	已於收益表確認之公平值增加	5,318
Reclassification to assets classified as held for sale	重新分類列為持作出售之資產	(9,338)
		<hr/>
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日及 二零零七年一月一日	35,600
Disposals	出售	(35,600)
Acquisitions of subsidiaries	收購附屬公司	29,050
Increase in fair value recognised in income statement	已於收益表確認之公平值增加	1,950
		<hr/>
At 31 December 2007	於二零零七年十二月三十一日	31,000

The carrying value of investment properties shown above comprises properties in Hong Kong held under:

以上呈列投資物業之賬面值包括以下於香港之持有物業：

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
– Long lease	長期租約	31,000	–
– Medium-term lease	中期租約	–	35,600
		<hr/>	<hr/>
		31,000	35,600

The fair value of the Group's investment properties as at 31 December 2007 has been arrived at on the basis of a valuation carried out on the date by Norton Appraisals Limited, independent qualified professional surveyors not connected with the Group. Norton Appraisals Limited has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conformed to The Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition) published by the Hong Kong Institute of Surveyors was based on open market value basis.

本集團投資物業於二零零七年十二月三十一日之公平值按一家與本集團概無關連之獨立合資格專業測計師行普敦國際評估有限公司於該日進行之估值為基準而計算。普敦國際評估有限公司對於相關地點之同類型物業估值具有適合資格及近期之估值經驗。該項估值乃遵守香港測量師學會所頒布之物業估值準則(第一版)，並按公開市值基準進行重估。

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

本集團所有根據經營租約持有以賺取租金或作資本增值用途之投資物業，乃以公平值模式計算，並分類及列作投資物業。

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

16. INTANGIBLE ASSET

16. 無形資產

		Patent 專利權 HK\$'000 千港元
Cost	成本	
At 1 January 2006, 31 December 2006 and 1 January 2007	於二零零六年一月一日、 二零零六年十二月三十一日及 二零零七年一月一日	29,670
Disposal	出售	(29,670)
At 31 December 2007	於二零零七年十二月三十一日	—
Amortisation and impairment	攤銷及減值	
At 1 January 2006, 31 December 2006 and 1 January 2007	於二零零六年一月一日、 二零零六年十二月三十一日及 二零零七年一月一日	29,670
Disposal	出售	(29,670)
At 31 December 2007 and 2006	於二零零七年及二零零六年十二月三十一日	—

17. GOODWILL

17. 商譽

		HK\$'000 千港元
Cost	成本	
At 1 January 2006, 31 December 2006 and 1 January 2007	於二零零六年一月一日、二零零六年十二月三十一日 及二零零七年一月一日	—
Additions arising from acquisition of subsidiaries	自收購附屬公司之增加	11,929
At 31 December 2007	於二零零七年十二月三十一日	11,929
Impairment	減值	
At 1 January 2006, 31 December 2006 and 1 January 2007	於二零零六年一月一日、二零零六年十二月三十一日 及二零零七年一月一日	—
Impairment loss recognised for the year	本年度確認之減值虧損	1,470
At 31 December 2007	於二零零七年十二月三十一日	10,459
At 31 December 2006	於二零零六年十二月三十一日	—

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For the year ended 31 December 2007

17. GOODWILL (cont'd)

For the year ended 31 December 2007, the additions of goodwill of approximately HK\$11,929,000 attributed to the acquisition of the entire interest in Minkind Development Limited ("Minkind"), Remson Investment Limited and its subsidiary ("Remson Group") and 內蒙古伊澤礦業投資有限公司 ("Inner-Mongolia Yize").

During the financial year, the Group assessed the recoverable amount of goodwill, and determined that the goodwill associated with the Group's methanol operation was impaired by HK\$1,470,000. The recoverable amount of the methanol operations was assessed by reference to expected recoverable amount from sale proceeds.

Impairment testing on goodwill

For the purpose of impairment testing, goodwill has been allocated to the following cash generated units ("CGUS"). The carrying amount of goodwill (net of accumulated impairment losses) as at 31 December 2007 is allocated as follows:

Investment properties	投資物業
Methanol	甲醇

Investment properties

The recoverable amount of the investment properties operations is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a twenty-five years period, and a discount rate of 16% per annum. Cash flows beyond that twenty-five years period have been extrapolated using a steady 16% per annum growth rate. The management of the Group believes that discount rate used is reasonable and no impairment loss should be charged for the year.

Methanol

The management has assessed recoverable amount of the methanol operations by reference to the expected sale proceeds and determined that the goodwill associated with the Group's methanol operations was impaired by HK\$1,470,000.

綜合財務報表附註

截至二零零七年十二月三十一日止年度

17. 商譽(續)

截至二零零七年十二月三十一日止年度，由於收購名佳發展有限公司(「名佳」)、Remson Investment Limited及其附屬公司(「Remson集團」)及內蒙古伊澤礦業投資有限公司(「內蒙古伊澤」)之全部權益令商譽增加約11,929,000港元。

於本財政年度，本集團評估商譽之可收回金額，釐定與甲醇經營有關之商譽減值1,470,000港元。甲醇經營之可收回金額根據自銷售所得款項之預期可收回金額進行評估。

商譽減值測試

為減值測試，商譽已撥至以下現金產生單位(「現金產生單位」)。於二零零七年十二月三十一日商譽之賬面值(減累積減值虧損)撥至如下：

	HK\$'000
	千港元
	2,939
	7,520
	<hr/>
	10,459
	<hr/> <hr/>

投資物業

可收回金額乃根據使用價值計算，有關計算方式運用根據管理層審批涵蓋二十五年期之財政預算內之現金流預測及貼現率每年16%進行。超過該二十五年期之現金流量乃以每年16%之穩定增長率進行推斷。本集團管理層認為所用貼現率為合理，本年度無減值之虧損。

甲醇

本集團根據預期銷售所得金額評估甲醇經營之可收回金額並釐定與本集團甲醇經營有關之商譽減值1,470,000港元。

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Furniture, fixtures and equipment		Motor vehicles	Construction in progress	Total
		Buildings	equipment			
		樓宇	傢俱、裝置及設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Cost	成本					
At 1 January 2006,	於二零零六年一月一日、					
31 December 2006 and	二零零六年十二月三十一日					
1 January 2007	及二零零七年一月一日	-	-	-	-	-
Additions	增加	-	-	-	341	341
Acquisition of a subsidiary	收購一間附屬公司	1,900	3	175	1,768	3,846
Exchange alignment	匯兌調整	36	-	3	35	74
At 31 December 2007	於二零零七年十二月三十一日	1,936	3	178	2,144	4,261
Accumulated depreciation and impairment	累積折舊及減值					
At 1 January 2006,	於二零零六年一月一日、					
31 December 2006 and	二零零六年十二月三十一日					
1 January 2007	及二零零七年一月一日	-	-	-	-	-
Charge for the year	本年度折舊	5	-	6	-	11
At 31 December 2007	於二零零七年十二月三十一日	5	-	6	-	11
Net book value	賬面值淨額					
At 31 December 2007	於二零零七年十二月三十一日	1,931	3	172	2,144	4,250
At 31 December 2006	於二零零六年十二月三十一日	-	-	-	-	-

The Group's buildings are situated in the PRC and held under long lease.

本集團之樓宇位於中國且擁有長期租約。

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

19. PREPAID LEASE PAYMENTS

All of the Group's prepaid lease payments are prepaid for leasehold land outside Hong Kong.

Analysed for reporting purposes as:

Current asset	流動資產
Non-current asset	非流動資產

The Group's prepaid lease payments comprise:

Long lease	長期租約
Medium-term lease	中期租約

19. 預付租賃款項

本集團所有預付租賃款項於香港境外預付於租賃土地。

按報告分析如下：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
1,253	—
60,397	—
61,650	—

本集團預付租賃款項包括：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
1,423	—
60,227	—
61,650	—

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截至二零零七年十二月三十一日止年度

20. INTERESTS IN ASSOCIATES

20. 聯營公司權益

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Share of net assets of associates	攤佔聯營公司資產淨額	-	-

The Group's associates have been disposed of for the year ended 31 December 2007.

截至二零零七年十二月三十一日止年度本集團之聯營公司已出售。

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

本集團聯營公司之財務資料概述如下：

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額	-	1,395
Loss for the year	本年度虧損	-	(12,678)
Loss attributable to the Group	本集團應佔虧損	-	-
Total assets	總資產	-	15,633
Total liabilities	總負債	-	(75,196)
Net liabilities	淨負債	-	(59,563)
Net assets attributable to the Group	本集團應佔淨資產	-	-

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

21. INTERESTS IN JOINTLY CONTROLLED ENTITIES

21. 共同控制機構權益

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Share of net assets of jointly controlled entities	攤佔共同控制機構資產淨額	-	-

Details of the Group's jointly controlled entities at 31 December 2007 are set out in Note 42.

本集團於二零零七年十二月三十一日之共同控制機構之詳情載於附註42。

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

本集團共同控制機構之財務資料概述如下：

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額	-	-
Loss for the year	本年度虧損	(13)	(20)
Loss attributable to the Group	本集團應佔虧損	-	-
Total assets	總資產	4,242	4,314
Total liabilities	總負債	(160,367)	(160,497)
Net liabilities	淨負債	(156,125)	(156,183)
Net assets attributable to the Group	本集團應佔淨資產	-	-

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

22. 可供待售之金融資產

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Club debentures	會籍債券	-	220

As at 31 December 2007, the directors of the Company reassessed the recoverable amount of the club debentures. In the opinion of the directors of the Company, the full amount of HK\$220,000 was impaired.

於二零零七年十二月三十一日，本公司董事重估該等會籍債券之可收回金額。根據本公司董事建議，該220,000港元已全額減值。

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23. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables of the Group are trade receivables of HK\$ Nil (2006: HK\$271,000). Its aged analysis at the balance sheet date is as follows:

Within 30 days	30天內
31 – 60 days	31至60天
Over 60 days	60天以上

The average credit period on the trade receivable is 30 days. The carrying amounts of the trade receivables are denominated in Hong Kong Dollar. The age of trade receivables which are past due but not impaired as followings:

31 – 60 days	31至60天
Over 60 days	60天以上

The directors of the Company consider that the carrying amounts of HK\$56,000 as at 31 December 2006 was past due but not provided for impairment as there has not been a significant change in credit quality and the amount due are still considered recoverable. The directors of the Company consider that the carrying amounts of the Group's trade and other receivables at 31 December 2007 approximate to their fair value.

綜合財務報表附註

截至二零零七年十二月三十一日止年度

23. 貿易及其他應收款項

本集團之貿易及其他應收款項中貿易應收款項為零港元(二零零六年: 271,000港元)。以下為於結算日之賬齡分析:

	2007	2006
	HK\$'000	HK\$'000
	千港元	千港元
Within 30 days	-	215
31 – 60 days	-	38
Over 60 days	-	18
	<hr/>	<hr/>
	-	271
	<hr/> <hr/>	<hr/> <hr/>

應收貿易款項之信貸期平均為30天。應收貿易款項之賬面值以港元為單位。已到期但未減值之應收貿易款項之賬齡如下:

	2007	2006
	HK\$'000	HK\$'000
	千港元	千港元
31 – 60 days	-	38
Over 60 days	-	18
	<hr/>	<hr/>
	-	56
	<hr/> <hr/>	<hr/> <hr/>

本公司董事認為於二零零六年十二月三十一日賬面值56,000港元已到期但未就此作出撥備減值，此乃由於其對信貸質素並無重大變動，且有關款項仍認為乃可予收回。本公司董事認為於二零零七年十二月三十一日本集團之貿易及其他應收款項之賬面值與其公平值相若。

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24. DEPOSITS AND PREPAYMENTS

Deposits	按金
Prepayments	預付款項

The directors of the Company consider that the carrying amounts of the Group's deposits and prepayments at 31 December 2007 approximate to their fair value.

25. SHORT-TERM LOANS RECEIVABLE

Loans receivable	應收貸款
Less: Allowance for bad and doubtful debts	減：呆壞賬準備

Movement in the allowance for doubtful debts

Balance at beginning of the year	年初結存
Amount recovered during the year	本年度內收回金額
Balance at end of the year	年終結存

The Group maintained a defined credit policy in accordance with respective loan agreements. The age of loans receivable of the Group at the balance sheet date was over due.

26. TIME DEPOSITS, BANK BALANCES AND CASH

The deposits carry interest rate at prevailing bank savings deposits rate and mature with one month. The directors of the Company consider that the carrying amount of the time deposits, bank balances and cash at the balance date approximates to the fair value.

24. 按金及預付款項

2007 HK\$'000 千港元	2006 HK\$'000 千港元
69,970	6
454	275
70,424	281

本公司董事認為於二零零七年十二月三十一日本集團之按金及預付款項之賬面值與其公平值相若。

25. 應收短期貸款

2007 HK\$'000 千港元	2006 HK\$'000 千港元
3,203	3,203
(3,203)	(3,203)
-	-

呆賬準備變動

2007 HK\$'000 千港元	2006 HK\$'000 千港元
3,203	3,530
-	(327)
3,203	3,203

本集團因應個別之貸款協議而採用既定之信貸政策。本集團於結算日之應收貸款賬齡為已到期。

26. 定期存款、銀行結存及現金

存款按當時之銀行存款利率計息，並於一個月內到期。本公司董事認為於結算日定期存款、銀行結存及現金之賬面值與其公平值相若。

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27. ASSETS CLASSIFIED AS HELD FOR SALE

On 27 December 2006 and 8 December 2006, Superkey Development Limited and Boria Enterprises Limited, indirect wholly owned subsidiaries of the Company, entered into two sale and purchase agreements with two independent third parties ("the Purchasers") in relation to the disposal of a car park of location No. 4106, 4/F., Bank of America Tower, 12 Harcourt Road, Hong Kong (the "Car Park") and a property located at 3th Floor, Chung Kiu Godown Building, 63-71 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (the "Property") at considerations of HK\$538,000 and HK\$8,800,000 respectively. The Car Park was satisfied by the Purchasers in cash and the transaction was completed on 19 January 2007. The Property was satisfied in cash and the transaction was completed on 31 May 2007. In accordance with HKFRS 5, the above investment properties have been presented as assets classified as held for sale in the balance sheet for the year ended 31 December 2006.

28. TRADE AND OTHER PAYABLES

Included in trade and other payables of the Group are trade payables of HK\$Nil (2006: HK\$10,000). Its aged analysis at the balance sheet date is as follows:

Within 30 days	30天內
31 – 60 days	31至60天
Over 60 days	60天以上

The directors of the Company consider that the carrying amounts of the Group's trade and other payables at 31 December 2007 approximate to their fair value.

29. AMOUNTS DUE TO FELLOW SUBSIDIARIES

The amounts are unsecured, non-interest bearing and repayable on demand.

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27. 列為持作出售之資產

於二零零六年十二月二十七日及二零零六年十二月八日，本公司之間接全資附屬公司偉祺發展有限公司及博永企業有限公司與兩名獨立第三方（「買方」）訂立買賣協議，分別以代價538,000港元及8,800,000港元出售香港夏愨道12號美國銀行中心4樓4106號停車位（「停車位」）及位於香港新界葵涌梨木道63-71號中僑貨倉大廈3樓之物業（「物業」），出售停車位已由買方於二零零七年一月十九日以現金支付及完成，出售物業則將由買方於二零零七年五月三十一日或之前以現金支付及完成。根據香港財務報告準則第5號，上述投資物業已於截至二零零六年十二月三十一日止年度之資產負債表內列為持作出售之資產。

28. 貿易及其他應付款項

本集團之貿易及其他應付款項中貿易應付款項為零港元（二零零六年：10,000港元）。以下為於結算日之賬齡分析：

	2007	2006
	HK\$'000	HK\$'000
	千港元	千港元
	-	4
	-	-
	-	6
	-	10

本公司董事認為，本集團於二零零七年十二月三十一日之貿易及其他應付款項之賬面值與其公平值相若。

29. 應付同系附屬公司款項

有關金額為無抵押、免息及按通知償還。

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30. CONVERTIBLE BONDS

The Company issued 180 million Hong Kong dollar denominated zero coupon convertible bonds (the "Convertible Bonds") to Asian Kingdom Limited and Fame Ascent Investments Limited (the "Bondholders") at an issue price of HK\$0.162 on 25 October 2007.

Each bond entitles the Bondholders to convert to one ordinary share at a conversion price of HK\$0.162. Conversion may occur at any time between 25 October 2007 and 24 October 2010. Bondholders may redeem the Convertible Bonds starting from 25 October 2009. If the bonds have not been converted, they will be redeemed on 25 October 2010 at HK\$180,000,000.

The Convertible Bonds contain two components, liabilities and equity elements. The liability component, included in long-term borrowings, was calculated using a market interest rate for an equivalent non-convertible bond. The remaining balance represented the equity conversion component, is included in shareholders' equity named as convertible bonds equity reserves.

30. 可換股債券

於二零零七年十月二十五日本公司以發行價0.162港元發行了180,000,000港元零息可換股債券(「可換股債券」)予Asian Kingdom Limited及名昇投資有限公司(「債券持有人」)。

債券持有人可用每股債券以0.162港元的兌換價兌換一股普通股。於二零零七年十月二十五日與二零一零年十月二十四日期間任何時間可進行兌換。可換股債券可由二零零九年十月二十五日開始贖回。倘債券未被兌換，則該等債券將於二零一零年十月二十五日以180,000,000港元贖回。

可換股債券包括兩部分，負債及權益部分。負債部分(包括長期借貸)乃按等值不可換股債券之市場利率計算。剩餘結存(即權益轉換部分)計入可換股債券股本權益儲備之股東權益內。

		HK\$'000 千港元
Proceeds of issue	發行所得款項	177,806
Equity component	股本權益部分	(36,297)
Liability component at date of issue	發行日負債部分	141,509
Effective interest charged for the year	本年度實際利息	2,169
Liability component at 31 December 2007	於二零零七年十二月三十一日負債部分	143,678

The effective interest rate on the liability component of the Convertible Bonds is approximately 8.35%.

可換股債券負債部分之實際利率約為8.35%。

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31. DEFERRED TAX LIABILITIES/(ASSETS)

The following are the major deferred tax liabilities/(assets) provided/(recognised) by the Group and movements thereon during the current and prior reporting periods:

31. 遞延稅項負債／(資產)

以下為本集團於當期及過往報告期間撥備／(確認)之主要遞延稅項負債／(資產)及其變動：

		Convertible bonds	Revaluation of investment properties	Accelerated tax depreciation	Fair value adjustment on acquisition of a subsidiary	Tax losses	Total
		可換股 債券	投資物業 重估	加速稅項 折舊	收購一間 附屬公司 公平值調整	稅項 虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2006	於二零零六年一月一日	-	(1,199)	3,370	-	(1,140)	1,031
Charge to income statement for the year	自收益表扣除(本年度)	-	945	130	-	(937)	138
Realised on disposal of investment properties	出售投資物業時變現	-	1,514	(960)	-	-	554
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日及 二零零七年一月一日	-	1,260	2,540	-	(2,077)	1,723
Charge to equity for the year	自股本權益扣除(本年度)	6,430	-	-	-	-	6,430
Acquisition of a subsidiary	收購附屬公司	-	2,949	-	10,450	(62)	13,337
Realised on disposal of investment properties	出售投資物業時變現	-	(1,260)	(2,540)	-	2,077	(1,723)
Charge to income statement for the year	自收益表扣除(本年度)	(380)	341	-	-	(39)	(78)
At 31 December 2007	於二零零七年十二月三十一日	6,050	3,290	-	10,450	(101)	19,689

At 31 December 2007, the Group has unused tax losses of HK\$714,004,000 (2006: HK\$709,818,000) available for offset against future profits. A deferred tax asset of approximately HK\$101,000 (2006: HK\$2,077,000) has been recognised in respect of HK\$577,000 (2006: HK\$11,869,000) tax losses. No deferred tax assets have been recognised in respect of the remaining tax losses of HK\$713,427,000 (2006: HK\$697,949,000) due to the unpredictability of future profit streams. All unused tax losses may be carried forward indefinitely.

於二零零七年十二月三十一日，本集團可用作對銷未來溢利但尚未動用之稅項虧損為714,004,000港元(二零零六年：709,818,000港元)。本公司已將577,000港元(二零零六年：11,869,000港元)之稅項虧損確認為遞延稅項資產，該遞延稅項資產約為101,000港元(二零零六年：2,077,000港元)。由於未能預測日後溢利來源，故本公司並無將餘下之713,427,000港元(二零零六年：697,949,000港元)之稅項虧損確認為遞延稅項資產。所有未動用之稅項虧損可無限結轉。

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32. SHARE CAPITAL

32. 股本

		Number	Amount
		ordinary shares	Amount
		普通股數目	款項
			HK\$'000
			千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定股本：		
At 31 December 2007 and 2006	於二零零七年及二零零六年 十二月三十一日	80,000,000,000	800,000
Issued and fully paid:	已發行及繳足股本：		
At 1 January 2006, 31 December 2006 and 1 January 2007	於二零零六年一月一日、 二零零六年十二月三十一日 及二零零七年一月一日	794,057,800	7,940
Issue of shares (note)	發行股份(附註)	1,234,197,208	12,342
At 31 December 2007	於二零零七年十二月三十一日	2,028,255,008	20,282

Note:

Pursuant to a subscription shares agreement dated 1 August 2007, the Company issued 1,234,197,208 ordinary shares at price of HK\$0.162 per share on 25 October 2007. The proceeds were mainly used to finance the methanol project in the PRC. The new shares issued for the year rank pari passu with the then existing shares in all respect.

附註：

根據日期為二零零七年八月一日之認購股份協議，本公司於二零零七年十月二十五日按每股0.162港元之價格發行1,234,197,208股普通股。所得款項主要用於為中國之甲醇項目提供資金。本年度發行之所有新股在各方面均與當時之現有股份享有同等權益。

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33. SHARE OPTION SCHEME

The Company had adopted a share option scheme since 15 February 2002 (the "2002 Scheme") for the primary purpose of providing incentives to directors and eligible employees. Details are as set out below:

Pursuant to the terms of the 2002 Scheme which will expire on 14 February 2012, the Company may grant options to the directors and full time employees of the Company or its subsidiaries to subscribe for shares in the Company at a consideration of HK\$10 per grant. The subscription price for the shares under the 2002 Scheme shall be a price determined by the directors of the Company being at least the higher of the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, or the average closing price of the shares stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant. Options granted are exercisable at any time during a period to be notified by the board of directors of the Company but limited to a maximum period of ten years after the date the options are granted. Options granted should be accepted within 21 days from date of offer.

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme and the other schemes shall not exceed 10% of the shares in issue at the date on which the 2002 Scheme becomes unconditional (the "Mandate Limit"). Options lapsed will not be counted for the purpose of calculating the Mandate Limit. For the avoidance of doubt, the share underlying the options which have been cancelled and have not lapsed will be counted as part of the Mandate Limit.

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截至二零零七年十二月三十一日止年度

33. 認購股權計劃

本公司於二零零二年二月十五日採納一項認購股權計劃(「二零零二年計劃」)，主要目的是獎勵董事及合資格僱員，詳情載列如下：

根據將於二零一二年二月十四日屆滿之二零零二年計劃，本公司可按10港元之代價向本公司或其附屬公司之董事及全職僱員授出可認購本公司股份之認購股權。二零零二年計劃之股份認購價由本公司董事決定，惟最低為股份於授出日期在聯交所每日報價表所示之收市價或股份於緊接授出日期前五個交易日在聯交所每日報價表所示之收市價平均值(以較高者為準)。已授出之認購股權於本公司董事會知會之期間內可隨時行使，惟該期間最多以認購股權授出日期起計十年為限。所授出之認購股權於提呈日期起計21天內可供接納。

因行使按二零零二年計劃及其他計劃將予獲授之所有認購股權而可予發行之股數上限，不得超過於二零零二年計劃成為無條件當日已發行股份之10%(「授權限額」)。於計算授權限額時，已作廢之認購股權不會計入。為免混淆，已註銷但未有作廢之認購股權涉及之股份，將計入作為授權限額之一部份。

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33. SHARE OPTION SCHEME (cont'd)

The Mandate Limit may be refreshed at any time by the approval of the Shareholders in general meeting provided that the total number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme and the other share option schemes must not exceed 10% of the shares in issue at the date of such Shareholders' approval. For the avoidance of doubt, options previously granted under the 2002 Scheme and the other share option schemes (including those outstanding, cancelled, lapsed in accordance with the 2002 Scheme and the other share option schemes of the Company or exercised options) will not be counted for the purpose of calculating the refreshed 10%.

The Company may, by the approval of the Shareholders in general meeting, grant options beyond the 10% limit provided that the options in excess of the 10% limit are granted only to employees specifically identified by the Company before Shareholders' approval is sought.

Unless approved by the Shareholders as set out herein, the total number of shares issued and to be issued upon exercise of the options granted to each employee (including both exercised and outstanding options) in any twelve-month period must not exceed 1% of the shares of the Company in issue. Where any further grant of options to an employee would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the twelve month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such employee and his associates abstaining from voting.

However, the overall limit on the number of shares which may be issued upon exercise of all options granted under all share option schemes of the Company must not exceed 30% of the shares in issue from time to time.

No options were outstanding at 31 December 2007 and 2006 under the 2002 Scheme. No options were granted, exercised, cancelled or lapsed during the two years.

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截至二零零七年十二月三十一日止年度

33. 認購股權計劃(續)

授權限額經股東在股東大會上批准後可隨時更新，惟因行使按二零零二年計劃及其他認購股權計劃授出之所有認購股權可予發行之股份總數，不得超過取得上述股東批准當日之已發行股份之10%。為免混淆，過往按二零零二年計劃及其他認購股權計劃授出之認購股權(包括未行使、已註銷、按二零零二年計劃及本公司其他購股權計劃作廢之認購股權或已行使之認購股權)，於計算更新之10%時不會計入。

本公司可在股東於股東大會批准之情況下，授出超過10%限額之認購股權，惟超過10%限額之認購股權只可授予本公司於尋求股東批准前列明之僱員。

除非按本文所述獲得股東批准，否則，因行使於任何十二個月期間內向各僱員授出之認購股權(包括已行使及未行使認購股權)而已獲及將獲發行之股份總數，不得超過本公司已發行股份之1%。如向任何僱員進一步授出認購股權會導致因其行使於截至進一步授出認購股權之日期(該日期包括在內)止之任何十二個月期間內經已及將會獲授之所有認購股權(包括已行使、已註銷及未行使之認購股權)而已獲及將獲發行之股份，合共超過已發行股份之1%，則進一步授出認購股權之事宜須在股東大會上獲股東另行批准，而有關僱員及其聯繫人士均不得投票。

然而，因行使本公司所有認購股權計劃授出之全部認購股權而可予發行之股份之整體限制，不得超過不時之已發行股份之30%。

於二零零七年及二零零六年十二月三十一日，概無二零零二年計劃之認購股權尚未行使。該兩個年度內，概無認購股權授出、行使、註銷或失效。

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34. ACQUISITION OF SUBSIDIARIES

34. 收購附屬公司

			Proportion of of equity		
		Date of acquisition	interest acquired	Cost of acquisition	Principal activity
		收購日期	獲得股權比率	收購成本 HK\$'000 千港元	主要業務
Minkind Development Limited	名佳發展有限公司	31 July 2007 二零零七年七月三十一日	100%	6,963	Property investment 物業投資
Remson Investment Limited and its subsidiary	Remson Investment Limited 及其附屬公司	31 July 2007 二零零七年七月三十一日	100%	(6,921)	Property investment 物業投資
內蒙古伊澤礦業投資有限公司	內蒙古伊澤礦業投資 有限公司	14 November 2007 二零零七年十一月十四日	100%	64,729	Manufacturing and sale of methanol products 生產及銷售 甲醇產品

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34. ACQUISITION OF SUBSIDIARIES (cont'd)

(a) Acquisition of Minkind Development Limited

The fair value of the identifiable assets and liabilities of Minkind Development Limited ("Minkind") as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

		Carrying amounts		Fair value
		before the acquisition	Fair value adjustments	
		收購前賬面值	公平值調整	公平值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Investment properties	投資物業	7,800	–	7,800
Trade and other receivables	貿易及其他應收款項	3	–	3
Tax prepaid	預付稅款	2	–	2
Cash and cash equivalents	現金及現金等值項目	98	–	98
Trade and other payables	貿易及其他應付款項	(54)	–	(54)
Loan from an intermediate holding company acquired	自仲介控股公司所得貸款	(914)	–	(914)
Deferred tax liabilities	遞延稅項負債	(1,255)	–	(1,255)
Net assets acquired	所得淨資產	5,680	–	5,680
Goodwill	商譽			1,283
Total consideration	總代價			6,963
Consideration satisfied by cash	以現金支付之代價			7,849
Acquisition of loan from an intermediate holding company	收購自仲介控股公司之貸款			(914)
Expenses incurred for the acquisition	收購產生費用			28
				6,963
Net cash outflow in respect of the acquisition of Minkind	收購名佳現金流量淨額			
Cash consideration paid	已付現金代價			(7,849)
Cash and bank acquired	所得現金及銀行			98
Expenses paid for the acquisition	已付收購費用			(28)
				(7,779)

For the year ended 31 December 2007, Minkind contributed approximately HK\$1,072,000 to the Group's profit for the year.

34. 收購附屬公司(續)

(a) 收購名佳發展有限公司

名佳發展有限公司(「名佳」)之可識別資產及負債於收購日之公平值及於緊接收購前之相關賬面值如下：

	Carrying amounts		Fair value
	before the acquisition	Fair value adjustments	
	收購前賬面值	公平值調整	公平值
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
Investment properties	7,800	–	7,800
Trade and other receivables	3	–	3
Tax prepaid	2	–	2
Cash and cash equivalents	98	–	98
Trade and other payables	(54)	–	(54)
Loan from an intermediate holding company acquired	(914)	–	(914)
Deferred tax liabilities	(1,255)	–	(1,255)
Net assets acquired	5,680	–	5,680
Goodwill			1,283
Total consideration			6,963
Consideration satisfied by cash			7,849
Acquisition of loan from an intermediate holding company			(914)
Expenses incurred for the acquisition			28
			6,963
Net cash outflow in respect of the acquisition of Minkind			
Cash consideration paid			(7,849)
Cash and bank acquired			98
Expenses paid for the acquisition			(28)
			(7,779)

截至二零零七年十二月三十一日止年度，名佳為本集團帶來年度溢利約1,072,000港元。

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34. ACQUISITION OF SUBSIDIARIES (cont'd)

(b) Acquisition of Remson Investment Limited and its subsidiary

The fair value of the identifiable assets and liabilities of Remson Investment Limited and its subsidiary (the "Remson Group") as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

		Carrying amounts		
		before the	Fair value	
		acquisition	adjustments	Fair value
		收購前賬面值	公平值調整	公平值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Investment properties	投資物業	21,250	-	21,250
Trade and other receivables	貿易及其他應收款項	23	-	23
Cash and cash equivalents	現金及現金等值項目	343	-	343
Trade and other payables	貿易及其他應付款項	(185)	-	(185)
Loan from an intermediate holding company	自仲介控股公司所得貸款	(28,376)	-	(28,376)
Deferred tax liabilities	遞延稅項負債	(1,632)	-	(1,632)
Net liabilities acquired	所得淨負債	(8,577)	-	(8,577)
Goodwill	商譽			1,656
Total consideration	總代價			(6,921)
Consideration satisfied by cash	以現金支付之代價			21,431
Acquisition of loan from an intermediate holding company	收購自仲介控股公司之貸款			(28,376)
Expenses incurred for the acquisition	收購產生費用			24
				(6,921)
Net cash outflow in respect of the acquisition of Remson Group	收購 Remson 集團現金流量淨額			(21,431)
Cash consideration paid	已付現金代價			343
Cash and bank acquired	所得現金及銀行			(24)
Expenses paid for the acquisition	已付收購費用			(21,112)

For the year ended 31 December 2007, the Remson Group contributed approximately HK\$406,000 to the Group's profit for the year.

34. 收購附屬公司(續)

(b) 收購 Remson Investment Limited 及其附屬公司

Remson Investment Limited 及其附屬公司 (「Remson 集團」) 之可識別資產及負債於收購日之公平值及於緊接收購前之相關賬面值如下：

		Carrying amounts		
		before the	Fair value	
		acquisition	adjustments	Fair value
		收購前賬面值	公平值調整	公平值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Investment properties	投資物業	21,250	-	21,250
Trade and other receivables	貿易及其他應收款項	23	-	23
Cash and cash equivalents	現金及現金等值項目	343	-	343
Trade and other payables	貿易及其他應付款項	(185)	-	(185)
Loan from an intermediate holding company	自仲介控股公司所得貸款	(28,376)	-	(28,376)
Deferred tax liabilities	遞延稅項負債	(1,632)	-	(1,632)
Net liabilities acquired	所得淨負債	(8,577)	-	(8,577)
Goodwill	商譽			1,656
Total consideration	總代價			(6,921)
Consideration satisfied by cash	以現金支付之代價			21,431
Acquisition of loan from an intermediate holding company	收購自仲介控股公司之貸款			(28,376)
Expenses incurred for the acquisition	收購產生費用			24
				(6,921)
Net cash outflow in respect of the acquisition of Remson Group	收購 Remson 集團現金流量淨額			(21,431)
Cash consideration paid	已付現金代價			343
Cash and bank acquired	所得現金及銀行			(24)
Expenses paid for the acquisition	已付收購費用			(21,112)

截至二零零七年十二月三十一日止年度，Remson 集團為本集團帶來年度溢利約 406,000 港元。

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34. ACQUISITION OF SUBSIDIARIES (cont'd)

(c) Acquisition of 內蒙古伊澤礦業投資有限公司

The fair value of the identifiable assets and liabilities of 內蒙古伊澤礦業投資有限公司 (the "Inner-Mongolia Yize") as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

		Carrying amounts		
		before the acquisition	Fair value adjustments	Fair value
		收購前賬面值	公平值調整	公平值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Property, plant and equipment	物業、廠房及設備	3,322	524	3,846
Prepaid lease payments	預付租賃款項	19,326	41,274	60,600
Deposits and prepayments	存款及其他預付款	5,240	–	5,240
Other payables	其他應付款項	(3,497)	–	(3,497)
Deferred tax liabilities	遞延稅項負債	–	(10,450)	(10,450)
Net assets acquired	所得淨資產	24,391	31,348	55,739
Goodwill	商譽			8,990
Total consideration	總代價			64,729
Consideration satisfied by cash	以現金支付之代價			62,406
Expenses incurred for the acquisition	收購產生費用			2,323
				64,729
Net cash outflow in respect of the acquisition of Inner-Mongolia Yize	收購內蒙古伊澤 現金流量淨額			
Cash consideration paid	已付現金代價			(62,406)
Expenses paid for the acquisition	已付收購費用			(2,323)
				(64,729)

For the year ended 31 December 2007, the Inner-Mongolia Yize generated loss of approximately HK\$171,000 deducting from the Group's profit for the year.

34. 收購附屬公司(續)

(c) 收購內蒙古伊澤礦業投資有限公司

內蒙古伊澤礦業投資有限公司(「內蒙古伊澤」)之可識別資產及負債於收購日之公平值及於緊接收購前之相關賬面值如下：

	Carrying amounts		
	before the acquisition	Fair value adjustments	Fair value
	收購前賬面值	公平值調整	公平值
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
Property, plant and equipment	3,322	524	3,846
Prepaid lease payments	19,326	41,274	60,600
Deposits and prepayments	5,240	–	5,240
Other payables	(3,497)	–	(3,497)
Deferred tax liabilities	–	(10,450)	(10,450)
Net assets acquired	24,391	31,348	55,739
Goodwill			8,990
Total consideration			64,729
Consideration satisfied by cash			62,406
Expenses incurred for the acquisition			2,323
			64,729
Net cash outflow in respect of the acquisition of Inner-Mongolia Yize			
Cash consideration paid			(62,406)
Expenses paid for the acquisition			(2,323)
			(64,729)

截至二零零七年十二月三十一日止年度，扣除為本集團帶來之年度溢利內蒙古伊澤產生虧損約171,000港元。

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截至二零零七年十二月三十一日止年度

34. ACQUISITION OF SUBSIDIARIES (cont'd)

Goodwill arose in the acquisitions because the cost of the acquisitions included control premium paid for the acquisitions. In addition, the consideration paid for the acquisitions effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

If the above acquisitions had been completed on 1 January 2007, total restated group turnover for the year 2007 would have been HK\$3,575,000 and restated profit for the year 2007 would have been HK\$16,936,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 January 2007, nor is it intended to be a projection of future results.

35. DISPOSAL OF A SUBSIDIARY

For the year ended 31 December 2007, the Group entered into a sale and purchase agreement to dispose of its subsidiary to independent third party for a total consideration of HK\$7,800. Summary of the effect of the disposal of a subsidiary is as follows:

34. 收購附屬公司(續)

由於收購成本包括因收購而支付之控制溢價，因此收購產生商譽。此外，所支付之收購代價實際包括有關預期協同效益、收益增長、未來市場發展及配套員工。由於該等實益產生之未來經濟利益不能計算，因此，該等實益並不會與商譽分開確定。

倘若上述收購已於二零零七年一月一日完成，則於二零零七年度重列集團營業額總額將為3,575,000港元，而且於二零零七年度重列溢利將為16,936,000港元。備考資料僅供說明之用，並不一定可作為本集團實際取得收入及業績之指標，猶如收購已於二零零七年一月一日完成，亦不擬作為日後業績的預測基礎。

35. 出售一間附屬公司

截至二零零七年十二月三十一日止年度，本集團簽訂了一項出售與購買協議，以代價7,800港元向獨立第三方出售其附屬公司。出售一間附屬公司影響概要如下：

		2007
		HK\$'000
		千港元
Net assets disposed of:	出售淨資產：	
Investment in associates	於聯營公司之投資	-
Amount due to a fellow subsidiary	應付同系一間附屬公司款項	(25)
		(25)
Gain on disposal	出售收益	33
Total consideration	總代價	8
Satisfied by:	支付：	
Cash	現金	8
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	8

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截至二零零七年十二月三十一日止年度

36. OPERATING LEASE ARRANGEMENTS

The Group as lessee

Minimum lease payments paid
under operating leases

按經營租約支付之
最低租金

2007	2006
HK\$'000	HK\$'000
千港元	千港元

-	56
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At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於結算日，本集團按不可撤銷經營租約之日後最低租金承擔之到期日如下：

Within one year

一年內

2007	2006
HK\$'000	HK\$'000
千港元	千港元

-	59
---	----

Operating lease payments represent rentals payable by the Group for its office premises. Leases and rentals are negotiated for a fixed term of two years.

經營租約款項指本集團就辦公室物業應付之租金。租期及租金之有效期固定為兩年。

The Group as lessor

Property rental income earned for the year was HK\$2,782,000 (2006: HK\$3,227,000) with a rental yields of approximately 8.98% (2006: 7.18%). Certain properties have committed tenants for the next two years.

本年度賺取之物業租金收入為2,782,000港元（二零零六年：3,227,000港元），其租金收益率約為8.98%（二零零六年：7.18%）。若干物業在未來兩年擁有已訂約之租戶。

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

於結算日，本集團與租戶已訂有租約之日後最低租金如下：

Within one year

一年內

2007	2006
HK\$'000	HK\$'000
千港元	千港元

-	2,334
---	-------

In the second to fifth year inclusive

第二至第五年（包括首尾兩年在內）

-	632
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-	2,966
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綜合財務報表附註

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37. CAPITAL COMMITMENTS

Authorised and contracted for:

Development cost of methanol plant	甲醇廠房開發成本
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38. RETIREMENT BENEFIT SCHEMES

The Group operates defined contribution schemes for all eligible employees. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The retirement benefit cost charged to the consolidated income statement represents contributions payable to those schemes by the Group for the year.

The total cost charged to consolidated income statement of HK\$16,000 (2006: HK\$52,000) after forfeited contribution for HK\$12,000 (2006: HK\$9,000) represents contributions payable to these schemes by the Group for the year.

39. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions

For the year ended 31 December 2007:

- (i) The Group paid rent of HK\$60,000 (2006: HK\$42,000) to a fellow subsidiary of the Group, for the lease of office premises to the Group. The amount paid was based on terms agreed by both parties.
- (ii) The Group acquired two subsidiaries and loans due from its indirect wholly owned subsidiaries of the Group's controlling shareholder at a total consideration of HK\$29,280,000. The consideration for the acquisition was fully settled in cash on 31 July 2007.

37. 資本承擔

授權及已訂立合約：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
44,856	—

38. 退休福利計劃

本集團為所有合資格僱員設一定額供款計劃。該等計劃之資產由受託人控制之基金持有，並獨立於本集團之資產。退休福利費用自綜合收益表扣除，有關款額相當於本集團年內向該等計劃應付之供款。

沒收供款 16,000 港元 (二零零六年：52,000 港元) 後於綜合收益表扣除之費用總額為 12,000 港元 (二零零六年：9,000 港元) 乃本集團於年內向該等計劃作出之供款。

39. 有關連人士交易及結餘

(a) 交易

截至二零零七年十二月三十一日止年度：

- (i) 本集團向本集團之同系附屬公司就租賃辦公室予本集團支付租金 60,000 港元 (二零零六年：42,000 港元)。已付之款額乃按雙方協定之合約條款計算。
- (ii) 本集團以總代價 29,280,000 港元獲得了兩家附屬公司及向其間接全資附屬公司之控制股東應收貸款。於二零零七年七月三十一日收購代價全額以現金結算完畢。

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截至二零零七年十二月三十一日止年度

39. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

(a) Transactions (cont'd)

(iii) Compensation of key management personnel

Compensation for key management personnel, including amount paid to the Company's directors and the senior executives is as follows:-

Salaries and other short-term benefits	薪金及其他短期福利
Pension scheme contributions	退休計劃供款

Further details of directors' emoluments are included in Note 11 to the consolidated financial statements.

(b) Balance

Details of balances with related parties at the balance sheet date are set out in Note 29.

39. 有關連人士交易及結餘(續)

(a) 交易(續)

(iii) 主要管理人員之薪酬

主要管理人員之薪酬，包括已付本公司董事及高級行政人員之款項呈列如下：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
351	463
2	22
353	485

董事酬金之其他詳情載於綜合財務報表附註11。

(b) 結餘

於結算日之關連人士交易結餘詳情載於附註29。

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40. BALANCE SHEET OF THE COMPANY

The Company's balance sheet at the balance sheet dates are as follows:

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Non-current Assets	非流動資產		
Interests in subsidiaries	附屬公司權益	155,366	59,057
Club debenture	會籍債券	-	100
		155,366	59,157
Current Assets	流動資產		
Prepayment and other receivables	預付款項及其他應收款項	868	309
Bank balances and cash	銀行結存及現金	329,576	86,995
		330,444	87,304
Current Liabilities	流動負債		
Accruals and other payables	應付未付款項及其他應收款項	526	467
Amount due to a fellow subsidiary	應付同系一間附屬公司款項	2,118	122
		2,644	589
Net current assets	流動資產淨額	327,800	86,715
Total assets less current liabilities	總資產減流動負債	483,166	145,872
Non-current Liability	非流動負債		
Amounts due to subsidiaries	應付附屬公司款項	-	36,150
Deferred tax liabilities	遞延稅項負債	6,050	-
Convertible bonds	可換股債券	143,678	-
		149,728	36,150
Total assets and liabilities	資產與負債總額	333,438	109,722
Capital and Reserves	股本及儲備		
Share capital	股本	20,282	7,940
Share premium and reserves	股份溢價及儲備	313,156	101,782
		333,438	109,722

本公司於結算日之資產負債表如下：

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Non-current Assets	非流動資產		
Interests in subsidiaries	附屬公司權益	155,366	59,057
Club debenture	會籍債券	-	100
		155,366	59,157
Current Assets	流動資產		
Prepayment and other receivables	預付款項及其他應收款項	868	309
Bank balances and cash	銀行結存及現金	329,576	86,995
		330,444	87,304
Current Liabilities	流動負債		
Accruals and other payables	應付未付款項及其他應收款項	526	467
Amount due to a fellow subsidiary	應付同系一間附屬公司款項	2,118	122
		2,644	589
Net current assets	流動資產淨額	327,800	86,715
Total assets less current liabilities	總資產減流動負債	483,166	145,872
Non-current Liability	非流動負債		
Amounts due to subsidiaries	應付附屬公司款項	-	36,150
Deferred tax liabilities	遞延稅項負債	6,050	-
Convertible bonds	可換股債券	143,678	-
		149,728	36,150
Total assets and liabilities	資產與負債總額	333,438	109,722
Capital and Reserves	股本及儲備		
Share capital	股本	20,282	7,940
Share premium and reserves	股份溢價及儲備	313,156	101,782
		333,438	109,722

(a)

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截至二零零七年十二月三十一日止年度

40. BALANCE SHEET OF THE COMPANY (cont'd)

40. 本公司資產負債表(續)

Note:

附註：

(a) Share premium and reserves**(a) 股份溢價及儲備**

		Share premium	Convertible bonds equity reserve	Retained profits	Total
		股份溢價	可換股債券 股本權益儲備	保留溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
The Company	本公司				
At 1 January 2006	於二零零六年一月一日	24,764	–	82,899	107,663
Dividend	股息	–	–	(7,941)	(7,941)
Profit for the year	本年度溢利	–	–	2,060	2,060
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日及 二零零七年一月一日	24,764	–	77,018	101,782
Shares issued	已發行股行	185,404	–	–	185,404
Issue of convertible bonds	發行可換股債券	–	36,297	–	36,297
Deferred tax	遞延稅項	–	(6,430)	–	(6,430)
Dividend	股息	–	–	(7,941)	(7,941)
Profit for the year	本年度溢利	–	–	4,044	4,044
At 31 December 2007	於二零零七年十二月三十一日	210,168	29,867	73,121	313,156

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For the year ended 31 December 2007

綜合財務報表附註

截至二零零七年十二月三十一日止年度

41. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2007 are as follows:

41. 主要附屬公司

本公司主要附屬公司於二零零七年十二月三十一日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporated 註冊成立地點	Fully paid share capital/ registered capital 已繳足股本/ 註冊股本	Attributable proportion of nominal value of issued share capital held by the Company 本公司所持已發行股本面值應佔比率		Principal activity 主要業務
			Directly 直接	Indirectly 間接	
Boria Enterprises Limited 博永企業有限公司	Hong Kong 香港	HK\$20 20 港元	—	100%	Property investment 物業投資
Gold Concept Limited 金朗有限公司	Hong Kong 香港	HK\$2 2 港元	—	100%	Property investment 物業投資
Great King Limited 東帝有限公司	Hong Kong 香港	HK\$2 2 港元	—	100%	Property investment 物業投資
Legend Power Ltd. (note) (附註)	British Virgin Islands 英屬維爾京群島	US\$2,000 2,000 美元	—	100%	Investment holding 投資控股
Superkey Development Limited 偉祺發展有限公司	Hong Kong 香港	HK\$2 2 港元	—	100%	Property investment 物業投資

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綜合財務報表附註

截至二零零七年十二月三十一日止年度

41. PRINCIPAL SUBSIDIARIES (cont'd)

41. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporated 註冊成立地點	Fully paid share capital/ registered capital 已繳足股本/ 註冊股本	Attributable proportion of nominal value of issued share capital held by the Company		Principal activity 主要業務
			本公司所持已發行股本面值應佔比率		
			Directly 直接	Indirectly 間接	
Minkind Development Limited 名佳發展投資有限公司	Hong Kong 香港	HK\$2 2 港元	—	100%	Property investment 物業投資
Grow Wealth Company Limited	Liberia 利比里亞	US\$1 1 美元	—	100%	Property investment 物業投資
內蒙古伊澤礦業投資有限公司	The PRC 中國	RMB90,746,633 人民幣 90,746,633 元	—	100%	Development, manufacturing and sales of methanol products 甲醇產品之開發、生產及銷售

Note: Pursuant to the debt restructuring in July 2003, Koga Limited (a creditor of the Group previously) was granted a call option to acquire 50% interest in Legend Power Ltd., within the next 5 years from the date of the completion (January, 2004) of the transfer of the equity interest in Legend Power Ltd. from Koga Limited to the Group under the debt restructuring, at a consideration of the higher of HK\$150,000 and 50% of the consolidated net tangible assets of Legend Power Ltd. when the call option is exercised. Such option has not been exercised during the year.

附註：根據於二零零三年七月進行之債務重組，Koga Limited (本集團之前債權人) 獲授認購期權，於 Koga Limited 根據債務重組完成向本集團完成轉讓 Legend Power Ltd. 股權 (二零零四年一月) 起計五年內，可於行使認購期權時以 150,000 港元或 Legend Power Ltd. 之綜合有形資產淨值 50% (以較高者為準) 之代價，購入 Legend Power Ltd. 之 50% 權益。該認購期權於本年度內並未行使。

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截至二零零七年十二月三十一日止年度

41. PRINCIPAL SUBSIDIARIES (cont'd)

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

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

42. JOINTLY CONTROLLED ENTITIES

Details of the Group's jointly controlled entities which are held indirectly by the Company at 31 December 2007 are as follows:

Name of jointly controlled entity 共同控制機構名稱	Form of business and structure 業務組建形式	Place of incorporation 註冊成立地點	Proportion of nominal value of issued share capital held	Principal activities 主要業務
			所持已發行股本面值比率	
Golden Royce Investment Limited 金萊斯投資有限公司	Incorporated 註冊成立	Hong Kong 香港	40%	Property investments 物業投資
Top Grade Assets Limited	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	50%	Property investments 物業投資
Upgrade Properties Limited	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	50%	Property investments 物業投資

41. 主要附屬公司(續)

上表所列為董事認為主要影響本集團業績或資產之本公司附屬公司。董事認為，詳列其他附屬公司之資料將令篇幅冗長。

目前概無附屬公司於年終時或本年度內任何時間擁有任何未償還債務證券。

42. 共同控制機構

本公司間接持有之本集團共同控制機構於二零零七年十二月三十一日之詳情如下：

Notes to the Consolidated Financial Statements

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43. POST BALANCE SHEET EVENT

On 1 February 2008, the Group had entered into (i) a conditional agreement for the disposal of its entire interest in certain of its indirectly wholly owned subsidiaries, which constitutes a major and connected transaction of the Company; and (ii) a conditional agreement for the termination of a possible joint venture cooperation which is related to the formation of PRC joint venture companies as disclosed in the announcement of the Company on 21 January 2008. Besides, the Group had been informed that an agreement for sales and purchase of the shares and convertible securities of the Company was signed and as result, the purchaser of such securities is required to make mandatory unconditional cash offers (other than those already owned by or agreed to be acquired by it or parties acting in concert with it) under the Hong Kong Code on Takeovers and Mergers. Since more time is required for the negotiation between the Company and the counterparty in relation to certain amendments to the terms of the signed agreements for the purpose of compliance with the Listing Rules and for the finalisation of the content of the further announcement related to change of business plan. At the date of this annual report, the matters are still in progress. Details are set out on the announcement dated 1 February 2008 and 7 March 2008.

44. COMPARATIVE FIGURES

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

45. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 7 March 2008.

綜合財務報表附註

截至二零零七年十二月三十一日止年度

43. 結算日後事項

於二零零八年二月一日，本集團訂立(i)出售本集團若干間接全資附屬公司之全部權益之有條件協議，有關交易構成本公司一項主要及關連交易；及(ii)有關終止可能進行之合營公司合作之有條件協議(如本公司於二零零八年一月二十一日之公佈所披露)。此外，本集團獲知會已簽訂買賣本公司之股份及可換股證券之協議，因此，該等證券之買方須根據香港公司收購及合併守則提出強制性無條件現金收購建議(不包括該名買方或與其一致行動人士已擁有或同意收購之本公司之銷售及可換股證券)。由於本公司及交易方需要更多時間就若干修訂已簽署之協議之條款以符合上市規則以及就落實有關更改業務計劃之進一步公佈之內容進行磋商，於本年報日期，有關之事宜仍在進行中。有關之詳情載於日期為二零零八年二月一日及二零零八年三月七日之公佈內。

44. 比較數字

若干比較金額已重新分類以符合本年度之呈列方式。

45. 授權刊發財務報表

董事會已於二零零八年三月七日批准及授權刊發財務報表。

Summary of Investment Properties

For the year ended 31 December 2007

Particulars of the Group's properties, all of which are wholly-owned, at 31 December 2007 are as follows:

Properties held for investment

Property 物業	Term of lease 租約年期	Purpose 用途	Floor area 樓面面積 (Square metre) (平方米)
25 Car Parking Spaces on various floors and 5 Adjoining Spaces at the 2nd and 4th floors of the Bank of East Asia Harbour View Centre, No. 56 Gloucester Road, Wan Chai, Hong Kong 香港灣仔告士打道56號東亞銀行港灣中心2樓與4樓25個車位及5個毗鄰空間	Long leases 長期租約	Parking 車位	360
6 Car Parking Spaces and Carport Basement of No. 9 Queen's Road Central, Central, Hong Kong 香港中環皇后大道中9號6個車位及地庫停車場	Long Leases 長期租約	Parking 車位	66

投資物業概要

截至二零零七年十二月三十一日止年度

本集團全資擁有之投資物業於二零零七年十二月三十一日之詳情如下：

持作投資物業



G·PROP
(HOLDINGS) LIMITED

G-PROP (HOLDINGS) LIMITED

金匡企業有限公司