



HOP FUNG GROUP

合豐集團控股有限公司

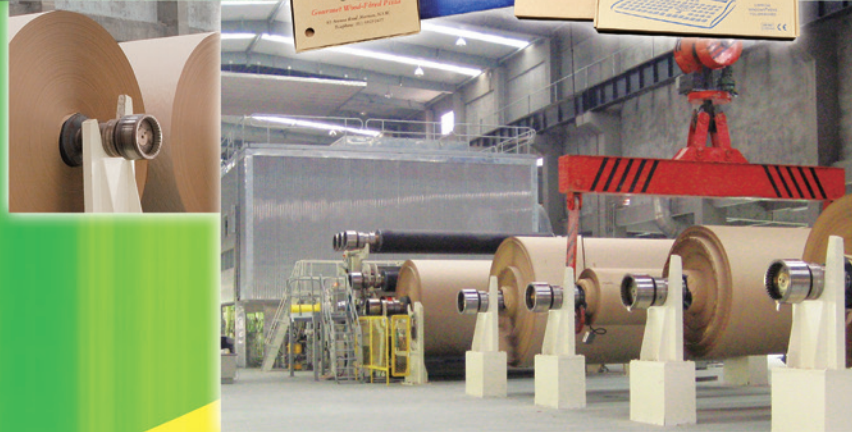
HOP FUNG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 2320

ANNUAL REPORT 年報 2008



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CORPORATE INFORMATION 公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Sum Kwok (*Chairman*)
Mr. Hui Sum Ping (*Vice Chairman*)
Mr. Hui Sum Tai (*Chief Executive Officer*)
Mr. Wong Wing Por
Ms. Hui Yuen Li

Independent Non-Executive Directors

Mr. Liu Kwok Fai, Alvan
Mr. Chee Man Sang, Eric
Mr. Wong Chu Leung

AUDIT COMMITTEE

Mr. Liu Kwok Fai, Alvan (*Chairman*)
Mr. Chee Man Sang, Eric
Mr. Wong Chu Leung

REMUNERATION COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)
Mr. Wong Chu Leung
Ms. Hui Yuen Li

AUTHORISED REPRESENTATIVES

Mr. Hui Sum Kwok
Ms. Hui Yuen Li

COMPANY SECRETARY

Ms. Hui Yuen Li

董事會

執行董事

許森國先生(*主席*)
許森平先生(*副主席*)
許森泰先生(*行政總裁*)
王榮波先生
許婉莉女士

獨立非執行董事

廖國輝先生
池民生先生
黃珠亮先生

審核委員會

廖國輝先生(*主席*)
池民生先生
黃珠亮先生

薪酬委員會

池民生先生(*主席*)
黃珠亮先生
許婉莉女士

授權代表

許森國先生
許婉莉女士

公司秘書

許婉莉女士

CORPORATE INFORMATION 公司資料

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

核數師

德勤•關黃陳方會計師行
執業會計師
香港

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshops E, F and H, on 22nd Floor
Superluck Industrial Centre (Phase 2)
No. 57 Sha Tsui Road and
Nos. 30-38 Tai Chung Road, Tsuen Wan
New Territories
Hong Kong

香港總辦事處及主要營業地點

香港
新界
荃灣沙咀道57號及
大涌道30-38號
荃運工業中心(第二期)
22樓E、F及H座

REGISTERED OFFICE

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

註冊辦事處

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

SHARE REGISTRARS AND TRANSFER AGENTS

Principal share registrar and transfer agent in the Cayman Islands

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

股份過戶登記處

開曼群島主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

CORPORATE INFORMATION 公司資料

Branch share registrar and transfer agent in Hong Kong

Tricor Abacus Limited
26th Floor
Tesbury Centre
No. 28 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
Agricultural Bank of China
Citibank, N. A.
DBS Bank (Hong Kong) Limited
CITIC Ka Wah Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

STOCK CODE

2320

股份過戶登記處香港分處

卓佳雅柏勤有限公司
香港
皇后大道東28號
金鐘匯中心
26樓

主要往來銀行

渣打銀行(香港)有限公司
中國農業銀行
花旗銀行
星辰銀行(香港)有限公司
中信嘉華銀行有限公司
香港上海滙豐銀行有限公司

股份代號

2320

CHAIRMAN'S STATEMENT 主席報告

On behalf of the Board of Directors, I am delighted to present to our Shareholders the fiscal 2008 annual results of Hop Fung Group Holdings Limited (our "Company", including our Company's subsidiaries as our "Group" or "we", "our" or "us").

2008 was an uncommon year for everyone in China, confronting the challenges of the snow storms, the Wenchuan earthquake as well as the impact from the financial crisis. For us, the downturn of the US and EU economies in the fourth quarter dragged down exports of consumer products in China, slashing demand for corrugated containers in China. Volatility in raw materials prices, especially the plunge in wastepaper and corrugated containerboard prices since September last year, have also contributed to a challenging environment for our industry.

That said, we have been able to deliver growth in our business in the year as a result of our vertically integrated operations. We now have a stable upstream business and a steady supply of high quality papers, which fully satisfy the raw materials requirements of the downstream.

Our group's upstream production line, Green Forest (QingXin) Paper Industrial Limited ("Green Forest"), remains the focus of our development. During the year, our Phase 2 production line and new power plant started operations, directly resulting in production cost reductions. We also made technical upgrades to our Phase 1 production line, giving it an additional 20% capacity as well as the ability to flexibly switch between producing corrugated medium and linerboard. At present, the two upstream production lines can produce 350,000 tonnes each year, fully meeting the raw materials requirements of our downstream corrugators with high quality products.

本人謹代表董事會欣然向各位股東提呈合豐集團控股有限公司(「本公司」，連同其附屬公司，統稱「本集團」或「我們」)的二零零八年度全年業績報告。

二零零八年是不平凡的一年，中國大雪災、汶川大地震、環球金融海嘯的衝擊令營商環境蒙上重重陰霾。於第四季歐美經濟活動急凍，拖累了對消費品需求，令中國出口迅速停滯，直接影響瓦楞包裝紙品的需求。此外，原材料價格大幅波動，尤其是廢紙及原紙價格在去年九月起自高位大幅下滑，令瓦楞紙品行業無可避免地面對考驗。

然而，本集團繼續充分發揮縱向整合生產模式的優勢，上游業務穩定及優質的原紙供應，百份百滿足了下游業務的原材料需求，使本集團於回顧年內仍能繼續錄得業務增長。

本集團位於廣東省清遠市清新縣之森葉(清新)紙業有限公司(「森葉紙業」)的上游生產線乃我們近年的重點項目。年內，本集團的第二期生產線及熱電站正式投產，有效地節省生產成本。此外，本集團也為第一期生產線進行技術改造，使該生產線靈活地生產芯紙及牛咭，更令年產能增加20%。現時，上游兩條生產線年產量可達三十五萬噸，其穩定的優質原紙供應能完全滿足本集團下游瓦楞紙板及紙箱業務的原材料需求。

CHAIRMAN'S STATEMENT 主席報告

In the downstream business, our Group has been expanding our market share and the proportion of sales to domestic customers. We have been continuously developing our domestic sales and domestic sales increased sharply in the fourth quarter, a trend we have been able to maintain thus far. Given the challenging operating environment and accelerating industry consolidation, we built a new corrugator during the year under review in order to expand our capacity for corrugated paper boards and carton boxes, solidifying our position in the domestic corrugated containers industry.

In addition, a new corrugator and carton box production line are being installed at Green Forest, which will allow us to enter the corrugated containers market in Qingyuan and surrounding areas. They are expected to start production by the end of the third quarter of 2009.

Our production facilities are already at a par to international levels. We hope that the combination of our upstream and downstream business can bring more synergies, with better efficiency and lower costs through improved production processes and flexibility in production. In sales, we are aiming to expand our market share, targeting 10% market share in the corrugated containers market in Guangdong compared to the current 5%.

We see green shoots of recovery in our export sales, and our domestic sales are also expanding as a proportion of total sales. This leads us to think that the worst is over for the Group, notwithstanding the continued recession in the US and the EU, at least until the end of 2009.

在下游業務方面，本集團一直致力擴大市場份額及提高內銷比例。本集團於回顧年內繼續積極開拓中國內銷市場，第四季起內銷比例顯著增加，至今我們仍能保持這良好的發展勢頭，使本集團在國內瓦楞紙品市場上奠下更穩固的地位。由於經營環境充滿挑戰，加速了市場整固，因此，本集團於回顧期內在東莞廠房增設了一條瓦楞紙板生產線，以增加瓦楞紙板及紙箱的產能。

此外，於森葉紙業新增的紙板及紙箱生產線正在安裝，藉此進軍清遠市及鄰近地區之瓦楞紙品內銷市場，此生產線預計於二零零九年第三季末正式投產。

目前，本集團的各項生產設施已達至國際級水平。我們期望上下游的業務可發揮更大的協同效益，並透過優化生產程序及靈活調配生產，以進一步提升營運效率及減低成本。在銷售方面，我們將以擴大市場佔有率為目標，冀能在廣東省瓦楞紙品市場的佔有率由5%提升至10%。

儘管歐美的經濟衰退預期將最少持續至二零零九年底，但現時我們的出口銷售業務已逐漸回升，而內銷比重亦進一步擴大，故此本集團認為最壞的時候已經過去。

CHAIRMAN'S STATEMENT 主席報告

In a crisis there are always dangers and opportunities. A difficult environment always brings us hopes for expanding our business, and the challenges ahead for us mean numerous new opportunities. We have always been a steady ship and in this difficult environment we are confident of resolving the challenges ahead.

Last but not least, I would like to take the opportunity to sincerely thank our management and our staff at all levels for their work over the last year, and to express gratitude to our customers, suppliers and investors. We would strive to continue to provide long-term and rewarding returns to our Group and our shareholders.

Hui Sum Kwok

Chairman

22nd April, 2009

困難與希望；挑戰與機遇，永遠都是相互並存。困難的環境對於銳意擴展的我們來說卻是充滿希望；無窮的挑戰於我們而言代表著無限的機遇。憑著穩健務實的作風，在這個汰弱留強的營商環境，我們深信本集團定能克服當前的困難。

最後，本人謹藉此機會向公司管理層及各級員工致謝，感謝各人一年來的辛勤工作，並感謝客戶、供應商及投資者一直以來的支持。我們會繼續致力為本集團及股東帶來長遠及豐厚的回報。

主席

許森國

二零零九年四月二十二日

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

BUSINESS REVIEW

The downturn of the US and EU economies in the fourth quarter dragged down exports of consumer products in China, slashing demand for corrugated containers in China. Volatility in raw materials prices, especially the plunge in wastepaper and corrugated containerboard prices since September last year, have also contributed to a challenging environment for our industry.

Despite weak exports from China due to the global financial crisis slashing demand for corrugated container products, we have been able to achieve steady growth in our business in the last year due to our vertically integrated business model and diversified client base. In 2008, we have strived to expand our domestic sales to various industries, and sales to domestic clients rose from 20% in the preceding year to around 25%. Utilization rates reached around 70% for our upstream plant and nearly 80% for our downstream plants, a satisfactory performance in our view.

To reduce overall production costs, our group has continued to develop and optimize our Green Forest plant. In July last year, our Phase 2 production line and new power plant started operations. In addition, we started technical upgrades to our Phase 1 plant in September last year, and the upgrades were completed in December. This has allowed the plant to flexibly switch between producing corrugated medium and linerboard as well as raising annual capacity by 20%.

In addition, with the upstream capacity fully satisfying our raw materials requirements, we no longer need to store linerboard and medium of different sizes. We can now scale back the inventory storage facilities of our Dongguan plant for use as a new corrugator. That new line started production in July 2008, raising overall capacity by 10%. This has improved our company's fixed asset turnover and vertical integration. In addition, our sales are now more weighted towards domestic clients as we continue to increase our domestic market share, with domestic sales accounting for over 40% of total sales of the Group in the fourth quarter of 2008, compared to over 20% in the first three quarters.

業務回顧

於第四季歐美經濟活動急凍，拖累了對消費品需求，令中國出口迅速停滯，直接影響瓦楞包裝紙品的需求。此外，原材料價格大幅波動，尤其是廢紙及原紙價格在去年九月起自高位大幅下滑，令瓦楞紙品行業無可避免地面對考驗。

儘管環球金融海嘯令中國出口市場持續疲弱，直接影響瓦楞包裝紙品的需求，然而憑藉努力建立的縱向整合業務模式及多元化的客戶基礎，合豐集團之業務於回顧年內繼續錄得穩定增長。於二零零八年，本集團致力擴大中國內銷市場之銷售層面至各行各業，年內營業額之內銷比例由去年的20%上升至約25%。上游廠的設備使用率約七成，而下游廠方面更接近八成，生產情況令人滿意。

為進一步減低整體經營成本，年內本集團繼續重點興建及優化位於廣東省清遠市之森葉紙業的上游生產線。在二零零八年七月，本集團的第二期生產線及熱電站已正式投產。此外，我們在去年九月為第一期生產線進行技術改造，並於十二月完成。此改造已取得成果，現時該生產線可生產芯紙及牛卡，其年產能亦增加了20%。

由於，兩條上游生產線的總產能已足以應付本集團對原材料的需求，我們無需儲存大量各種不同呎碼的牛卡及芯紙，因此能夠縮減東莞廠房的倉庫用地，用作增加一條瓦楞紙板生產線。該下游生產線於二零零八年七月正式投產，令產能提升了10%。此舉除有助加強縱向整合的效益、分攤本集團的固定成本外，在銷售方面亦有助本集團繼續擴大內銷業務之比重，提高國內的市場佔有率，在第四季本集團的內銷比例達四成多，遠高於首三季的兩成多。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

FINANCIAL REVIEW

Operating results

Revenue of the group in 2008 increased by 11.6%, from HK\$925.5 million to HK\$1,033.2 million. It was mainly contributed by the growth in sales volume and rising selling price in the first three quarters of 2008. The global financial crisis led to tremendous drop in export sales and selling price in the last quarter. However, the fall in export sales was offset by the growth in domestic sales, resulting in a slight drop in revenue in the last quarter of 2008 as compared to the last quarter of 2007.

With continuous rising cost throughout the first three quarters, the group maintained a high stock level in September 2008. The high raw material cost but low selling price in the last quarter gave rise to an overall decrease in gross profit in 2008 by 6.5%, from HK\$211.6 million to HK\$197.8 million. Gross profit margin also dropped from 22.9% to 19.1%.

Other income increased by 11.9% from HK\$18.5 million to HK\$20.7 million. Such increase was primarily due to the increase in selling price of scrap.

Selling and distribution costs increased by 3.3% from HK\$45.4 million to HK\$46.8 million. The increase was mainly attributable to the transportation cost incurred in the second half of 2008 for delivering kraft linerboard from upstream plant in Qingyuan city to the downstream plants in Dongguan city and Shenzhen city.

Administrative expenses increased by 6.3% from HK\$58.5 million to HK\$62.2 million. The increment was the costs for staff and insurance for the new operation of the linerboard plant in Qingyuan city.

Other expenses decreased by 9.1% from HK\$24.7 million to HK\$22.4 million. The main reason was the reversal of allowance for doubtful debts provided in 2007 which indicated the group's high capability in receivable management.

The Group recorded a drop in earnings before interest and tax ("EBIT") by 14.3% to HK\$87.1 million. EBIT margin was 8.4% (2007: 11%).

財務回顧

經營業績

本集團於二零零八年之收益由925,500,000港元增加11.6%至1,033,200,000港元。增長主要歸功於二零零八年首三季度之銷量增加及售價上漲。全球金融危機導致第四季度之出口銷售額及售價急劇下跌。然而，國內銷售額之增長抵銷了出口銷售額之跌幅，從而使得二零零八年第四季度之收益較二零零七年第四季度有輕微下跌。

鑒於首三季度成本不斷攀升，本集團於二零零八年九月維持較高存貨水平。第四季度出現原材料成本高企而售價偏低，導致二零零八年之毛利由211,600,000港元整體下跌6.5%至197,800,000港元。毛利率亦由22.9%下跌至19.1%。

其他收入由18,500,000港元增加11.9%至20,700,000港元。增長主要因廢料售價上漲所致。

銷售及分銷成本由45,400,000港元增加3.3%至46,800,000港元。增幅主要因二零零八年下半年從清遠市上游廠房交付牛喆到東莞市和深圳市之下游廠房產生之運輸成本所致。

行政開支由58,500,000港元增加6.3%至62,200,000港元。增幅乃因員工成本及投保清遠市牛喆廠房新業務運作所致。

其他開支由24,700,000港元下跌9.1%至22,400,000港元，主要因撥回二零零七年計提之呆賬撥備所致，此表明本集團在應收款項管理方面具備充足能力。

本集團錄得息稅前利潤（「息稅前利潤」）下跌14.3%至87,100,000港元。息稅前利潤率為8.4%（二零零七年：11%）。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

FINANCIAL REVIEW (Continued)

Operating results (Continued)

In 2008, additional bank loans and trade loans were raised to finance the new upstream linerboard project (including power plant) and higher raw material cost respectively, resulting in increase in finance costs by 73.6%, from HK\$6.8 million to HK\$11.9 million.

Same as last year, unrealised change in fair value of derivative financial instruments and structured borrowing were recognized in the income statement for accounting purpose only. They were non-cash in nature and will be reversed to zero at maturity date.

During 2008, the Group continued to enter into certain new forward exchange contracts to minimize the exchange rate risk in acquiring linerboard plant and raw materials. The structured borrowing contract again was proved to be effective as no interest had been incurred.

Net profit from operation (net profit for the year before unrealised change in fair value of derivative financial instruments and change in fair value of structured borrowing) dropped by 23.9% from HK\$96.4 million to HK\$73.4 million. The respective net profit margin fell from 10.4% to 7.1%.

Net profit for the year tremendously decreased by 62.9% from HK\$111.7 million to HK\$41.4 million. In addition to the negative effect from the global financial crisis, it was also affected by the unrealised change in fair value of derivative financial instruments and change in fair value of structured borrowing amounting to HK\$24.8 million and HK\$7.2 million respectively.

Net profit margin for the year was 4.0%. Basic earnings per share was 8.58 HK cents (2007: 24.85 HK cents). The directors did not recommend the payment of a final dividend for the year ended 31st December, 2008 (2007: 4.32 HK cents).

財務回顧(續)

經營業績(續)

於二零零八年，為向新上游牛咭項目(包括熱電站)提供資金及應付不斷上漲之原材料成本，本集團分別籌得額外銀行貸款及貿易貸款，從而導致財務成本由6,800,000港元增加73.6%至11,900,000港元。

一如去年，衍生金融工具及結構借貸之公平值之未變現變動於收益表內確認，僅作會計處理之用。彼等屬非現金性質，將於到期日回撥為零。

於二零零八年，本集團繼續新訂若干遠期外匯合約，藉此將購置牛咭廠房及原材料之匯率風險減至最低。結構借貸合約再度發揮效用且並無利息支出。

營運純利(撇除衍生金融工具公平值之未變現變動及結構借貸公平值變動前之本年度純利)由96,400,000港元下跌23.9%至73,400,000港元，而相關純利率則由10.4%下跌至7.1%。

年度純利由111,700,000港元大幅下跌62.9%至41,400,000港元。除遭受全球金融危機之負面影響外，年度純利亦受未變現衍生金融工具及結構借貸之公平值之變動(分別達24,800,000港元及7,200,000港元)所影響。

年度純利率為4.0%。每股基本盈利為8.58港仙(二零零七年：24.85港仙)。董事並不建議派付截至二零零八年十二月三十一日止年度之末期股息(二零零七年：4.32港仙)。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

FINANCIAL REVIEW (Continued)

Liquidity, financial and capital resources

At 31st December, 2008, the Group's total cash and cash equivalents were mostly denominated in Hong Kong dollars and Renminbi. Bank balances and cash amounted to HK\$254.8 million (2007: HK\$153.7 million). Net current assets and current ratio of the Group were HK\$10.9 million (2007: HK\$121.9 million) and 1.03 (2007: 1.32) respectively. The fall in current ratio was due to reduction in both volume and cost of stock, rise in current portion of term loans and surge in unrealised change in fair value of derivative financial instruments (non-cash in nature).

The Group had capital expenditures amounting to HK\$290.6 million during the year, comprising the costs for the construction of the upstream linerboard project and downstream machinery enhancement.

Inventory turnover rate decreased to 56 days as compared to 69 days in last year as the group reduced the purchase of raw materials in the last quarter of 2008. The group also used up most of the high-cost raw materials in stock and sold to customers before year end.

At 31st December, 2008, trust receipt loans decreased by HK\$100.3 million and other trade loans increased by HK\$124.7 million. New bank loans amounting to HK\$243.0 million were raised for financing the upstream linerboard project. As a result, short term and long term bank borrowings (including bank borrowings and structured borrowings) increased by HK\$46.1 million and HK\$99.9 million respectively. Net gearing ratio (measured by total bank borrowings net of cash to equity attributable to shareholders) was 50.5% (2007: 46.4%).

財務回顧(續)

流動資金、財務及資本資源

於二零零八年十二月三十一日，本集團現金及現金等值總額大部分以港元及人民幣列值。銀行結餘及現金達254,800,000港元(二零零七年：153,700,000港元)。本集團之流動資產淨值及流動比率分別為10,900,000港元(二零零七年：121,900,000港元)及1.03(二零零七年：1.32)。流動比率下降乃因庫存量及成本削減、定期貸款之流動部分增加及衍生金融工具公平值之未變現變動(非現金性質)劇增所致。

年內，本集團之資本開支為290,600,000港元，包括興建上游牛咭項目及改進下游機器之成本。

存貨流轉率由去年之69日減少至56日，原因為本集團於二零零八年第四季度削減購買原材料。本集團亦動用庫存中大部分高成本之原材料並於年底前售予客戶。

於二零零八年十二月三十一日，信託收據貸款減少100,300,000港元，而其他貿易貸款則增加124,700,000港元。本集團為上游牛咭項目提供融資而新增貸款243,000,000港元。因此，短期及長期銀行借貸(包括銀行借貸和結構借貸)分別增加46,100,000港元及99,900,000港元。淨資本負債比率(按銀行借貸總額減現金除以股東應佔權益計算)為50.5%(二零零七年：46.4%)。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

FINANCIAL REVIEW (Continued)

Contingent liabilities

A tax audit had been conducted by the Inland Revenue Department in December 2004. The Inland Revenue Department issued protective assessments for the years of assessment 1998/1999 to 2004/2005 to certain subsidiaries of the Group. Objections have been filed against all these assessments. As the tax audit was still in progress, in the opinion of the Directors, the outcome and impact of this matter could not be determined with reasonable certainty at this stage.

PROSPECTS

Despite the impact on the global economic crisis on the outlook for the corrugated containers sector, our Group's long term view towards the corrugated containers industry in China remains optimistic. Even though we expect raw materials prices to remain volatile in 2009, our vertically integrated business model should help reduce dependence on external sourcing and the impact of price fluctuations to operating costs.

The difficult operating environment has resulted in numerous paper makers and box makers closing doors. We are taking advantage of this opportunity to gain more market share by building a new corrugator at Green Forest, which would start production in the third quarter of this year. This would increase our annual capacity by 9% and help develop the northern Guangdong Province market for us.

財務回顧(續)

或然負債

稅務局於二零零四年十二月進行稅務稽查。稅務局就截至一九九八年／一九九九年至二零零四年／二零零五年之課稅年度向集團若干附屬公司發出保障性評稅。本集團已就所有該等評稅提出反對。由於仍在進行稅務稽查程序，董事認為現階段未能合理確定此事宜之結果及影響。

展望

縱使環球經濟危機對紙品行業的營商環境有相當的影響，但本集團對中國瓦楞紙業的長遠前景仍然樂觀。雖然管理層預期來年的原材料價格不穩，然而我們完全自給自足的縱向整合生產模式，可減低對外採購的依賴及價格波動對經營成本的影響。

由於市場經營環境充滿挑戰，令不少經營不善的造紙廠及紙品廠相繼停業。為把握時機取得更大的市場份額，於森葉紙業新增的瓦楞紙板生產線亦正在安裝，將於二零零九年第三季投產，為本集團的年產能帶來9%的增長，有助開拓廣東省北部的內銷市場。

MANAGEMENT PROFILE 管理層履歷

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Sum Kwok, aged 49, is the chairman of the Board and a co-founder of the Group. He is responsible for the overall corporate planning, business development and management of the Group. He has over 24 years of experience in the corrugated paper-ware industry in Hong Kong and the PRC. He is a brother of Mr. Hui Sum Ping and Mr. Hui Sum Tai, and the spouse of Ms. Wong Mui.

Mr. Hui Sum Ping, aged 47, is the vice chairman of the Board, an executive Director and a co-founder of the Group. He is responsible for the business development of the Group. He has over 24 years of experience in the corrugated paperware industry in Hong Kong and the PRC. He is a brother of Mr. Hui Sum Kwok, and Mr. Hui Sum Tai.

Mr. Hui Sum Tai, aged 42, is the chief executive officer of the Company and an executive Director. He has joined the Group since its establishment and is responsible for the strategic planning and day-to-day management of the Group. He has over 22 years of experience in the corrugated paper-ware industry in Hong Kong and the PRC. He is a brother of Mr. Hui Sum Kwok and Mr. Hui Sum Ping.

Mr. Wong Wing Por, aged 47, is an executive Director. He has joined the Group since its establishment and is responsible for the sales, marketing and production management of the Group. Mr. Wong has over 22 years of experience in the corrugated paper-ware industry in Hong Kong and the PRC.

Ms. Hui Yuen Li, aged 38, is an executive Director and the company secretary of the Company. Ms. Hui is responsible for the financial management of the Group. She is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Hui obtained a degree of Bachelor of Arts with Honours in Accountancy from the City University of Hong Kong in 1992. Prior to joining the Group in May 1997, she had worked in the auditing field for around 5 years which included working for an international accounting firm.

董事會

執行董事

許森國先生，49歲，為董事會主席，並為本集團聯合創辦人。彼負責本集團整體企業規劃、業務發展及管理。彼於香港及中國之瓦楞紙品行業積逾二十四年經驗。彼為許森平先生及許森泰先生之兄弟，並為黃梅女士之配偶。

許森平先生，47歲，為董事會副主席兼執行董事，並為本集團聯合創辦人。彼負責本集團之業務發展。彼於香港及中國之瓦楞紙品行業積逾二十四年經驗。彼為許森國先生及許森泰先生之兄弟。

許森泰先生，42歲，為本公司之行政總裁兼執行董事。彼自集團成立起已加入本集團，負責本集團策略規劃及日常管理。彼於香港及中國之瓦楞紙品行業積逾二十二年經驗。彼為許森國先生及許森平先生之兄弟。

王榮波先生，47歲，執行董事。彼自集團成立起已加入本集團，負責本集團銷售、市場推廣及生產管理。彼於香港及中國之瓦楞紙品行業積逾二十二年經驗。

許婉莉女士，38歲，為本公司之執行董事兼公司秘書。許女士負責本集團財務管理。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。許女士於一九九二年畢業於香港城市大學，持有會計學榮譽文學士學位。彼於一九九七年五月加盟本集團前，於核數方面積近五年經驗，曾於一間國際會計師行工作。

MANAGEMENT PROFILE 管理層履歷

BOARD OF DIRECTORS (continued)

Independent Non-executive Directors

Mr. Liu Kwok Fai, Alvan, aged 46, graduated from the University of Manitoba in Canada with a bachelor's degree of arts in 1985. He thereafter continued to pursue his legal qualification and completed the law society's final examination at Bristol Polytechnic in the United Kingdom in 1989. Mr. Liu was appointed as an independent non-executive Director of the Company on 4th September, 2003. He is currently the senior partner of a law firm, Messrs. Alvan Liu & Partners, and a China-appointed attesting officer appointed by the Ministry of Justice of the PRC. He has been appointed as the legal adviser of a number of organisations and associations in Hong Kong, including the Hong Kong Small and Medium Business Association, Wong Tai Sin District Affairs Advisors Committee and Junior Police Officers Association H.K.P.

Mr. Chee Man Sang, Eric, aged 47, is a practising Certified Public Accountant in Hong Kong. He graduated from Birmingham University in 1984 with a Bachelor's Degree of Commerce (majoring in Accounting). Mr. Chee was appointed as an independent non-executive Director of the Company on 4th September, 2003. He is currently a senior partner of Chan Chee Cheng & Co, a firm of Certified Public Accountants. He had worked in two international accounting firms in Canada and Hong Kong. Mr. Chee is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada. In addition to his appointment to the Company, he is also an independent non-executive director of Mastermind Capital Limited (formerly known as Apex Capital Limited) and Greater China Technology Group Limited, both companies listed on the Stock Exchange.

Mr. Wong Chu Leung, aged 61, has over 24 years of experience in enterprise management and manufacturing operation management. Mr. Wong was appointed as an independent non-executive Director of the Company on 15th September, 2004. Mr. Wong is currently shareholder and director of certain metal ware and plastic ware manufacturing companies/corporations with manufacturing plants located in the PRC.

董事會(續)

獨立非執行董事

廖國輝先生，46歲，於一九八五年在加拿大 University of Manitoba 畢業，持有文學士學位。其後繼續考取法律資格，於一九八九年完成英國 Bristol Polytechnic 之法律學會期終試。廖先生於二零零三年九月四日獲委任為本公司之獨立非執行董事。彼現為廖國輝律師事務所之高級合夥人，並為中國司法部委任之中國委任見證人員。廖國輝先生獲委任為香港多個組織及聯會(包括香港中小型業務聯會、黃大仙區政務顧問委員會及香港警察隊員佐級協會)之法律顧問。

池民生先生，47歲，香港執業會計師。於一九八四年在伯明翰大學畢業，持有商業學士學位(主修會計)。池先生於二零零三年九月四日獲委任為本公司之獨立非執行董事。彼現為執業會計師行陳池鄭會計師事務所之高級合夥人。彼曾任職加拿大及香港兩間國際會計師行。池先生乃香港會計師公會及加拿大安大略省特許會計師公會(Institute of Chartered Accountants of Ontario)會員。除獲委任為本公司獨立非執行董事外，彼亦為慧德投資有限公司(前稱鼎洋投資有限公司)及大中華科技(集團)有限公司(兩者均為聯交所上市之公司)之獨立非執行董事。

黃珠亮先生，61歲，於企業管理及製造業務管理方面積逾二十四年經驗。黃先生於二零零四年九月十五日獲委任為本公司之獨立非執行董事。黃先生現為若干於中國設有生產廠房之金屬製品及塑膠製品公司／企業之股東及董事。

MANAGEMENT PROFILE 管理層履歷

SENIOR MANAGEMENT

Ms. Wong Mui, aged 43, is the deputy general manager of the Group. She has worked for the Group since its establishment and is responsible for the general administration of the Group. Ms. Wong is the spouse of Mr. Hui Sum Kwok.

Mr. Yuen Fu Keung, aged 46, is the project manager of the Group. He is responsible for project development and implementation of the Group. Mr. Yuen graduated from the University of Bath in the United Kingdom in 1986 where he obtained a Bachelor of Science Degree in Electrical and Electronic Engineering with first class honours. Prior to joining the Group in November 2003, he had over 8 years of working experience in corrugating machinery and control systems.

Ms. Wong Yuk Kwan, aged 37, is the accounting manager of the Group. She is responsible for the daily accounting operations of the Group. Ms. Wong graduated from the University of Houston — Downtown in the US with a bachelor degree of business administration majoring in accounting in 1994. Prior to joining the Group in May 2002, she had worked in the auditing field for around 7 years which included working for an international accounting firm.

高級管理層

黃梅女士，43歲，本集團副總經理。彼自本集團成立以來一直任職於本集團，負責本集團之一般行政事務。黃女士為許森國先生之配偶。

袁富強先生，46歲，本集團項目經理。彼負責本集團之項目發展及施行。袁先生於一九八六年畢業於英國巴斯大學，持有電子及電機工程學一級榮譽理學士學位。彼於二零零三年十一月加盟本集團前，於瓦楞紙品之生產機械及控制系統方面積逾八年工作經驗。

黃玉君女士，37歲，本集團會計經理。彼負責本集團日常會計職務。黃女士於一九九四年畢業於美國University of Houston — Downtown，持有工商管理學士學位，主修會計。彼於二零零二年五月加盟本集團之前，在核數方面積近七年經驗，曾於一間國際會計師行工作。

CORPORATE GOVERNANCE REPORT 企業管治報告

The board of directors ("Board") of the Company is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31st December, 2008.

The manner in which the principles and code provisions in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules") are applied and implemented is explained in the following parts of this Corporate Governance Report:

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Group strives to attain and maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The Group's corporate governance principles emphasise a quality Board, effective internal control and accountability to shareholders.

The Board of the Company believes that good corporate governance practices are increasingly important for maintaining and promoting shareholder value and investor confidence.

The CG Code contained in Appendix 14 of the Listing Rules sets out the principles of good corporate governance and two levels of corporate governance practices:

- (a) code provisions which listed issuers are expected to comply with or to give considered reasons for any deviation; and
- (b) recommended best practices for guidance only, which listed issuers are encouraged to comply with or to give considered reasons for deviation.

The Company's corporate governance practices are based on the principles as well as the code provisions as set out in the CG Code.

With the exception of the Code Provisions A.2.1, A.4.2 and B.1.3 of the CG Code, the Company has complied with all the code provisions as set out in the CG Code throughout the year under review.

本公司董事會(「董事會」)欣然提交載於本集團截至二零零八年十二月三十一日止年度報告之企業管治報告。

本企業管治報告以下各部份說明香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「企管守則」)之原則及守則條文之應用及實行：

本公司之企業管治常規

本集團致力達至及維持高水準之企業管治，以提升股東價值及保障股東權益。本集團之企業管治原則著重優秀董事會、有效內部管治及對股東負責任。

本公司董事會深明良好企業管治對保持及提升股東價值及投資者信心日益重要。

上市規則附錄14所載之企管守則載列良好企業管治之原則及兩種企業管治常規水平：

- (a) 守則條文指上市發行人應遵守之守則規定，如有任何偏離應提供理據支持原因；及
- (b) 建議最佳常規僅屬指引，鼓勵上市發行人遵守建議最佳常規，如有任何偏離應提供理據支持原因。

本公司之企業管治常規乃以企管守則所載之原則、守則條文作為基礎。

回顧整個年度，本公司一直遵守企管守則所載之守則規定，惟守則條文A.2.1、A.4.2及B.1.3條除外。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Company is committed to enhancing its corporate governance practices appropriate to the conduct and growth of its business and to reviewing its corporate governance practices from time to time to ensure that they comply with the statutory and professional standards and align with the latest developments.

THE BOARD/BOARD OF DIRECTORS

Responsibilities

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The Board has delegated to the senior management the authority and responsibilities for the day-to-day management and operations of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

All directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the interests of the Company and its shareholders at all times.

Delegation of Management Functions

The Board undertakes responsibility for decision making in major Company matters including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflicts of interest), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

本公司致力繼續提升自身之企業管治常規，藉以符合其業務營運及增長，並不時作出檢討，以確保其符合法定及專業標準並且配合最新發展。

董事會

責任

董事會負責領導及統管本公司並監察本集團業務、策略性決定及表現。董事會向高級管理人員轉授本集團日常管理及經營之權力及責任。此外，董事會轄下亦已設立委員會，並向該等委員會轉授其各自職權範圍載列之各項責任。

全體董事會本著真誠履行職責，符合適用法律及規例的標準，並時刻為本公司及其股東之利益行事。

管理職能授權

董事會負責就本公司重大事項作出決策，包括批准及監控所有政策事宜、整體策略及預算、內部監控及風險管理制度、重大交易(尤其是可能涉及利益衝突之交易)、財務資料、董事委任及其他重大財務和營運事宜。

所有董事均可充分和適時獲取所有相關資料及公司秘書之意見及服務，以確保遵守董事會程序及所有適用規則及規例。每位董事一般可於適當情況下向董事會提出尋求獨立專業人士意見並由本公司支付開支之要求。

CORPORATE GOVERNANCE REPORT 企業管治報告

The day-to-day management, administration and operation of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

The Board has the full support of the Chief Executive Officer and the senior management to discharge its responsibilities.

Board Composition

Membership of the Board is currently made up of 8 members in total, with 5 executive directors and 3 independent non-executive directors.

The Board of the Company comprises the following directors:

Executive directors:

Hui Sum Kwok	–	Chairman
Hui Sum Ping	–	Vice-Chairman
Hui Sum Tai	–	Chief Executive Officer
Wong Wing Por		
Hui Yuen Li	–	Company Secretary and Member of Remuneration Committee

Independent non-executive directors:

Liu Kwok Fai, Alvan	–	Chairman of Audit Committee
Chee Man Sang, Eric	–	Member of Audit Committee and Chairman of Remuneration Committee
Wong Chu Leung	–	Member of Audit Committee and Remuneration Committee

The list of directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The relationships among the members of the Board are disclosed under “Management Profile” on page 13 and 14.

本公司之日常管理、行政管理及營運均轉授予行政總裁及高級管理層。董事會定期檢討有關職能及工作任務。上述高級職員進行任何重大交易前須獲取董事會之批准。

董事會獲得行政總裁及高級管理層的全力支持以履行其職責。

董事會組成

董事會目前由八位成員組成，包括五位執行董事及三位獨立非執行董事。

本公司董事會由以下董事組成：

執行董事：

許森國	–	主席
許森平	–	副主席
許森泰	–	行政總裁
王榮波		
許婉莉	–	公司秘書兼薪酬委員會成員

獨立非執行董事：

廖國輝	–	審核委員會主席
池民生	–	審核委員會成員兼 薪酬委員會主席
黃珠亮	–	審核委員會及薪酬委員會成員

董事名單(分類)亦根據上市規則於本公司不時公佈之所有公司通函中予以披露。本公司亦根據上市規則於所有通函中列明各獨立非執行董事。

董事會成員之間之關係已於第13及14頁「管理層履歷」披露。

CORPORATE GOVERNANCE REPORT 企業管治報告

During the year ended 31st December, 2008, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

All directors, including independent non-executive directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive directors have been invited to serve on the Audit and Remuneration Committees of the Company.

Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Articles of Association. The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors.

Each of the independent non-executive directors of the Company is appointed for a specific term and shall be subject to retirement by rotation once every three years.

In accordance with the Company's Articles of Association, all directors of the Company are subject to retirement by rotation at least once every three years.

於截至二零零八年十二月三十一日止年度，董事會一直遵守上市規則有關委任最少三名獨立非執行董事，其中最少一名獨立非執行董事擁有適當專業資格，或會計或相關財務管理專長之規定。

本公司已收到每位獨立非執行董事根據上市規則須保持獨立性之年度書面確認函。本公司認為，根據上市規則載列之獨立性指引，所有獨立非執行董事均為獨立。

所有董事(包括獨立非執行董事)均為董事會帶來各種不同的寶貴營商經驗、知識及專業，使其有效率及有效地運作。獨立非執行董事獲邀擔任本公司審核及薪酬委員會之成員。

董事之委任、重選及免任

董事委任、重選及免任之程序及過程已於本公司組織章程細則內作出規定。董事會作為一個整體負責審議董事會組成、制定並編製董事提名及委任之相關程序、監察董事之委任及接任計劃，並評核獨立非執行董事之獨立性。

本公司每位非執行董事之委任均有特定任期，並須每三年輪席退任一次。

按照本公司組織章程細則之規定，本公司所有董事須每三年輪席退任一次。

CORPORATE GOVERNANCE REPORT 企業管治報告

Code provision A.4.2 of the CG Code stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. The Company's Articles of Association deviate from Code Provision A.4.2 of the CG Code which provides that any new director appointed by the Board during the year shall hold office until the next following annual general meeting after appointment, when he/she shall be eligible for re-election.

The Board reviews its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

Where vacancies on the Board exist, the Board will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process where necessary.

Pursuant to the Company's Articles of Association, Messrs Hui Sum Kwok, Hui Sum Tai and Chee Man Sang, Eric shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

The Board recommended the re-appointment of the directors standing for re-election at the next forthcoming annual general meeting of the Company.

The Company's circular dated 30th April, 2009 contains detailed information of the directors standing for re-election.

企管守則之守則條文A.4.2條規定所有獲委任填補臨時空缺之董事須於其獲委任後下次股東週年大會上接受股東選舉。本公司組織章程細則偏離企管守則之守則條文A.4.2條之規定，即年內獲董事會委任之任何新董事須任職至其獲委任後舉行之股東週年大會時為止，且彼有資格接受重選。

董事會定期檢討其本身架構、規模及組成，以確保適合於本公司業務需要之專長、技能及經驗之平衡。

倘若董事會出現空缺，董事會經考慮候選人之技能、經驗、專業知識、個人品格及可付出時間、本公司之需要及其他相關法例要求及規定後進行甄選。有需要時可透過外部招聘代理機構進行招聘及甄選程序。

根據本公司組織章程細則之規定，許森國先生、許森泰先生及池民生先生須於下屆股東週年大會上輪席退任並有資格接受重選。

董事會建議再次被委任之董事須於下屆股東週年大會上接受重選。

本公司於二零零九年四月三十日發出之通函已載列接受重選之董事之詳細資料。

CORPORATE GOVERNANCE REPORT 企業管治報告

Induction and Continuing Development for Directors

Each newly appointed director receives formal, tailored and comprehensive induction on the first occasion of his/her appointment, so as to ensure that he/she has adequate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Such induction shall be supplemented with visits to the Company's key plant sites and meetings with senior management of the Company.

The directors are continually updated with developments in the legal and regulatory regime and the business and market environments to facilitate the discharge of their responsibilities. Continuing briefing and professional development for directors will be arranged whenever necessary.

Board Meetings

- Number of Meetings and Directors' Attendance*

During the year ended 31st December, 2008, four regular Board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. The attendance rate was nearly 100%.

董事入職及持續發展

新獲委任之董事均於其首次獲委任時接受正式及因應個別董事而設計之全面入職培訓，以確保彼適當瞭解本公司業務及經營及充分明白上市規則規定其須承擔之責任及義務及相關監管規定。有關入職培訓還包括考察本公司之主要廠房場地，並與本公司之高級管理層會面。

董事會持續獲提供有關法律及監管發展以及業務及市場改變之最新資料，以協助彼等履行職責。本公司將於有需要時向董事持續提供資訊及專業發展。

董事會會議

- 會議次數及董事出席情況*

於截至二零零八年十二月三十一日止年度，董事會已舉行四次定期會議，大約每季度一次，以檢討及批准財務及經營業績並審議及批准本公司整體策略及政策。董事之出席率接近100%。

CORPORATE GOVERNANCE REPORT 企業管治報告

The attendance records of each director at the meetings of the Board, Remuneration Committee and Audit Committee during the year ended 31st December, 2008 are set out below:

截至二零零八年十二月三十一日止年度董事會、薪酬委員會及審核委員會會議每位董事之出席記錄載列如下：

Name of Directors 董事姓名	Attendance/Number of Meetings 會議出席率/次數		
	Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會
Hui Sum Kwok 許森國	4	N/A 不適用	2
Hui Sum Ping 許森平	4	N/A 不適用	2
Hui Sum Tai 許森泰	4	N/A 不適用	2
Wong Wing Por 王榮波	4	N/A 不適用	2
Hui Yuen Li 許婉莉	4	1	2
Liu Kwok Fai, Alvan 廖國輝	4	N/A 不適用	2
Chee Man Sang, Eric 池民生	3	1	2
Wong Chu Leung 黃珠亮	4	1	2

• *Practices and Conduct of Meetings*

Annual meeting schedules and draft agenda of each meeting are normally made available to directors in advance.

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

• *董事會常規及會議之進行*

全年會議時間表及每次會議草擬議程一般會事先向董事提供。

舉行定期會議前至少14日向所有董事送呈董事會會議通知。至於其他董事會及委員會會議，在一般情況下亦給予合理通知。

每次董事會會議或委員會會議前至少3日向所有董事寄發董事會文件連同所有適當、完整及可靠資料，以便董事瞭解本公司最新發展及財政狀況及使董事在知情情況下作出決定。於需要時，董事會及每位董事亦可單獨及獨立地聯絡高級管理層。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Chief Executive Officer, Qualified Accountant and Company Secretary attend all regular Board meetings and where necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The Company Secretary is responsible to take and keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interest for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Articles of Association contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles and duties of the Chairman and the Chief Executive Officer of the Company are carried out by different individuals. The Chairman of the Board is Mr Hui Sum Kwok, who provides leadership for the Board and is also responsible for chairing the meetings and managing the operations of the Board and ensuring that all major and appropriate issues are discussed by the Board in a timely and constructive manner. The Chief Executive Officer is Mr Hui Sum Tai, who is responsible for running the Company's businesses and implementing the Group's strategic plans and business goals.

行政總裁、合資格會計師及公司秘書出席所有定期董事會會議，且於需要時出席其他董事會及委員會會議，就本公司業務發展、財務及會計事項、遵守法規事宜、企業管治及其他重大事項提供意見。

公司秘書負責所有董事會會議及委員會會議記錄並保存有關記錄。每次會議後通常於合理時間內交由董事傳閱記錄草稿並發表意見，其定稿可供董事查閱。

根據目前董事會之慣例，涉及主要股東或董事利益衝突之任何重大交易，將由董事會召開董事會會議上審議及處理。本公司組織章程細則載有有關規定，要求有關董事於批准彼等或其任何聯繫人士擁有重大利益之交易時放棄投票並不計入會議法定人數。

主席及行政總裁

本公司主席及行政總裁之職位及職務由不同人士擔任。董事會主席為許森國先生，發揮領導董事會之作用，主持董事會議，並管理董事會有效地運作，確保董事會適時兼且具建設性地討論一切重大和合適之事宜。行政總裁為許森泰先生，負責管理本公司之業務及推行本集團之策略性計劃及業務目標。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Company fully supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer to ensure balance of powers and effective segregation of duties. The Board of Directors considers that the responsibilities of the Chairman and Chief Executive Officer respectively are clear and distinctive and no written terms on division of responsibilities between Chairman and the Chief Executive Officer are necessary. This deviates from the Code Provision A.2.1 of the CG Code which stipulates that the division of responsibilities between chairman and chief executive officer should be established and set out in writing.

BOARD COMMITTEES

The Board has established two committees, namely, the Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are available to shareholders upon request.

The majority of the members of each Board committee are independent non-executive directors.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Remuneration Committee

The Remuneration Committee comprises 3 members, namely Mr Chee Man Sang, Eric (Chairman), Ms Hui Yuen Li and Mr Wong Chu Leung, and the majority of them are independent non-executive directors.

本公司全力支持董事會主席及行政總裁職權之劃分，以確保權力及授權之平衡。董事會認為，主席與行政總裁各自之職責均有清楚及明確界定，故毋須以書面劃分兩者之職權範圍。此舉偏離企管守則之守則條文A.2.1條，該條文規定清楚地制定主席與行政總裁之職責範圍，並以書面列出。

董事委員會

董事會已設立兩個委員會，即薪酬委員會及審核委員會，以監督本公司具體事務。本公司所有董事委員會均按書面界定之職權範圍履行工作。董事委員會之職權範圍可應要求向股東提供。

各董事委員會之大部份成員均為獨立非執行董事。

董事委員會獲提供足夠資源履行其職務，如提出之要求合理，可於適當情況下尋求獨立專業意見，費用由本公司負責。

薪酬委員會

薪酬委員會包括三名成員，即池民生先生(主席)、許婉莉女士及黃珠亮先生，彼等大部分均為獨立非執行董事。

CORPORATE GOVERNANCE REPORT 企業管治報告

The primary objectives of the Remuneration Committee include:

- To make recommendations on the establishment of procedures for developing remuneration policy and structure of the executive directors, which policy shall ensure that no director or any of his/her associates will participate in deciding his/her own remuneration;
- To make recommendations on the remuneration packages of the executive directors;
- To review and approve the remuneration packages of the executive directors by reference to the performance of the individual and the Company as well as market practice and conditions; and
- To review and approve the compensation arrangements for the executive directors.

The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee consults with the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy and structure and remuneration packages.

The Remuneration Committee met once during the year ended 31st December, 2008 and reviewed the remuneration policy and structure of the Company, and the remuneration packages as well as the annual bonuses of the executive directors for the year under review. The attendance rate of the Remuneration Committee Meeting was 100%.

薪酬委員會之主要目標包括：

- 就發展執行董事之薪酬政策及架構確立程序提供意見，該等政策須確保董事或任何聯繫人士不會參與決定彼本身之薪酬；
- 就執行董事之薪酬待遇提供意見；
- 經參考個人及本公司之表現以及市場慣例與市況後審閱及批准執行董事之薪酬待遇；及
- 審閱及批准執行董事之薪津安排。

人力資源部負責收集及管理人力資源資料並向薪酬委員會提出建議，以供其審議。薪酬委員會亦就有關薪酬政策及架構及薪酬之建議徵求本公司主席及／或行政總裁意見。

薪酬委員會於截至二零零八年十二月三十一日止年度舉行一次會議，審議回顧年度本公司薪酬政策及架構以及執行董事之薪酬待遇及年度花紅。薪酬委員會會議之出席率為100%。

CORPORATE GOVERNANCE REPORT 企業管治報告

Meanwhile, the remuneration of the senior management of the Company is not considered by the Remuneration Committee and this deviates from the Code Provision B.1.3 of the CG Code. Currently, the remuneration of the senior management is attended by the Chairman and/or Chief Executive Officer of the Company.

Audit Committee

The Audit Committee comprises three independent non-executive directors, namely Mr Liu Kwok Fai, Alvan (Chairman), Mr Chee Man Sang, Eric and Mr Wong Chu Leung (including one independent non-executive director with the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer (if any), internal auditor or external auditors before submission to the Board.
- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

根據本公司薪酬委員會之書面職權範圍，薪酬委員會不會審議本公司高級管理層之薪酬，而此舉偏離企管守則之守則條文B.1.3條之規定。目前，高級管理層薪酬由主席及／或行政總裁負責釐定。

審核委員會

審核委員會由三名獨立非執行董事組成(包括一名擁有適當專業資格或會計或相關財務管理技巧之獨立非執行董事)，即廖國輝先生(主席)、池民生先生及黃珠亮先生。概無審核委員會成員曾為本公司現有外聘核數師之前任合夥人。

審核委員會之主要職責包括以下各項：

- 向董事會提交由合資格會計師、監察主任(如有)、內部核數師或外聘核數師提交之財務報表及報告前，審閱該等財務報表及報告以及審議彼等所提出任何重大或不尋常事項。
- 根據外聘核數師之工作檢討與外聘核數師之關係、其費用及聘用條款並就外聘核數師之委任、重新委任及免職向董事會提出建議。
- 檢討本公司財務申報制度、內部監控制度、風險管理制度及相關之程序是否充分及有效。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Audit Committee held two meetings during the year ended 31st December, 2008 to review the financial results and reports, financial reporting and compliance procedures, the report of the internal auditor on the Company's internal control and risk management review and processes, and the re-appointment of the external auditors. The attendance records of these Audit Committee Meetings are set out under "Board Meetings" on page 22.

The Company's annual results for the year ended 31st December, 2008 have been reviewed by the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Company's Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Company's Code throughout the year ended 31st December, 2008.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

審核委員會於截至二零零八年十二月三十一日止年度舉行兩次會議，審議財務業績及報告、財務申報及合規程序、內部核數師有關本公司內部監控及風險管理之審核及程序之報告以及重新委任外聘核數師事宜。審核委員會會議之出席率載於第22頁「董事會會議」項下。

審核委員會已檢討本公司截至二零零八年十二月三十一日止年度業績。

證券交易標準守則

本公司已採納有關董事進行本公司證券交易之守則（「本公司守則」），其條款嚴謹程度不低於上市規則附錄10載列之上市發行人董事進行證券交易標準守則（「標準守則」）之規定。

已向所有董事作出具體查詢並獲彼等確認，彼等已於截至二零零八年十二月三十一日止年度遵守本公司守則。

本公司亦就可能獲得本公司未經公佈股價敏感資料之僱員進行證券交易訂立其條款嚴謹程度不低於標準守則之書面指引（「僱員書面指引」）。

就本公司所知，並無僱員未遵守僱員書面指引之事件。

CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31st December, 2008.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements. The directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and that relevant statutory requirements and applicable accounting standards are complied with.

The Management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company put to the Board for approval. The Board has received from the senior management the management accounts, and such explanation and relevant information as necessary to enable the Board to make an informed assessment for approving the financial statements.

董事有關財務報表之責任

董事確認其編製截至二零零八年十二月三十一日止年度本公司財務報表之責任。

董事會負責對上市規則及其他監管規定下所規定之年報及中期報告、股價敏感公告及其他披露資料作出平衡、清晰及易於理解之評估。董事負責監察本公司財務報表之編製，確保財務報表公平真實反映本集團之事務狀況，以及該等財務報表符合法定規定及適用之會計準則。

管理層向董事會提供所需解釋及資料，讓董事會可以就提交給董事會批准的本公司財務資料及狀況，作出知情評審。董事會已收到高級管理層提供管理賬目、所需之解釋及有關資料，以便就批准財務報表作出知情評審。

CORPORATE GOVERNANCE REPORT 企業管治報告

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities for the consolidated financial statements is set out in the "Independent Auditor's Report" on page 52 and 53.

During the year under review, the remuneration paid/payable to the Company's external auditor, Deloitte Touche Tohmatsu, is set out below:

Category of services 服務種類

		Fee paid/payable 已付／應付費用
		HK\$ 港元
Audit services	核數服務	1,380,000
Non-audit services	非核數服務	
– Preliminary review	– 初步審閱	20,000
– Compliance review	– 合規審閱	109,000
		1,509,000

INTERNAL CONTROLS

During the year under review, the Board has conducted a review of the effectiveness of the internal control system of the Company.

The Board has overall responsibility for the internal control system of the Company and for reviewing its effectiveness. The Board maintains an adequate internal control system to safeguard the interests of the shareholders and the assets of the Company.

外聘核數師及核數師之酬金

本公司外聘核數師有關其申報綜合財務報表之責任之聲明載於第52及53頁「獨立核數師報告」內。

於回顧年內，本公司向外聘核數師德勤•關黃陳方會計師行已付／應付之酬金載列如下：

內部監控

於回顧年內，董事會已檢討本集團內部監控制度之效能。

董事會須整體負責本公司之內部監控制度，並檢討其效能。董事會亦須負責維持完善內部監控制度，以保障本公司股東利益及本公司之資產。

CORPORATE GOVERNANCE REPORT 企業管治報告

The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The internal auditor reviews and evaluates the control process, monitors any risk factors on a regular basis and reports to the Audit Committee on any findings and measures to address the variances and identified risks.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide an important channel for exchange of views between the Board and the shareholders. The Chairman of the Board as well as chairmen of the Remuneration Committee and Audit Committee and, in their absence, other members of the respective committees and, where applicable, the chairman of the independent Board committee, normally attend the annual general meeting and other relevant shareholder meetings to answer questions at shareholder meetings.

To promote effective communication, the Company maintains a website at www.hopfunggroup.com, where extensive up-to-date information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

本集團之內部監控制度之設計乃為協助有效及有效率之運作，確保財務報告之可靠度及遵守適用法律及規例，識別及管理潛在風險，以及保障本集團之資產。內部核數師須定期檢討及評估監控程序，並監察任何風險因素，以及就任何調查結果，應付變動及已識別風險之措施向審核委員會報告。

與股東溝通及投資者關係

本公司深信，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及策略了解至為重要。本公司亦明白保持透明度和適時披露公司資料的重要性，因其有利於股東及投資者作出最佳投資決策。

本公司之股東大會為董事會與股東提供交流意見之重要渠道。董事會主席以及薪酬委員會及審核委員會之主席(或(如彼等缺席)各委員會之其他成員及(如適用)獨立董事委員會之主席)一般會出席股東週年大會及其他有關股東會議，並且在股東會議上解答問題。

為促進有效之溝通，本公司亦設有網站www.hopfunggroup.com，刊登有關其業務發展及營運之豐富及最新資料、財務資料、企業管治常規及其他資料，以供公眾人士閱覽。

CORPORATE GOVERNANCE REPORT 企業管治報告

SHAREHOLDER RIGHTS

To safeguard shareholder interests and rights, separate resolutions are proposed at shareholder meetings on each substantial issue, including the election of individual directors.

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholder meetings are contained in the Company's Articles of Association. Details of rights to demand a poll are included in all circulars to shareholders and explained in the proceedings of meetings.

Poll results will be posted on the websites of the Company and of the Stock Exchange after the shareholder meeting at which voting is taken on a poll.

股東之權利

為保障股東之利益及權利，本公司會於股東大會上就各項重大問題(包括選舉個別董事)提呈獨立決議案。

本公司組織章程細則已載列股東於股東大會上要求以投票方式表決決議案之權利及程序。要求以投票方式表決之該等權利之詳情會納入交予股東之所有通函，並將於大會進行時加以解釋。

以投票方式表決之投票結果將於進行投票表決之股東大會舉行後在本公司及聯交所之網站上刊登。

DIRECTORS' REPORT 董事會報告

The Directors have pleasure in presenting their report and the audited consolidated financial statements of the Group for the year ended 31st December, 2008.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 32 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2008 are set out in the consolidated income statement on page 54.

On 27th June, 2008, a dividend of 4.32 HK cents per share, amounting to approximately HK\$20,864,000, was paid to the shareholders of the Company as final dividend for 2007.

The Directors did not recommend the payment of a final dividend for the year.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on pages 131 and 132.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

董事欣然提呈彼等就本集團截至二零零八年十二月三十一日止年度之報告及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，其主要附屬公司之主要業務刊載於綜合財務報表附註32。

業績及分配

本集團截至二零零八年十二月三十一日止年度之業績載於第54頁之綜合收益表內。

於二零零八年六月二十七日，本公司向股東派付股息每股4.32港仙，合共約20,864,000港元，作為二零零七年度末期股息。

董事並不建議派付本年度之末期股息。

財務概要

本集團過去五個財政年度之業績及資產與負債概要載於第131及132頁。

物業、廠房及設備

有關本集團物業、廠房及設備於年內之變動詳情，載於綜合財務報表附註15。

DIRECTORS' REPORT 董事會報告

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 24 to the consolidated financial statements.

SHARE PREMIUM AND RESERVES

Movements in the share premium and reserves of the Group for the year ended 31st December, 2008 are set out in the consolidated statement of changes in equity on pages 57 and 58.

DIRECTORS

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

Executive Directors

Mr. Hui Sum Kwok, *Chairman*
Mr. Hui Sum Ping, *Vice Chairman*
Mr. Hui Sum Tai, *Chief Executive Officer*
Mr. Wong Wing Por
Ms. Hui Yuen Li

Independent Non-executive Directors

Mr. Liu Kwok Fai, *Alvan*
Mr. Chee Man Sang, *Eric*
Mr. Wong Chu Leung

In accordance with Article 87(1) of the Company's Articles of Association, Mr. Hui Sum Kwok, Mr. Hui Sum Tai and Mr. Chee Man Sang, Eric shall retire from office by rotation in the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Each of the executive Directors has entered into a service agreement with the Company for a term of one year commencing 15th September, 2008, which may be terminated by not less than three months' notice in writing served by either party.

股本

本公司股本於年內之變動詳情載於綜合財務報表附註24。

股份溢價及儲備

本集團股份溢價及儲備於截至二零零八年十二月三十一日止年度之變動詳情載於第57及第58頁之綜合權益變動表內。

董事

年內及截至本報告日期止，本公司之在任董事如下：

執行董事

許森國先生，*主席*
許森平先生，*副主席*
許森泰先生，*行政總裁*
王榮波先生
許婉莉女士

獨立非執行董事

廖國輝先生
池民生先生
黃珠亮先生

根據本公司之組織章程細則第87(1)條，許森國先生、許森泰先生及池民生先生將於應屆股東週年大會輪值告退，惟彼等符合資格並願膺選連任。

各執行董事已經與本公司訂立服務協議，由二零零八年九月十五日起為期一年，可於任何一方發出不少於三個月書面通知後終止。

DIRECTORS' REPORT 董事會報告

DIRECTORS (continued)

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a 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.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to the Listing Rules. The Company considers all the independent non-executive Directors are independent.

The biographical details of the directors and senior management of the Company are set out in Management Profile on pages 13 to 15 of this report.

SHARE OPTIONS

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

The following table discloses movements in the Company's share options during the year:

Category 類別	Option type 購股權種類 (Note 1) (附註1)	Date of grant 授出日期	Exercisable price 行使價 HK\$ 港元	Outstanding at beginning of the year 年初尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Outstanding at end of the year 年終 尚未行使
Directors								
董事								
Mr. Hui Sum Kwok (Note 2) 許森國先生(附註2)	D	29.5.2007	2.640	1,893,000	-	-	-	1,893,000
Mr. Hui Sum Ping 許森平先生	D	29.5.2007	2.640	1,893,000	-	-	-	1,893,000
Mr. Hui Sum Tai 許森泰先生	D	29.5.2007	2.640	3,678,360	-	-	-	3,678,360

董事(續)

除上文披露者外，擬於應屆股東週年大會重選連任之董事概無與本公司或其任何附屬公司訂立本集團如不作出賠償(法定賠償除外)則不能在一年內終止之服務合約。

本公司已接獲各獨立非執行董事根據上市規則就彼之獨立性作出之年度確認書。本公司認為，全體獨立非執行董事均為獨立人士。

本公司董事及高級管理層履歷詳情載於本年報第13至第15頁管理層履歷。

購股權

本公司購股權計劃之詳情載於綜合財務報表附註26。

下表披露本公司購股權於年內之變動：

DIRECTORS' REPORT 董事會報告

SHARE OPTIONS (continued)

購股權(續)

Category 類別	Option type 購股權種類 (Note 1) (附註1)	Date of grant 授出日期	Exercisable price 行使價 HK\$ 港元	Outstanding at beginning of the year 年初尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Outstanding at end of the year 年終 尚未行使
Mr. Wong Wing Por 王榮波先生	D	29.5.2007	2.640	1,500,000	-	-	-	1,500,000
Ms. Hui Yuen Li 許婉莉女士	D	29.5.2007	2.640	1,100,000	-	-	-	1,100,000
Mr. Liu Kwok Fai, Alvan 廖國輝先生	D	29.5.2007	2.640	120,000	-	-	-	120,000
Mr. Chee Man Sang, Eric 池民生先生	D	29.5.2007	2.640	120,000	-	-	-	120,000
Mr. Wong Chu Leung 黃珠亮先生	D	29.5.2007	2.640	120,000	-	-	-	120,000
				10,424,360	-	-	-	10,424,360
Other employees 其他僱員	D	29.5.2007	2.640	7,950,000	-	-	-	7,950,000
Total all categories 全部類別總計				18,374,360	-	-	-	18,374,360

DIRECTORS' REPORT 董事會報告

SHARE OPTIONS (continued)

Notes:

- The vesting period of the share options granted is determined by Directors at each time when the options are granted. Holders of share options granted under the Company's share option scheme may only exercise their options during the exercisable periods as follows:

Option type D D類購股權	Maximum % of share options exercisable 可行使購股權之最高百分比
1.3.2008 - 28.2.2009	up to 50% 最高可達50%
1.3.2009 - 28.2.2010	up to 75% (to the extent not already exercised) 最高可達75% (以尚未行使者為限)
1.3.2010 - 28.2.2011	up to 100% (to the extent not already exercised) 最高可達100% (以尚未行使者為限)

- Out of the 1,893,000 share options granted, Mr. Hui Sum Kwok was directly interested in 1,393,000 share options and was deemed to be interested in 500,000 share options owned by Ms. Wong Mui, who is the spouse of Mr. Hui Sum Kwok and a member of the senior management of the Group.

For the year ended 31st December, 2008, no share options were granted.

At 31st December, 2008, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 18,374,360, representing approximately 3.8% of the shares of the Company in issue at that date.

購股權(續)

附註：

- 授出購股權之歸屬期由董事於每次授出購股權時釐定。本公司購股權計劃下購股權持有人僅可於以下行使期行使彼等之購股權：

- 於已授出之1,893,000份購股權中，許森國先生於1,393,000份購股權中持有直接權益，並被視為於黃梅女士(許森國先生之配偶及本集團高級管理層成員)擁有之500,000份購股權中持有權益。

於截至二零零八年十二月三十一日止年度，概無授出任何購股權。

於二零零八年十二月三十一日，根據該計劃授出而尚未行使購股權涉及之股份數目為18,374,360股，約佔本公司當日已發行股份3.8%。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed above, at 31st December, 2008, the interests and/or short positions of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(a) Shares

Name of director 董事姓名	Company / Name of associated corporation 本公司/相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人/ 受控法團權益	252,000,000 shares Long position (Note 1) 252,000,000股股份 好倉(附註1)	52.18%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Beneficial owner 實益擁有人	8,038,000 shares Long position 8,038,000股股份 好倉	1.66%
Mr. Hui Sum Kwok 許森國先生	Company 本公司	Interest of spouse 配偶之權益	500,000 shares Long position 500,000股股份 好倉	0.10%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人/ 受控法團權益	252,000,000 shares Long position (Note 1) 252,000,000股股份 好倉(附註1)	52.18%

董事於股份、相關股份及債券之權益

除上文披露者外，於二零零八年十二月三十一日，按照本公司根據證券及期貨條例(「證券及期貨條例」)第352條之規定置存之登記冊所記錄，或根據上市公司董事進行證券交易的標準守則已知會本公司及香港聯合交易所有限公司(「聯交所」)者，董事及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例)之股份、相關股份及債券中擁有之權益及/或淡倉如下：

(a) 股份

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(a) Shares (continued)

董事於股份、相關股份及債券之權益 (續)

(a) 股份(續)

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Ping 許森平先生	Company 本公司	Beneficial owner 實益擁有人	6,694,000 shares Long position 6,694,000股股份 好倉	1.39%
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Interest of a controlled corporation 受控法團權益	Nil (Note 1) 無(附註1)	-
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Beneficial owner 實益擁有人	6,246,000 shares Long position 6,246,000 股股份 好倉	1.29%
Mr. Wong Wing Por 王榮波先生	Company 本公司	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人／ 受控法團權益	Nil (Note 1) 無(附註1)	-
Mr. Wong Wing Por 王榮波先生	Company 本公司	Beneficial owner 實益擁有人	6,020,000 shares Long position 6,020,000股股份 好倉	1.25%
Ms. Hui Yuen Li 許婉莉女士	Company 本公司	Beneficial owner 實益擁有人	3,670,000 shares Long position 3,670,000股股份 好倉	0.76%

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事於股份、相關股份及債券之權益 (續)

(a) Shares (continued)

(a) 股份(續)

Name of director 董事姓名	Company / Name of associated corporation 本公司/相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Liu Kwok Fai, Alvan 廖國輝先生	Company 本公司	Beneficial owner 實益擁有人	222,000 shares Long position 222,000 股股份 好倉	0.05%
Mr. Chee Man Sang, Eric 池民生先生	Company 本公司	Beneficial owner 實益擁有人	96,000 Shares Long position 96,000 股股份 好倉	0.02%
Mr. Hui Sum Kwok 許森國先生	Hop Fung Industries Limited ("Hop Fung Industries")	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人/ 受控法團權益	7,886 shares of US\$0.01 each Long position (Notes 1 and 2) 7,886股每股面值0.01美元之股份 好倉(附註1及2)	78.86%
Mr. Hui Sum Ping 許森平先生	Hop Fung Industries	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人/ 受控法團權益	7,886 shares of US\$0.01 each Long position (Notes 1 and 2) 7,886股每股面值0.01美元之股份 好倉(附註1及2)	78.86%
Mr. Hui Sum Tai 許森泰先生	Hop Fung Industries	Beneficial owner 實益擁有人	857 shares of US\$0.01 each Long position (Notes 1 and 2) 857股每股面值0.01美元之股份 好倉(附註1及2)	8.57%
Mr. Wong Wing Por 王榮波先生	Hop Fung Industries	Founder of a discretionary trust / interest of a controlled corporation 全權信託創立人/ 受控法團權益	1,257 shares of US\$0.01 each Long position (Notes 1 and 2) 1,257股每股面值0.01美元之股份 好倉(附註1及2)	12.57%

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(a) Shares (continued)

董事於股份、相關股份及債券之權益 (續)

(a) 股份(續)

Name of director 董事姓名	Company / Name of associated corporation 本公司/相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Kwok 許森國先生	Hop Fung Industries (Holdings) Limited ("Hop Fung Industries BVI")	Beneficial owner / founder of a discretionary trust / interest of a controlled corporation 實益擁有人/ 全權信託創立人/ 受控法團權益	5,000 shares of US\$0.01 each Long position (Notes 1 and 3) 5,000股每股面值0.01美元之股份 好倉(附註1及3)	50%
Mr. Hui Sum Ping 許森平先生	Hop Fung Industries BVI	Beneficial owner / founder of a discretionary trust / interest of a controlled corporation 實益擁有人/ 全權信託創立人/ 受控法團權益	5,000 shares of US\$0.01 each Long position (Notes 1 and 3) 5,000股每股面值0.01美元之股份 好倉(附註1及3)	50%
Mr. Hui Sum Kwok 許森國先生	Gong Ming Hop Fung Paper Ware Factory Limited ("Hop Fung GM") 公明合豐紙品廠 有限公司 (「合豐公明」)	Interest of controlled corporations 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1 and 4) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1及4)	100%
Mr. Hui Sum Ping 許森平先生	Hop Fung GM 合豐公明	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人/ 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1 and 4) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1及4)	100%

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事於股份、相關股份及債券之權益 (續)

(a) Shares (continued)

(a) 股份(續)

Name of director 董事姓名	Company / Name of associated corporation 本公司/相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Tai 許森泰先生	Hop Fung GM 合豐公明	Interest of a controlled corporation / short position of a controlled corporation 受控法團權益/ 受控法團淡倉	Nil (Notes 1 and 4) 無(附註1及4)	—
Mr. Wong Wing Por 王榮波先生	Hop Fung GM 合豐公明	Interest of a controlled corporation 受控法團權益	Nil (Notes 1 and 4) 無(附註1及4)	—
Mr. Hui Sum Kwok 許森國先生	Fung Kong Hop Fung Paper Ware Factory Limited ("Hop Fung FG") 鳳崗合豐紙品廠 有限公司 〔合豐鳳崗〕	Interest of controlled corporations 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1, 4 and 5) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1、4及5)	100%
Mr. Hui Sum Ping 許森平先生	Hop Fung FG 合豐鳳崗	Founder of a discretionary trust / interest of controlled corporations 全權信託創立人/ 受控法團權益	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Notes 1, 4 and 5) 3,000,000股每股面值 1港元之無投票權遞延股 好倉及淡倉(附註1、4及5)	100%

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(a) Shares (continued)

董事於股份、相關股份及債券之權益 (續)

(a) 股份(續)

Name of director 董事姓名	Company / Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Tai 許森泰先生	Hop Fung FG 合豐鳳崗	Interest of a controlled corporation / short position of a controlled corporation 受控法團權益／ 受控法團淡倉	Nil (Notes 1, 4 and 5) 無 (附註1、4及5)	—
Mr. Wong Wing Por 王榮波先生	Hop Fung FG 合豐鳳崗	Interest of a controlled corporation / short position of a controlled corporation 受控法團權益／ 受控法團淡倉	Nil (Notes 1, 4 and 5) 無 (附註1、4及5)	—
Mr. Hui Sum Kwok 許森國先生	Applewood Forest Limited	Founder of a discretionary trust 全權信託創立人	1 share of US\$1 Long position (Notes 1 and 6) 1股面值1美元之股份 好倉 (附註1及6)	100%
Mr. Hui Sum Kwok 許森國先生	Profit Luck Limited 利萊有限公司	Founder of a discretionary trust 全權信託創立人	100 shares of HK\$1 Long position (Notes 1, 6 and 7) 100股每股面值1港元之股份 好倉 (附註1、6及7)	100%

Notes:

- The 252,000,000 shares are owned by Hop Fung Industries. The issued share capital of Hop Fung Industries is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Industries BVI, Delight Ocean Limited ("Delight") and Mr. Hui Sum Tai respectively.

附註：

- 該252,000,000股股份由Hop Fung Industries擁有。Hop Fung Industries已發行股本分別由Hop Fung Industries BVI、Delight Ocean Limited (「Delight」)及許森泰先生擁有78.86%、12.57%及8.57%。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(a) Shares (continued)

Notes: (continued)

The issued share capital of Hop Fung Industries BVI is owned as to 11.81%, 11.81%, 38.19% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood Holdings Limited ("Fullwood") and Goldspeed Holdings Limited ("Goldspeed") respectively. Fullwood is wholly owned by Pinecity Investments Limited ("Pinecity") and Pinecity is wholly owned by HSBC International Trustee Limited ("HSBC") in its capacity as the trustee of Hui & Wong 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Kwok and the discretionary objects of which include family members of Mr. Hui Sum Kwok. Goldspeed is wholly owned by Goldkeen Assets Management Limited ("Goldkeen") and Goldkeen is wholly owned by HSBC in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping will be deemed to be interested in the 252,000,000 shares under the SFO.

Delight is wholly owned by Richfaith Assets Management Limited ("Richfaith") and Richfaith is wholly owned by HSBC in its capacity as the trustee of Wong's 2004 Family Trust, a discretionary trust the founder of which is Mr. Wong Wing Por and the discretionary objects of which include family members of Mr. Wong Wing Por.

- Hop Fung Industries is a holding company of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung Industries is US\$100 divided into 10,000 shares of US\$0.01 each which is owned as to 7,886, 1,257 and 857 shares by Hop Fung Industries BVI, Delight and Mr. Hui Sum Tai respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 7,886 shares of US\$0.01 each and Mr. Wong Wing Por is deemed to be interested in the 1,257 shares of US\$0.01 each in Hop Fung Industries.

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

附註：(續)

Hop Fung Industries BVI之已發行股本分別由許森國先生、許森平先生、Fullwood Holdings Limited (「Fullwood」)及Goldspeed Holdings Limited (「Goldspeed」)擁有11.81%、11.81%、38.19%及38.19%。Fullwood由Pinecity Investments Limited (「Pinecity」)全資擁有，而Pinecity由HSBC International Trustee Limited (「HSBC」)以Hui & Wong 2004 Family Trust受託人之身分全資擁有。該信託為一項全權信託，其創立人為許森國先生，全權信託對象包括許森國先生之家族成員。Goldspeed由Goldkeen Assets Management Limited (「Goldkeen」)全資擁有，而Goldkeen由HSBC以HSP 2004 Family Trust受託人之身分全資擁有。該信託為一項全權信託，其創立人為許森平先生，全權信託對象包括許森平先生之家族成員。因此，根據證券及期貨條例，許森國先生及許森平先生各自被視為擁有該252,000,000股股份之權益。

Delight由Richfaith Assets Management Limited (「Richfaith」)全資擁有，而Richfaith由HSBC以Wong's 2004 Family Trust受託人之身分全資擁有。該信託為一項全權信託，其創立人為王榮波先生，全權信託對象包括王榮波先生之家族成員。

- Hop Fung Industries乃本公司之控股公司，因此根據證券及期貨條例，屬本公司之相聯法團。Hop Fung Industries之全部已發行股本為100美元，分為10,000股每股面值0.01美元之股份，分別由Hop Fung Industries BVI、Delight及許森泰先生擁有7,886、1,257及857股。根據證券及期貨條例，許森國先生及許森平先生均被視為擁有Hop Fung Industries 7,886股每股面值0.01美元股份之權益，而王榮波先生則被視為擁有Hop Fung Industries 1,257股每股面值0.01美元股份之權益。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(a) Shares (continued)

Notes: (continued)

- Hop Fung Industries BVI is a holding company of Hop Fung Industries and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung Industries BVI is US\$100 divided into 10,000 shares of US\$0.01 each which is owned as to 1,181, 1,181, 3,819 and 3,819 shares by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood and Goldspeed respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is interested and/or deemed to be interested in an aggregate of 5,000 shares of US\$0.01 each in Hop Fung Industries BVI.
- Hop Fung GM is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung GM is HK\$3,000,100 divided into 100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each. The 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM are beneficially owned by Hop Fung Group (HK) Limited ("Hop Fung Group HK") which is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Holdings Limited ("Hop Fung Holdings (BVI)"), Mr. Wong Wing Por and Mr. Hui Sum Tai respectively.

The issued share capital of Hop Fung Holdings (BVI) is owned as to 50%, 11.81% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping and Goldspeed respectively. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM.

Pursuant to an option deed dated 19th August, 2003, Hop Fung Group HK and its nominee granted to Hop Fung Group Company Limited ("Hop Fung Group (BVI)"), a wholly owned subsidiary of the Company, an option to purchase from them such 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to have a short position in the underlying shares of the option granted under the option deed pursuant to the SFO.

董事於股份、相關股份及債券之權益 (續)

(a) 股份(續)

附註:(續)

- Hop Fung Industries BVI乃Hop Fung Industries之控股公司，因此根據證券及期貨條例，屬本公司之相聯法團。Hop Fung Industries BVI之全部已發行股本為100美元，分為10,000股每股面值0.01美元之股份，分別由許森國先生、許森平先生、Fullwood及Goldspeed擁有1,181、1,181、3,819及3,819股。根據證券及期貨條例，許森國先生及許森平先生擁有及/或被視為擁有Hop Fung Industries BVI合共5,000股每股面值0.01美元股份之權益。
- 合豐公明乃本公司之附屬公司，因此根據證券及期貨條例，屬本公司之相聯法團。合豐公明之全部已發行股本為3,000,100港元，分為100股每股面值1港元之普通股及3,000,000股每股面值1港元之無投票權遞延股。該3,000,000股每股面值1港元之合豐公明無投票權遞延股由合豐集團(香港)有限公司(「合豐集團香港」)實益擁有，而合豐集團香港則分別由Hop Fung Holdings Limited(「Hop Fung Holdings (BVI)」)、王榮波先生及許森泰先生擁有78.86%、12.57%及8.57%。

Hop Fung Holdings (BVI)之已發行股本分別由許森國先生、許森平先生及Goldspeed擁有50%、11.81%及38.19%。根據證券及期貨條例，許森國先生及許森平先生被視為擁有合豐公明3,000,000股每股面值1港元無投票權遞延股之權益。

根據日期為二零零三年八月十九日之購股權契據，合豐集團香港及其代名人向本公司之全資附屬公司Hop Fung Group Company Limited(「Hop Fung Group (BVI)」)授出購股權，以向彼等購買3,000,000股每股面值1港元之合豐公明無投票權遞延股。因此，根據證券及期貨條例，許森國先生及許森平先生均被視為擁有根據購股權契據所授出購股權涉及之相關股份之淡倉。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(a) Shares (continued)

Notes: (continued)

5. Hop Fung FG is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung FG is HK\$3,000,100 divided into 100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each. The 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung FG are beneficially owned by Hop Fung Group HK. Under the SFO, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to be interested in the 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung FG.

Pursuant to an option deed dated 19th August, 2003, Hop Fung Group HK and its nominee granted to Hop Fung Group (BVI) an option to purchase from them such 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung FG. Accordingly, each of Mr. Hui Sum Kwok and Mr. Hui Sum Ping is deemed to have a short position in the underlying shares of the option granted under the option deed pursuant to the SFO.

6. Applewood Forest Limited ("Applewood") is a company incorporated in the British Virgin Islands. The entire issued share capital of Applewood is US\$1 comprises 1 share of US\$1 which is owned by HSBC in its capacity as the trustee of Hui & Wong 2004 Family Trust. Applewood is an associated corporation of the Company under the SFO. Under the SFO, Mr. Hui Sum Kwok is deemed to be interested in the 1 share of US\$1 in Applewood owned by HSBC in its capacity as the trustee of Hui & Wong 2004 Family Trust.
7. Profit Luck Limited ("Profit") is a company incorporated in Hong Kong. The entire issued share capital of Profit is HK\$100 comprises 100 shares of HK\$1 each which is indirectly owned by HSBC through its wholly owned subsidiary, Applewood. Details of Applewood are set out in note 6 above.

董事於股份、相關股份及債券之權益 (續)

(a) 股份(續)

附註:(續)

5. 合豐鳳崗乃本公司之附屬公司，因此根據證券及期貨條例，屬本公司之相聯法團。合豐鳳崗之全部已發行股本為3,000,100港元，分為100股每股面值1港元之普通股及3,000,000股每股面值1港元之無投票權遞延股。該3,000,000股每股面值1港元之合豐鳳崗無投票權遞延股由合豐集團香港實益擁有。根據證券及期貨條例，許森國先生及許森平先生均被視為擁有3,000,000股每股面值1港元之合豐鳳崗無投票權遞延股之權益。

根據日期為二零零三年八月十九日之購股權契據，合豐集團香港及其代名人向Hop Fung Group (BVI)授出購股權，以向彼等購買3,000,000股每股面值1港元之合豐鳳崗無投票權遞延股。因此，根據證券及期貨條例，許森國先生及許森平先生均被視為擁有根據購股權契據所授出購股權涉及之相關股份之淡倉。

6. Applewood Forest Limited (「Applewood」) 乃於英屬處女群島註冊成立之公司。Applewood之全部已發行股本為1美元，包括1股面值1美元之股份。該股股份由HSBC以Hui & Wong 2004 Family Trust受託人身份分擁有。根據證券及期貨條例，Applewood屬本公司之相聯法團。根據證券及期貨條例，許森國先生被視為擁有由HSBC以Hui & Wong 2004 Family Trust受託人身份分擁有之Applewood 1股面值1美元股份之權益。
7. 利萊有限公司(「利萊」)乃於香港註冊成立之公司。利萊之全部已發行股本為100港元，分為100股每股面值1港元之股份，由HSBC透過其全資附屬公司Applewood間接擁有。Applewood之詳情載於上文附註6。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(b) Share options

Details of the Directors' and their associates' interests in share options of the Company are set out in the Section headed "Share Options" in this report.

Other than as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31st December, 2008.

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2008, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

董事於股份、相關股份及債券之權益 (續)

(b) 購股權

董事及彼等之聯繫人士於本公司購股權之權益詳情載於上文「購股權」一節。

除上文披露者外，於二零零八年十二月三十一日，董事及彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

主要股東

於二零零八年十二月三十一日，本公司根據證券及期貨條例第336條置存之主要股東名冊顯示，以下股東已知會本公司彼等持有本公司已發行股本之相關權益及淡倉：

Name of shareholder 股東名稱/姓名	Capacity 身分	Number of issued shares held 持有已發行股份數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Hop Fung Industries	Beneficial owner 實益擁有人	252,000,000	1	52.18%
Hop Fung Industries BVI	Interest of a controlled corporation 受控法團權益	252,000,000	1,2	52.18%
Fullwood	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 4	52.18%
Pinecity	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 4	52.18%
Goldspeed	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 5	52.18%

DIRECTORS' REPORT 董事會報告

SUBSTANTIAL SHAREHOLDERS (continued)

主要股東(續)

Name of shareholder 股東名稱/姓名	Capacity 身分	Number of issued shares held 持有已發行股份數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Goldkeen	Interest of controlled corporations 受控法團權益	252,000,000	1, 2, 3, 5	52.18%
HSBC	Trustee of discretionary trust/interest of controlled corporations 全權信託受託人/受控法團權益	252,000,000	1, 2, 3, 4, 5	52.18%
Mr. Hui Sum Kwok 許森國先生	Beneficial owner/founder of a discretionary trust/interest of controlled corporations/interest of spouse 實益擁有人/全權信託創立人/受控法團權益/配偶之權益	260,538,000	1, 2, 3, 4, 6	53.95%
Mr. Hui Sum Ping 許森平先生	Beneficial owner/founder of a discretionary trust/interest of controlled corporations 實益擁有人/全權信託創立人/受控法團權益	258,694,000	1, 2, 3, 5, 7	53.57%
Montpelier Asset Management Limited	Investment manager 投資經理	29,744,000	—	6.16%
Government of Singapore Investment Corporation Pte Ltd	Investment Manager 投資經理	24,234,000	—	5.02%

Notes:

- The 252,000,000 shares are owned by Hop Fung Industries.
- The issued share capital of Hop Fung Industries is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Industries BVI, Delight and Mr. Hui Sum Tai respectively and Hop Fung Industries BVI is deemed to be interested in the 252,000,000 shares under the SFO.

附註:

- 該252,000,000股股份由Hop Fung Industries擁有。
- Hop Fung Industries之已發行股本由Hop Fung Industries BVI、Delight及許森泰先生分別擁有78.86%、12.57%及8.57%，而根據證券及期貨條例，Hop Fung Industries BVI被視為擁有該252,000,000股股份之權益。

DIRECTORS' REPORT 董事會報告

SUBSTANTIAL SHAREHOLDERS (continued)

Notes: (continued)

3. The issued share capital of Hop Fung Industries BVI is owned as to 11.81%, 11.81%, 38.19% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood and Goldspeed respectively.
4. The entire issued share capital of Fullwood is indirectly held by HSBC through its 100% controlled corporation, Pinacity in its capacity as the trustee of Hui & Wong 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Kwok and the discretionary objects of which include family members of Mr. Hui Sum Kwok. Accordingly, each of Fullwood, Pinacity, HSBC and Mr. Hui Sum Kwok is deemed to be interested in the 252,000,000 shares under the SFO.
5. The entire issued share capital of Goldspeed is indirectly held by HSBC through its 100% controlled corporation, Goldkeen in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, each of Goldspeed, Goldkeen, HSBC and Mr. Hui Sum Ping is deemed to be interested in the 252,000,000 shares under the SFO.
6. Of 260,538,000 shares, Ms. Wong Mui is directly interested in 500,000 shares in the Company and is deemed to be interested in 260,038,000 shares under the SFO as she is the spouse of Mr. Hui Sum Kwok, a director of the Company.
7. Ms. Jian Jian Yi is deemed to be interested in 258,694,000 shares under the SFO as she is the spouse of Mr. Hui Sum Ping, a director of the Company.

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

主要股東(續)

附註:(續)

3. Hop Fung Industries BVI之已發行股本分別由許森國先生、許森平先生、Fullwood及Goldspeed擁有11.81%、11.81%、38.19%及38.19%。
4. Fullwood之全部已發行股本由HSBC透過其100%受控法團Pinacity以Hui & Wong 2004 Family Trust受託人之身分間接持有。Hui & Wong 2004 Family Trust乃一項全權信託，其創立人為許森國先生；而全權信託對象包括許森國先生之家族成員。因此，根據證券及期貨條例，Fullwood、Pinacity、HSBC及許森國先生各自被視為擁有該252,000,000股股份之權益。
5. Goldspeed之全部已發行股本由HSBC透過其100%受控法團Goldkeen以HSP 2004 Family Trust之受託人身分間接持有。HSP 2004 Family Trust乃一項全權信託，其創立人為許森平先生；而全權信託對象包括許森平先生之家族成員。因此，根據證券及期貨條例，Goldspeed、Goldkeen、HSBC及許森平先生各自被視為擁有該252,000,000股股份之權益。
6. 於260,538,000股股份中，黃梅女士直接持有本公司500,000股股份權益，以及由於彼為本公司董事許森國先生之配偶，根據證券及期貨條例，黃梅女士被視為擁有該260,038,000股股份之權益。
7. 根據證券及期貨條例，由於簡健儀女士為本公司董事許森平先生之配偶，簡健儀女士被視為擁有該258,694,000股股份之權益。

除上文披露者外，於二零零八年十二月三十一日，本公司並無獲悉任何其他人士於本公司已發行股本中擁有相關權益或淡倉。

DIRECTORS' REPORT 董事會報告

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

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

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the heading "Share Options" above, at no time during the year was the Company, any of its holding companies, fellow subsidiaries or subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, save as disclosed above, none of the Directors, their spouse or children under the age of 18 were granted any right to subscribe for the securities of the Company or had exercised any such right during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than the transactions set out in note 31 to the consolidated financial statements, no other contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December, 2008, the aggregate amount of turnover attributable to the Group's five largest customers accounted for less than 15% of the Group's total turnover.

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 58% of the Group's total purchases and the purchase attributable to the Group's largest supplier accounted for approximately 29% of the Group's total purchases.

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

購買、出售或贖回本公司上市股份

本公司及其任何附屬公司並無於年內購買、贖回或出售本公司任何上市股份。

購買股份或債券之安排

除上文「購股權」一節披露者外，本公司、其任何控股公司、同系附屬公司或附屬公司並無於年內任何時間參與訂立任何安排，致使本公司董事可透過收購本公司或任何其他法人團體之股份或債券而獲益。此外，除上文披露者外，董事、彼等各自之配偶或十八歲以下子女亦無獲授或於年內行使任何可認購本公司證券之權利。

董事於重要合約之權益

除綜合財務報表附註31所載之交易外，本公司或其任何附屬公司概無訂立任何於本年度完結時或年內任何時間仍然生效而本公司董事於當中直接或間接擁有重大權益之重大合約。

主要客戶及供應商

於截至二零零八年十二月三十一日止年度，本集團五大客戶之營業額合共佔本集團總營業額少於15%。

本集團五大供應商之購貨額合共佔本集團購貨總額約58%，而本集團最大供應商之購貨額則佔本集團購貨總額約29%。

各董事、其聯繫人士或就董事所知擁有本公司股本5%以上之股東概無在本集團五大供應商中擁有任何權益。

DIRECTORS' REPORT 董事會報告

CONNECTED TRANSACTIONS

During the year, the Group did not enter into any transactions with any connected persons.

PRE-EMPTIVE RIGHTS

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

DONATIONS

During the year, the Group made charitable donations amounting to approximately HK\$600,000.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules, during the year ended 31st December, 2008, except with the following deviations:

Code Provision A.2.1

- Code provision A.2.1 stipulates that the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.
- There is no written terms on division of responsibilities between the chairman and the chief executive officer. The Directors consider that the responsibilities of the chairman and chief executive officer respectively are clear and distinctive and hence written terms thereof are not necessary.

Code Provision A.4.2

- Code provision A.4.2 stipulates that all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment.
- In accordance with the Company's Articles of Association, Directors appointed to fill a casual vacancy are subject to re-election at next annual general meeting.

關連交易

年內，本集團沒有與任何關連人士訂立任何交易。

優先購買權

本公司之組織章程細則或開曼群島法例並無有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股。

捐款

年內，本集團作出慈善捐款約600,000港元。

公司管治

於截至二零零八年十二月三十一日止年度，本公司已遵守上市規則附錄14企業管治常規守則（「企管守則」）所載之守則條文，惟以下之偏離除外：

守則條文A.2.1條

- 守則條文A.2.1條規定主席與行政總裁之職責範圍應清楚地制定，並以書面列出。
- 本公司並無書面列出主席與行政總裁之職責範圍。董事會認為，主席與行政總裁各自之職責均有明確界定，故毋須明文編製彼等之職權範圍。

守則條文A.4.2條

- 守則條文A.4.2條規定所有為填補臨時空缺而獲委任之董事須於委任後之首次股東大會上接受股東選舉。
- 根據本公司組織章程，為填補臨時空缺而獲委任之董事須於下屆股東週年大會上重選。

DIRECTORS' REPORT 董事會報告

CORPORATE GOVERNANCE *(continued)*

Code Provision B.1.3

- A major deviation from the code provision B.1.3 is that the Remuneration Committee of the Company review and make recommendations to the Directors on the remuneration packages of the Executive Directors only but not senior management.
- Currently, the remuneration of senior management is attended by the chairman and/or chief executive officer of the Company.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

AUDITOR

Messrs. Deloitte Touche Tohmatsu have acted as auditor of the Company since its incorporation.

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Hui Sum Kwok
Chairman
22nd April, 2009

公司管治(續)

守則條文B.1.3條

- 主要之偏離為守則條文B.1.3，當中規定本公司薪酬委員會僅就執行董事(而非就高級管理層)之薪酬方案進行檢討及向董事作出建議。
- 目前，高級管理層之薪酬由本公司主席及／或行政總裁處理。

公眾持股量

根據本公司公開可得之資料及就董事所知，於本報告日期，本公司至少25%之已發行股本總額乃由公眾人士持有。

核數師

德勤•關黃陳方會計師行自本公司註冊成立以來，一直擔任本公司核數師。

本公司將於應屆股東週年大會提呈續委聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會

主席
許森國
二零零九年四月二十二日

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Deloitte. 德勤

TO THE SHAREHOLDERS OF
HOP FUNG GROUP HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Hop Fung Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 54 to 130, which comprise the consolidated balance sheet as at 31st December, 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those

致合豐集團控股有限公司全體股東

(於開曼群島註冊成立之有限公司)

本核數師行已完成審核列載於第54至130頁合豐集團控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表，此綜合財務報表包括於二零零八年十二月三十一日之綜合資產負債表與截至該日止年度之綜合收益表，綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露要求編製及真實而公平地呈列該等綜合財務報表。該責任包括設計、實行及維護與編製及真實而公平地呈列綜合財務報表相關之內部監控，以使該等綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇及應用適當之會計政策；及按情況作出合理之會計估計。

核數師之責任

本核數師之責任是根據我們之審核，對該等綜合財務報表作出意見，並僅向全體股東(作為法人)報告，而不作其他用途。本核數師不會就本報告之內容向任何人士負責或承擔任何責任。本核數師已根據香港會計師公會頒佈之香港審核準則進行審核。該等準則要求我們遵守道德規範，並規

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 31st December, 2008 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22nd April, 2009

劃及執行審核，合理地確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關綜合財務報表所載數額及披露資料所需之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地呈列綜合財務報表相關的內部監控，以設計適當的審核程序，但並非為對公司的內部監控的效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體呈列方式。

本核數師相信，我們所獲取之審核憑證是充足及適當地為我們的審核意見建立基礎。

意見

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

德勤•關黃陳方會計師行
執業會計師
香港
二零零九年四月二十二日

CONSOLIDATED INCOME STATEMENT 綜合收益表

FOR THE YEAR ENDED 31ST DECEMBER, 2008

截至二零零八年十二月三十一日止年度

		NOTES 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Revenue	收益	7	1,033,152	925,533
Cost of sales	銷售成本		(835,341)	(713,899)
Gross profit	毛利		197,811	211,634
Other income	其他收入	8	20,734	18,526
Selling and distribution costs	銷售及分銷成本		(46,843)	(45,355)
Administrative expenses	行政開支		(62,198)	(58,491)
Other expenses	其他開支		(22,445)	(24,686)
Finance costs	財務成本	9	(11,869)	(6,837)
Change in fair value of unsecured structured borrowing	無抵押結構借貸 公平值之變動	23	(7,157)	9,762
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動		(20,331)	10,561
Profit before taxation	稅前利潤		47,702	115,114
Taxation	稅項	10	(6,270)	(3,370)
Profit for the year	年度利潤	11	41,432	111,744
Dividends paid	已付股息	13	20,864	27,776
Earnings per share	每股盈利	14	HK cents 港仙	HK cents 港仙
– basic	– 基本		8.58	24.85
– diluted	– 攤薄		不適用	24.57

CONSOLIDATED BALANCE SHEET 綜合資產負債表

AT 31ST DECEMBER, 2008

於二零零八年十二月三十一日

		NOTES 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	1,098,640	794,645
Prepaid lease payments on land use rights	土地使用權預付租賃款項	16	34,854	35,347
Deposits paid for the acquisition of property, plant and equipment	購置物業、廠房及 設備所付訂金		-	52,621
			1,133,494	882,613
Current assets	流動資產			
Inventories	存貨	17	65,631	191,998
Trade and other receivables	貿易及其他應收款項	18	115,419	131,425
Deposits and prepayments	按金及預付款		10,537	19,816
Prepaid lease payments on land use rights	土地使用權預付租賃款項	16	809	809
Derivative financial instruments	衍生金融工具	19	706	2,141
Bank balances and cash	銀行結餘及現金	20	254,795	153,735
			447,897	499,924
Current liabilities	流動負債			
Trade, bills and other payables	貿易、票據及其他應付款項	21	102,788	114,645
Taxation payable	應付稅項		18,995	17,471
Derivative financial instruments	衍生金融工具	19	24,547	1,218
Unsecured bank borrowings	無抵押銀行借貸	22	282,974	236,848
Unsecured structured borrowing	無抵押結構借貸	23	7,750	7,800
			437,054	377,982
Net current assets	流動資產淨值		10,843	121,942
Total assets less current liabilities	總資產減流動負債		1,144,337	1,004,555

CONSOLIDATED BALANCE SHEET 綜合資產負債表

AT 31ST DECEMBER, 2008

於二零零八年十二月三十一日

		NOTES 附註	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	24	48,292	48,292
Share premium and reserves	股份溢價及儲備		723,785	695,450
Total equity	權益總額		772,077	743,742
Non-current liabilities	非流動負債			
Unsecured bank borrowings	無抵押銀行借貸	22	338,685	230,914
Unsecured structured borrowing	無抵押結構借貸	23	25,325	26,069
Deferred taxation	遞延稅項	25	8,250	3,830
			372,260	260,813
			1,144,337	1,004,555

The consolidated financial statements on pages 54 to 130 were approved and authorised for issue by the Board of Directors on 22nd April, 2009 and are signed on its behalf by:

於第54至130頁之綜合財務報表已於二零零九年四月二十二日經董事會批准及授權發表，並由下列董事代表簽署：

DIRECTOR 董事
HUI SUM KWOK 許森國

DIRECTOR 董事
HUI SUM PING 許森平

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

FOR THE YEAR ENDED 31ST DECEMBER, 2008

截至二零零八年十二月三十一日止年度

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (note) (附註)	Translation reserve 匯兌儲備 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2007	於二零零七年一月一日	42,390	262,303	(107,444)	4,197	2,555	280,095	484,096
Exchange differences arising on translation of foreign operations recognised directly in equity	於權益直接確認換算海外業務之匯兌差額	-	-	-	4,046	-	-	4,046
Profit for the year	年度利潤	-	-	-	-	-	111,744	111,744
Total recognised income for the year	年度確認收入總額	-	-	-	4,046	-	111,744	115,790
Recognition of equity-settled share-based payments	確認以股權結算以股份支付之支出	-	-	-	-	5,206	-	5,206
Exercise of share options	行使購股權	1,662	20,971	-	-	(2,555)	-	20,078
Proceeds on placing of new shares	配售新股份所得款項	4,240	146,280	-	-	-	-	150,520
Share issue expenses on placing of new shares	配售新股份之股份發行支出	-	(4,172)	-	-	-	-	(4,172)
Final dividend paid in respect of 2006	已派二零零六年末期股息	-	-	-	-	-	(19,669)	(19,669)
Interim dividend paid in respect of 2007	已派二零零七年中期股息	-	-	-	-	-	(8,107)	(8,107)
At 31st December, 2007	於二零零七年十二月三十一日	48,292	425,382	(107,444)	8,243	5,206	364,063	743,742
Exchange differences arising on translation of foreign operations recognised directly in equity	於權益直接確認換算海外業務之匯兌差額	-	-	-	4,181	-	-	4,181
Profit for the year	年度利潤	-	-	-	-	-	41,432	41,432
Total recognised income for the year	年度確認收入總額	-	-	-	4,181	-	41,432	45,613
Recognition of equity-settled share-based payments	確認以股權結算以股份支付之支出	-	-	-	-	3,586	-	3,586
Final dividend paid in respect of 2007	已派二零零七年末期股息	-	-	-	-	-	(20,864)	(20,864)
At 31st December, 2008	於二零零八年十二月三十一日	48,292	425,382	(107,444)	12,424	8,792	384,631	772,077

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

FOR THE YEAR ENDED 31ST DECEMBER, 2008

截至二零零八年十二月三十一日止年度

Note:

Special reserve represents the difference between the costs of investments in subsidiaries of the Company and the aggregate amount of the non-voting deferred share capital of Fung Kong Hop Fung Paper Ware Factory Limited and Gong Ming Hop Fung Paper Ware Factory Limited and the nominal value of the share capital of the subsidiaries acquired as a result of the group reorganisation in 2003.

附註：

特別儲備指本公司於附屬公司之投資成本與鳳崗合豐紙品廠有限公司及公明合豐紙品廠有限公司無投票權遞延股本總額及因二零零三年集團重組而收購之附屬公司之股本面值之差額。

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER, 2008

截至二零零八年十二月三十一日止年度

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Operating activities	經營活動		
Profit before taxation	稅前利潤	47,702	115,114
Adjustments for:	經作出以下調整：		
Finance costs	財務成本	11,869	6,837
(Reversal of) impairment losses on trade receivables	(撥回)貿易應收款項之減值虧損	(2,910)	2,056
Write-down of inventories	撇銷存貨	13,275	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	46,858	34,652
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	493	493
Interest income	利息收入	(652)	(2,751)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	8	285
Share-based payment expense	以股份支付之支出	3,586	5,206
Changes in fair value of derivative financial instruments	衍生金融工具公平值之變動	20,331	(10,561)
Change in fair value of unsecured structured borrowing	無抵押結構借貸公平值之變動	7,157	(9,762)
Operating cash flows before movements in working capital	流動資金變動前營運現金流量	147,717	141,569
Decrease (increase) in inventories	存貨減少(增加)	113,092	(112,548)
Decrease (increase) in trade and other receivables	貿易及其他應收款項減少(增加)	18,916	(14,446)
Decrease (increase) in deposits and prepayments	按金及預付款減少(增加)	9,279	(11,483)
(Decrease) increase in trade, bills and other payables	貿易、票據及其他應付款項(減少)增加	(11,857)	29,821
Settlement of derivative financial instruments, net	以衍生金融工具結算，淨額	4,433	5,007
Cash generated from operations	營運產生之現金	281,580	37,920
Income tax paid	已繳付所得稅	(326)	(1,168)
Net cash from operating activities	經營活動產生之現金淨額	281,254	36,752

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER, 2008

截至二零零八年十二月三十一日止年度

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Investing activities	投資活動		
Purchases of property, plant and equipment	收購物業、廠房及設備	(290,571)	(440,102)
Interest received	已收利息	652	2,751
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	396	216
Increase in deposits paid for the acquisition of property, plant and equipment	購置物業、廠房及設備所付訂金增加	-	(52,621)
Increase in prepaid lease payments on land use rights	土地使用權預付租賃款項增加	-	(13,494)
Net cash used in investing activities	投資活動使用之現金淨額	(289,523)	(503,250)
Financing activities	融資活動		
New bank loans raised	新增銀行借貸	242,954	214,400
Bank advances drawn	預支銀行墊款	407,770	-
(Decrease) increase in trust receipt loans	信託收據貸款 (減少)增加	(100,333)	120,470
Net proceeds on issue of new shares	發行新股份所得款項淨額	-	166,426
Repayment of bank loans	償還銀行借貸	(113,383)	(66,246)
Repayment of bank advances	償還銀行墊款	(283,111)	-
Repayment of unsecured structured borrowing	償還無抵押結構借貸	(7,951)	(7,560)
Dividends paid	已派股息	(20,864)	(27,776)
Interest paid	已付利息	(18,748)	(15,049)
Net cash from financing activities	融資活動產生之現金淨額	106,334	384,665
Net increase (decrease) in cash and cash equivalents	現金及現金等值增加 (減少)淨額	98,065	(81,833)
Cash and cash equivalents at 1st January,	於一月一日現金及現金等值	153,735	231,605
Effect of foreign exchange rate changes	匯率變動之影響	2,995	3,963
Cash and cash equivalents at 31st December, represented by bank balances and cash	於十二月三十一日現金及現金等值，銀行結餘及現金	254,795	153,735

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2008
截至二零零八年十二月三十一日止年度

1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent is Hop Fung Industries Limited, a company incorporated in the British Virgin Islands and its ultimate holding company is Hop Fung Industries (Holdings) Limited, a company also incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed under Corporate Information section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HKD"), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 32.

2. APPLICATION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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

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

1. 一般資料

本公司根據開曼群島法例第22章公司法(一九六一年第3條法例，經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之母公司為於英屬處女群島註冊成立之Hop Fung Industries Limited，而最終控股公司則為於英屬處女群島註冊成立之Hop Fung Industries (Holdings) Limited。本公司之註冊辦事處及主要營業地點之地址載於本年報公司資料部份內。

綜合財務報表均以港元(「港元」)呈列，港元為本公司之功能貨幣。

本公司為投資控股公司，其主要附屬公司之主要業務載於附註32。

2. 新訂或經修訂之香港財務報告準則(「香港財務報告準則」)之應用

於本年度內，本集團已採用下列由香港會計師公會(「香港會計師公會」)頒佈並生效或已生效之修訂及詮釋(「新香港財務報告準則」)。

香港會計準則第39號及香港財務報告準則第7號(修訂本)	重新分類財務資產
香港(國際財務報告詮釋委員會) – 詮釋第11號	香港財務報告準則第2號：集團及庫存股份交易
香港(國際財務報告詮釋委員會) – 詮釋第12號	服務經營權安排
香港(國際財務報告詮釋委員會) – 詮釋第14號	香港會計準則第19號 – 界定福利資產之限制、最低資金要求及兩者之互動關係

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2008

截至二零零八年十二月三十一日止年度

2. APPLICATION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

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. Accordingly, no prior period adjustment has been required.

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

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible Hedged Items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments ²
HKFRS 8	Operating Segments ²
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives ⁴
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁵
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁶
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) – Int 18	Transfers of Assets from Customers ⁷

2. 新訂或經修訂之香港財務報告準則(「香港財務報告準則」)之應用(續)

採用新香港財務報告準則對當前或以往會計期間之業績及財務狀況之編製及呈列方式並無重大影響，故此毋須對以往期間作出調整。

本集團並無提早採用下列已頒佈但尚未生效之新訂及經修訂準則、修訂或詮釋。

香港財務報告準則(修訂本)	香港財務報告準則之改進 ¹
香港會計準則第1號(經修訂)	財務報表之呈列 ²
香港會計準則第23號(經修訂)	借貸成本 ²
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ³
香港會計準則第32號及第1號(修訂本)	可沽售金融工具及清盤時產生之責任 ²
香港會計準則第39號(修訂本)	合資格對沖項目 ³
香港財務報告準則第1號及香港會計準則第27號(修訂本)	於附屬公司、共同控制實體或聯營公司之投資成本 ²
香港財務報告準則第2號(修訂本)	歸屬條件及註銷 ²
香港財務報告準則第3號(經修訂)	業務合併 ³
香港財務報告準則第7號(修訂本)	改進有關金融工具之披露事項 ²
香港財務報告準則第8號	經營分部 ²
香港(國際財務報告詮釋委員會)–詮釋第9號及香港會計準則第39號(修訂本)	附帶內在衍生工具 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 ⁵
香港(國際財務報告詮釋委員會)–詮釋第15號	興建房地產之協議 ²
香港(國際財務報告詮釋委員會)–詮釋第16號	海外業務淨投資之對沖 ⁶
香港(國際財務報告詮釋委員會)–詮釋第17號	向擁有人分派非現金資產 ³
香港(國際財務報告詮釋委員會)–詮釋第18號	來自客戶之資產轉讓 ⁷

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2008

截至二零零八年十二月三十一日止年度

2. APPLICATION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- 1 Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009
- 2 Effective for annual periods beginning on or after 1st January, 2009
- 3 Effective for annual periods beginning on or after 1st July, 2009
- 4 Effective for annual periods ending on or after 30th June, 2009
- 5 Effective for annual periods beginning on or after 1st July, 2008
- 6 Effective for annual periods beginning on or after 1st October, 2008
- 7 Effective for transfers on or after 1st July, 2009

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1st January, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and by the Hong Kong Companies Ordinance.

2. 新訂或經修訂之香港財務報告準則(「香港財務報告準則」)之應用(續)

- 1 於二零零九年一月一日或以後開始之年度期間生效，惟香港財務報告準則第5號之修訂則於二零零九年七月一日或以後開始之年度期間生效
- 2 於二零零九年一月一日或以後開始之年度期間生效
- 3 於二零零九年七月一日或以後開始之年度期間生效
- 4 於二零零九年六月三十日或以後結束之年度期間生效
- 5 於二零零八年七月一日或以後開始之年度期間生效
- 6 於二零零八年十月一日或以後開始之年度期間生效
- 7 於二零零九年七月一日或以後之轉讓生效

採納香港財務報告準則第3號(經修訂)或會影響本集團收購日期為二零一零年一月一日或以後之業務合併之會計處理。香港會計準則第27號(經修訂)將影響本集團於附屬公司之擁有權權益變動之會計處理。本公司董事預期應用其他新訂或經修訂準則、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。

3. 主要會計政策

綜合財務報表按歷史成本基準編製，惟若干金融工具按公平值計算者除外，詳情載於下文之會計政策。

綜合財務報表已根據由香港會計師公會頒佈之香港財務報告準則而編製。此外，綜合財務報表載列香港聯合交易所有限公司(「聯交所」)證券上市規則及香港公司條例規定之適用披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2008

截至二零零八年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sale of goods is recognised when the goods are delivered and title has passed.

Service income is recognised when services are provided.

Interest income from a financial asset, excluding financial asset at fair value through profit or loss, is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

綜合基準

綜合財務報表包括本公司及受本公司控制之個體(其附屬公司)之財務報表。控制權指本公司對有關個體之財務及營運政策有決定權以從其活動中取得利益。

於年內所收購或出售附屬公司之業績由收購生效日起計入綜合收益表或結算至出售生效日止(視適用情況而定)。

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者保持一致。

所有集團內部交易、結餘、收入及開支均於綜合賬目時對銷。

收入確認

收入按已收或應收代價之公平值計算，即日常業務中已售貨品及所提供服務之應收款項扣減折扣及與銷售相關之稅項後的數額。

貨品銷售收入於貨品交付客戶並轉移所有權時確認。

服務收入於提供服務時確認。

財務資產(以公平值計入損益表之財務資產除外)之利息收入乃按時間基準，並參照尚未償還本金及按所適用之實際利率累計，而實際利率為透過財務資產之預期可用年期將估計日後所收現金折讓至該資產於初步確認之賬面淨值之利率。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production or for administrative purposes, other than construction in progress, are stated at cost less subsequent accumulated depreciation and amortisation and accumulated impairment losses.

Depreciation and amortisation are provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives, using the straight line method.

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

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 consolidated income statement in the year in which the item is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

物業、廠房及設備

物業、廠房及設備(包括作生產或行政用途而持有之土地及樓宇, 在建工程則除外)按成本減其後之累計折舊及攤銷以及累計減值虧損呈列。

物業、廠房及設備項目(在建工程除外)於其估計可使用年期以直線法就沖銷其成本作出折舊及攤銷撥備。

在建工程指用作生產或予以自用的發展中物業、廠房及設備, 並按成本減任何已確認的減值虧損列賬。在建工程於竣工並可用作擬定用途時乃按物業、廠房及設備之適當類別分類。當該等資產可供用作擬定用途時, 乃按其他物業資產之相同基準折舊。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時不再確認。不再確認資產產生之任何收益或虧損(按該項目之出售所得款項淨額及賬面值間之差額計算)於該項目不再確認之年度計入綜合收益表。

存貨

存貨以成本及可變現淨值之較低者列賬。成本採用先進先出法計算。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Impairment losses on tangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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. An impairment loss is recognised as an expense immediately.

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.

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 profit or loss.

有形資產減值虧損

於各結算日，本集團會審閱其有形資產賬面值，以確定有否任何跡象顯示該等資產出現減值虧損。倘資產之可收回金額估計低於其賬面值，則將該資產賬面值減至其可收回金額。減值虧損即時確認為開支。

倘其後撥回減值虧損，則將該資產之賬面值增至經修訂之估計可收回金額，惟增加的賬面值不得超過假如該資產於過往年度未有確認減值虧損而原應釐定之賬面值。減值虧損之撥回即時確認為收入。

金融工具

當某集團個體成為工具合同條文之訂約方時，財務資產及財務負債便會在資產負債表上被確認。財務資產及財務負債按公平值初步確認。首次確認時，收購或發行財務資產及財務負債產生之直接交易成本(以公平值計入損益表之財務資產及財務負債除外)將視乎情況加入或扣除財務資產或財務負債之公平值。收購以公平值計入損益表之財務資產或財務負債產生之直接交易成本即時在損益表確認。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Financial instruments (continued)

Financial assets

The Group's financial assets comprise financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. 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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL, of which interest income is included in changes in fair value of derivative financial instruments.

金融工具(續)

財務資產

本集團之財務資產包括以公平值計入損益表(「以公平值計入損益表」)之財務資產及貸款及應收款項。所有常規購買或出售財務資產乃按交易日基準確認及取消確認。常規購買或出售財務資產是指按市場上規則或慣例設定之時間框架內付運資產。

實際利率法

實際利率法為計算財務資產的攤銷成本以及分配相關期間的利息收入的方法。實際利率是可準確透過財務資產的預計可用年期或(倘適用)在較短期間內對估計未來現金收入(包括所支付或收取能構成整體實際利率的所有費用及利率差價、交易成本及其他溢價或折算)予以折算至初步確認之賬面淨值的利率。

債務工具之利息收入按實際利率法確認，惟該等以公平值計入損益表之財務資產除外，其利息收入乃計入衍生金融工具公平值之變動。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method (continued)

Financial assets at fair value through profit or loss

Financial assets at FVTPL comprise financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

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 (including trade and other receivables, and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Financial instruments (續)

財務資產(續)

實際利率法(續)

以公平值計入損益表之財務資產

以公平值計入損益表之財務資產包括持作交易之財務資產。

如屬下列者則分類為持作交易之財務資產：

- 購入財務資產的主要目的是於不久將來出售；或
- 該財務資產屬本集團共同管理的已識別金融工具組合的一部分，並有近期證據顯示其短線獲利模式；或
- 該財務資產為並非指定及實際作為對沖工具之衍生工具。

於首次確認後之各結算日，以公平值計入損益表之財務資產按公平值計算，有關公平值之變動於產生期間直接地於損益表確認。於損益表中確認的收益或虧損淨額包括從財務資產賺取的任何股息或利息。

貸款及應收款項

貸款及應收款項乃於活躍市場並無報價之固定或可釐定付款之非衍生財務資產。於初步確認後各結算日，貸款及應收款項(包括貿易及其他應收款項及銀行結餘及現金)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬(見下文有關財務資產減值虧損之會計政策)。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period ranged 5-150 days, other observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, 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.

Financial instruments (續)

財務資產(續)

財務資產減值

除以公平值計入損益表外之財務資產，於每個結算日評估是否出現減值虧損。倘有客觀證據顯示財務資產之估計未來現金流量受首次確認該等財務資產後發生之一項或多項事件影響時，則財務資產會減值。

減值的客觀證據可能包括：

- 發行人或對手出現重大財政困難；或
- 拖欠或逾期支付利息或本金；或
- 借款人有可能會破產或進行財務重組。

對某些類別的財務資產而言，如貿易應收款項，非個別評估減值的資產會於其後以整體方式評估有否減值。應收款項組合的客觀減值證據包括本集團之過往收款經驗；組合中逾期付款的增加數目超過除賬期限5至150日；應收款項拖欠情況與有關國家或當地經濟狀況兩者間關連性的其他可觀察變化。

對按攤銷成本入賬的財務資產而言，當有客觀證據顯示有減值出現時於損益賬內確認。虧損金額按資產賬面值與財務資產的初始實際利率貼現的估計未來現金流量現值的差額計算。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent 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.

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

Financial instruments (續)

財務資產(續)

財務資產減值(續)

減值損失直接減少所有財務資產的賬面值，除貿易應收款項以外，貿易應收款項的賬款減少則通過減值撥備賬戶。減值撥備賬戶的賬面值變動於損益確認。當貿易應收款項視為不可收回，直接於減值撥備賬戶內撇銷。過往撇銷的金額於其後撥回時計入損益。

對按攤銷成本入賬的財務資產而言，於往後期間，如減值虧損金額減少且有關減少可客觀地與確認減值虧損後所發生的事件相關，則過往確認的減值虧損可於損益表回撥，惟有關資產於撥回減值當日的賬面值不得超過未有確認減值虧損下原應具備的攤銷成本。

財務負債及股本

集團個體發行之財務負債及股本工具乃根據合同安排之性質與財務負債及股本工具之定義分類。

股本工具乃證明本集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本集團的財務負債一般分為以公平值計入損益表之財務負債及其他財務負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than those financial liability designated as at FVTPL, of which the interest expense is included in changes in fair value of derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策(續)

金融工具(續)

財務負債及股本(續)

實際利率法

實際利率法是一種在相關期間內用於計算財務負債的攤銷成本以及分配利息開支的方法。實際利率指在財務負債的預計到期日或較短期間(如適用)內能夠準確折算預計未來現金付款至初步確認之賬面淨值的利率。

利息開支按實際利率基準確認，不包括指定以公平值計入損益表之財務負債，其利息開支乃計入衍生金融工具公平值之變動。

以公平值計入損益表之財務負債

以公平值計入損益表之財務負債分為兩個子類，包括持作交易之財務負債，及該等指定於首次確認時以公平值計入損益表之財務負債。

如屬下列者則分類為持作交易之財務負債：

- 產生財務負債的主要目的是於不久將來購回；或
- 該財務負債屬本集團共同管理的已識別金融工具組合的一部分，並有近期證據顯示其短線獲利模式；或
- 該財務負債為並非指定及實際作為對沖工具的衍生工具。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at fair value through profit or loss (continued)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if it forms part a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL. Accordingly, the Group has designated its structured borrowing that contains one or more embedded derivatives as a financial liability at FVTPL.

At each balance sheet date subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

Other financial liabilities

Other financial liabilities (including trade, bills and other payables and unsecured bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

金融工具(續)

財務負債及股本(續)

以公平值計入損益表之財務負債(續)

倘財務負債構成含有一項或多項附帶內在衍生工具之合約之一部份，而香港會計準則第39號准許該整份合約(資產或負債)指定為以公平值計入損益表，則持作交易之財務負債以外之財務負債可指定為於首次確認時以公平值計入損益表。因此，本集團已指定其含有一項或多項附帶內在衍生工具之結構借貸為以公平值計入損益表之財務負債。

於首次確認後之各結算日，以公平值計入損益表之財務負債按公平值計算，有關公平值之變動於產生期間直接於損益表確認。

其他財務負債

其他財務負債(包括貿易、票據及其他應付款項及無抵押銀行借貸)其後乃採用實際利率法按已攤銷成本計量。

股本工具

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)記賬。

衍生金融工具

衍生工具首次按於衍生工具合約訂立日之公平值確認，其後於各結算日以其公平值重新計量。所得收益或虧損即時於損益表確認。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Financial instruments (continued)

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

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 receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

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 and payable is recognised in profit or loss.

Share-based payment transactions

Equity-settled share-based payment transactions

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 options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

金融工具(續)

附帶內在衍生工具

倘附帶內在衍生工具之風險及特徵與其主合約之風險及特徵並無緊密關係，且主合約並非於損益表按公平值計算時，於非衍生主合約內附帶之衍生工具與相關主合約分開計算。

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，資產賬面值與已收和應收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，財務負債乃予以取消確認。取消確認之財務負債賬面值與已付及應付代價之差額乃於損益中確認。

以股份支付之支出交易

以權益結算以股份支付之支出交易

所獲服務按購股權授出日公平值釐定之公平值，在歸屬期間隨股權有相應增加以直線法列作開支(購股權儲備)。

於各結算日，本集團修訂其最終預算歸屬購股權數量之估計。於歸屬期內損益表確認修訂估計之影響(如有)並於購股權儲備中作相對應之調整。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Share-based payment transactions (continued)

Equity-settled share-based payment transactions (continued)

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve.

Leasing

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

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable 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.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

以股份支付之支出交易(續)

以權益結算以股份支付之支出交易(續)

購股權獲行使時，先前於購股權儲備中確認之數額將轉移至股份溢價。當購股權於歸屬期後被收回或於屆滿日仍未獲行使，先前於購股權儲備中確認之數額將繼續留存於購股權儲備。

租賃

當租賃條款將有關資產擁有權之絕大部分風險及收益轉移給承租人，租賃便列為融資租賃。所有其他租賃列為經營租賃。

本集團作為承租人

根據經營租賃之應付租金採用直線法按相關租賃期間於收益表支銷。作為促使訂立經營租約之已收及應收利益，於租約期以直線法確認為租金支出扣減。

租賃土地及樓宇

租賃土地及樓宇之土地及樓宇部分應視乎租賃類別獨立入賬，除非租賃付款不能可靠地劃為土地及樓宇部分，在此情況下，整項租賃一般被視為融資租賃，並按物業、廠房及設備列賬。倘租賃付款能夠可靠地劃分，則於土地之租賃權益按經營租賃列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

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 consolidated income statement because it excludes items of income or expense 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 consolidated 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 of 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, 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.

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.

稅項

所得稅開支為即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度的應課稅或可扣減之收入或開支項目，亦不包括綜合收益表內可免稅或不可扣稅之項目，故與綜合收益表所列利潤不同。本集團之即期稅項負債乃按結算日已實行或大致上已實行之稅率計算。

遞延稅項指就綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之差額而確認，並以資產負債表負債法列賬。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則於很可能以可扣減暫時差額對銷應課稅溢利時確認。如暫時差額由初次確認一項不影響應課稅溢利或會計溢利之交易之資產及負債所產生，有關資產及負債則不予確認。

遞延稅項負債按於附屬公司之投資所引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回而暫時差額於可見將來應不會撥回之情況除外。

遞延稅項資產之賬面值於各個結算日檢討，並予以相應扣減，直至並無足夠應課稅溢利以收回全部或部分遞延稅項資產為止。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

In preparing the 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 exchanges 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 that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate 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 profit or loss in the period in which a foreign operation is disposed of.

稅項(續)

遞延稅項按預期適用於清償負債或變現資產期間之稅率計算。遞延稅項從收益表扣除或計入收益表，除非遞延稅項關乎從股本直接扣除或直接計入股本之項目，在該情況下，遞延稅項亦於股本處理。

外幣

在編製個別集團個體之財務報表時，凡以其功能貨幣以外之貨幣(外幣)計算之交易，均按交易日期之匯率以相關之功能貨幣(即該個體經營所在之主要經濟體系之貨幣)入賬。以外幣計值之貨幣項目於各結算日按結算日之匯率重新換算；以外幣結算，並按歷史成本計量之非貨幣項目不作重新換算。

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益表中確認。

就呈列綜合財務報表而言，本集團個體業務之資產及負債乃按於結算日之適用匯率換算為本集團之列賬貨幣(即港元)，而其收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率。所產生之匯兌差額(如有)乃確認作股本之獨立部分(匯兌儲備)。該等匯兌差額乃於海外業務被出售之期間內於損益表內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme/state-managed retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

借貸成本

收購、建造或生產未完成資產之直接應佔借貸成本撥充資本作為該等資產之部份成本。有關借貸成本在資產大致可作擬定用途或銷售時不再撥充資本。特定借貸有待用於未完成資產時作臨時投資所賺取之投資收入，於可撥充資本之借貸成本扣除。

所有其他借貸成本乃於產生之期間於損益表內確認。

退休福利成本

向強制性公積金計劃／國家管理退休福利計劃作出之供款於僱員提供服務而獲得供款之權利時列作開支支銷。

4. 不明朗因素之主要來源

在應用本集團載述於附註3的會計政策時，本公司董事須對未能輕易地從其他來源確定的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設是根據過往經驗及被認為相關的其他因素而作出。實際結果或會與該等估計有所不同。

估計及相關假設須持續地檢討。若修訂只影響該修訂期，會計估計的修訂會於該修訂期內確認；或如該修訂影響本期及未來期間，則於修訂期及未來期間確認。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair values of derivative and other financial instruments

Foreign exchange forward contracts are carried at the balance sheet at fair value, as disclosed in note 19. The best evidence of fair value is quoted prices in an active market. Where quoted prices are not available, the Group takes into account the probability of triggering exchange rate to the leverage on the notional amount to estimate the fair value and other relevant observable market inputs. The use of methodologies, models and assumptions in pricing and valuing these financial assets and liabilities is subjective and requires varying degrees of judgment by management, which may result in significantly different fair values and results.

For unsecured structured borrowing, details are set out in notes 6(a) and 23.

Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment according to their experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in notes 22 and 23, net of cash and cash equivalents, and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

4. 不明朗因素之主要來源(續)

於結算日，有關未來主要假設與及用以預測未來不明朗因素之其他主要來源如下，該等假設存有導致下一財政年度資產及負債賬面值需作調整的重大風險。

衍生工具及其他金融工具之公平值

誠如附註19所述，遠期外匯合約乃按公平值計入資產負債表。公平值之最佳憑證為於活躍市場中之報價。倘未能取得報價，本集團會考慮動用匯率平衡名義金額之可能性及其他可觀察市場數據，以評估其公平值。就該等金融資產及負債定價及估值時所採用之方法、模式及假設乃屬主觀性，並需管理層作出若干程度之判斷，而有關判斷或會導致出現截然不同之公平值及結果。

有關無抵押結構借貸之詳情，載於附註6(a)及23。

物業、廠房及設備之可用年期

管理層根據彼等使用物業、廠房及設備之經驗並參考相關行業於物業、廠房及設備所採用之折舊標準之會計政策評估各類物業、廠房及設備之可用年期。

5. 資本風險管理

為確保本集團旗下各個體可繼續持續經營，本集團對其資本實行管理，並透過使債務及股本達致最佳平衡而為股東取得最大回報。本集團的整體策略自往年維持不變。

本集團的資本架構包括減去現金及現金等值後之債務淨額(當中包括附註22及23所披露之借貸)，以及本公司股權持有人應佔權益(包括已發行股本及儲備)。

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5. CAPITAL RISK MANAGEMENT (continued)

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

5. 資本風險管理(續)

本公司董事定期檢討資本架構。作為檢討的一部分，董事已考慮資金成本及每類資本的相關風險。根據董事的建議，本集團將透過派付股息、發行新股、購回股份以及發行新債項或贖回現有債項，藉以平衡整體資本架構。

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

6. 金融工具

(a) 金融工具之類別

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
<i>Financial assets</i> 財務資產			
Fair value through profit or loss (FVTPL)	以公平值計入損益表 (「以公平值計入損益表」)		
Derivative financial instruments	衍生金融工具	706	2,141
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值)	370,214	278,499
		370,920	280,640
<i>Financial liabilities</i> 財務負債			
Fair value through profit or loss (FVTPL)	以公平值計入損益表 (「以公平值計入損益表」)		
Derivative financial instruments	衍生金融工具	24,547	1,218
Unsecured structured borrowing (see below)	無抵押結構借貸 (見下文)	33,075	33,869
Amortised cost	攤銷成本	724,447	582,407
		782,069	617,494

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6. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

Unsecured structured borrowing (note)

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Difference between carrying amount and outstanding principal amount to be paid at maturity:	賬面值與到期日將予償還之未償還本金金額之差額：		
Carrying amount measured at fair value	按公平值計量之賬面值	33,075	33,869
Amount payable at maturity	到期日應付金額	(23,314)	(31,265)
		9,761	2,604

Note: The change in fair value was mainly due to change in market risk factors. The fair value attributable to change in its credit risk is considered immaterial.

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, derivative financial instruments, trade, bills and other payables, unsecured bank borrowings and unsecured structured borrowing. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

6. 金融工具(續)

(a) 金融工具之類別(續)

無抵押結構借貸(註)

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Difference between carrying amount and outstanding principal amount to be paid at maturity:	賬面值與到期日將予償還之未償還本金金額之差額：		
Carrying amount measured at fair value	按公平值計量之賬面值	33,075	33,869
Amount payable at maturity	到期日應付金額	(23,314)	(31,265)
		9,761	2,604

附註：公平值主要因市場風險因素變動而變動，而信貸風險變動對公平值之影響則甚微。

(b) 財務風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收款項、銀行結餘及現金、衍生金融工具、貿易、票據及其他應付款項、無抵押銀行借貸及無抵押結構借貸。該等金融工具之詳情載於各有關附註內。該等金融工具涉及之風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。下文載列降低該等風險之政策。管理層管理及監察該等風險，確保適時和有效地採取適當措施。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk

Foreign currency risk management

- (i) Non-derivative foreign currency monetary assets and monetary liabilities

A significant portion of the Group's sales is denominated in Renminbi ("RMB") and HKD and significant portion of the Group's purchases is denominated in RMB and United States dollars ("USD"). The Group's manufacturing operations are located in the People's Republic of China (the "PRC").

Several subsidiaries of the Group have foreign currency sales and purchases, which expose the Group to foreign currency risk. Certain bank balances, trade receivables, derivative financial instruments, trade, bills and other payables, unsecured bank borrowings and unsecured structured borrowing are denominated in the foreign currencies of the relevant group entities. The management monitors foreign exchange exposure and manages it by entering into certain forward foreign exchange contracts as set out in note 19.

At the balance sheet date, the carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the respective functional currencies of the relevant group entities are as follows:

		Assets 資產		Liabilities 負債	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
RMB	人民幣	148,756	15,079	132,871	7,273
HKD	港元	25,675	–	1,175	–
USD	美元	14,908	23,007	63,298	57,004
Other	其他	4	1,901	–	–

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險

外匯風險管理

- (i) 非衍生外幣貨幣資產與貨幣負債

本集團重大部份銷售以人民幣(「人民幣」)及港元列值，而本公司重大部份採購乃以人民幣及美元(「美元」)列值。本集團之製造業務位於中華人民共和國(「中國」)。

本集團的多間附屬公司以外幣進行買賣，令本集團承受外幣風險。若干銀行結餘、貿易應收款項、衍生金融工具、貿易、票據及其他應付款項、無抵押銀行借貸以及無抵押結構借貸以相關集團實體之外幣列值。管理層對外匯風險進行監控，並透過訂立附註19所載之若干遠期外匯合約對其進行管理。

於結算日，本集團以有關集團個體各自功能貨幣以外之外幣列值的貨幣資產及貨幣負債之賬面值如下：

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk management (continued)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currencies of the relevant group entities against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. In the opinion of the directors of the Company, the foreign currency exposure in relation to the HKD and USD exchange rate fluctuation is not significant as HKD is pegged to USD. For this reason, the sensitivity analysis below does not reflect this.

The sensitivity analysis below shows the impact relates to monetary assets or liabilities that are denominated in RMB or HKD against the functional currencies of relevant group entities, HKD or RMB respectively.

In relation to monetary assets, where the functional currency of the relevant group entity strengthens 5% against the currency in which the assets are denominated, there would be a decrease in profit for the year. However, in relation to monetary liabilities, where the functional currency of the relevant group entity strengthens 5% against the currency in which the liabilities are denominated, there would be an increase in profit for the year. A 5% weakening of the functional currency would have an equal but opposite impact on the profit for the year.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

外匯風險管理(續)

外幣敏感度分析

下表詳列本集團對有關集團個體之功能貨幣兌相關外幣升值及貶值5%之敏感度。5%為向主要管理人員內部匯報外匯風險所用之敏感度，並且是管理層對匯率可能合理變動之評估。敏感度分析僅包括以外幣計算之尚未平倉貨幣項目，並於年末調整其兌換以反映匯率之5%變動。本公司董事認為，由於港元與美元掛鈎，有關港元及美元匯率波動之外幣風險微乎其微。就此而言，下文之敏感度分析並不反映此情況。

下文之敏感度分析顯示以人民幣或港元計值之貨幣資產或負債分別兌本集團相關實體功能貨幣港元或人民幣之影響。

就貨幣資產而言，倘相關集團實體之功能貨幣較資產所採納計值之貨幣升值5%，則年度利潤將會減少。然而，就貨幣負債而言，倘相關集團實體之功能貨幣較負債所採納計值之貨幣升值5%，則年度利潤將會增加。功能貨幣貶值5%，本年度利潤會受到相同數額但相反之影響。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk management (continued)

Foreign currency sensitivity analysis (continued)

		RMB Impact 人民幣之影響		HKD Impact 港元之影響	
		2008 HK\$'000 千港元	2007 HK\$'000 千港元	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Decrease in profit	利潤減少	794	390	1,225	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) Foreign exchange forward contracts

During the year, the Group has entered into several foreign exchange forward contracts with banks, details are disclosed in note 19. These derivatives are not accounted for under hedge accounting. The Group is required to estimate the fair value of the foreign exchange forward contracts at each balance sheet date, which therefore exposed the Group to foreign currency risk.

The directors consider that the exposure of HKD against USD is limited as HKD is pegged to USD.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

外匯風險管理(續)

外幣敏感度分析(續)

管理層認為，由於年末風險並不能反映年內之風險，故敏感度分析並不代表固有的外匯風險。

(ii) 遠期外匯合約

年內，本集團已與銀行訂立多個遠期外匯合約，詳情披露於附註19。該等衍生工具並未以對沖會計法入賬。本集團於各結算日須對遠期外匯合約之公平值作出估計，從而令本集團面臨外幣風險。

董事認為，由於港元與美元掛鈎，故港元兌換美元之匯兌風險有限。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Foreign exchange forward contracts (continued)

The sensitivity analyses below have been determined based on the exposure to the Group's forward exchange rate risk for contracts of RMB against USD at the reporting date.

If the forward exchange rate of RMB against USD had been 5% higher/lower while all other input variables of the valuation models were held constant, the Group's profit for the year would decrease/increase by HK\$5,400,000/ HK\$2,893,000 respectively (2007: Nil).

In the management's opinion, the above sensitivity analysis is unrepresentative of the inherent foreign currency exposure. An unexpectedly large weakening in RMB against USD may result in the Group suffering from a further losses. Details of the terms of the leveraged foreign exchange forward contracts are set out in Note 19.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (see note 22 for details of these borrowings). The management monitors the interest rate exposure and manages it by entering into certain interest rate swaps contracts (see note 19 for details of these interest rate swaps contracts).

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(ii) 遠期外匯合約(續)

下文之敏感度分析乃根據本集團遠期匯率風險合約或報告日期人民幣兌美元之風險釐定。

倘人民幣兌美元之匯率上升/下降5%，而估值模式內之其他變數維持不變，則本集團於年內之溢利將分別減少/增加5,400,000港元/2,893,000港元(二零零七年：無)。

管理層認為，上述敏感度分析並不代表固有外幣風險。人民幣兌美元之匯率料所未及貶值，則會導致本集團進一步蒙受虧損。外匯遠期合約之條款詳情載述於附註19。

利率風險

本集團承受與浮息銀行借貸(該等借貸之詳情載於附註22)有關之現金流量利率風險。管理層對利率風險進行監控，並透過訂立若干利率掉期合約(該等利率掉期合約詳情載於附註19)對其進行管理。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

In respect of the structured borrowing, the repayment amounts are based on the spread rates between 10-year US\$-International Swaps and Derivatives Association ("ISDA") – Swap Rate and 2-year US\$-ISDA-Swap Rate, the entire borrowing is designated as fair value through profit or loss as disclosed in note 23.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR, and prevailing interest rates offered by the People's Bank of China arising from the Group's borrowings denominated in HKD and RMB respectively.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivatives instruments. The analysis is prepared assuming the amount of financial instruments outstanding at the balance sheet date were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For the Group's exposure to interest rates on its variable-rate bank borrowings, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31st December, 2008 would decrease/increase by HK\$3,108,000 (2007: decrease/increase by HK\$2,339,000).

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

利率風險(續)

就結構借貸而言，償還金額乃根據介乎10年美元－國際掉期業務及衍生投資工具協會("ISDA")－掉期利率及2年美元－ISDA－掉期利率之息差計算。整個借貸指定以公平值計入損益表，詳情於附註23披露。

本集團承受財務負債之利率風險詳述於本附註「流動資金風險管理」一節。本集團的現金流量利率風險主要集中於香港銀行同業拆息及本集團以港元及人民幣列值的借貸所產生之中國人民銀行所報之現行利率波動。

利率敏感度分析

以下敏感度分析乃根據非衍生工具所承受之利率風險而作出，此分析乃假設於結算日未償還的金融工具金額乃於整個年度未償還。增加或減少50個基點為向主要管理人員內部匯報利率風險所用之敏感率，並指管理層對利率可能合理變動之評估。

本集團的浮息銀行借貸面對利率風險，如利率增加／減少50個基點，而其他可變因素保持不變，則本集團截至二零零八年十二月三十一日止的稅後利潤將會減少／增加3,108,000港元(二零零七年：減少／增加2,339,000港元)。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis (continued)

For structured borrowing, the number of business days in the period for which Spread Rate < -0.05% is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If 8 (2007: 8) of business days more in the period for which Spread Rate < -0.05% and all other variables were held constant, the Group's post-tax profit for the year ended 31st December, 2008 would decrease by approximately HK\$57,000 (2007: decrease by HK\$911,000).

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate debt instruments.

In management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

Credit risk

As at 31st December, 2008, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

利率風險(續)

利率敏感度分析(續)

就結構借貸而言，於向主要管理人員內部匯報利率風險乃採用息差< -0.05%期間的營業日日數，並指管理層對利率可能合理變動之評估。倘息差< -0.05%期間的營業日日數為8日(二零零七年：8日)以上，而其他可變因素保持不變，則本集團截至二零零八年十二月三十一日止年度的稅後利潤將會減少約57,000港元(二零零七年：減少911,000港元)。

由於浮息債務工具增加，本集團對利率的敏感度則亦有所增加。

管理層認為，由於年末風險並不能反映年內之風險，故敏感度分析並不代表利率風險。

信貸風險

於二零零八年十二月三十一日，本集團因對方未能履行責任造成本集團財務損失而面對之最高信貸風險，乃源自於綜合資產負債表所示相關已確認財務資產之賬面值。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

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.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

為盡量降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之債項。此外，於各結算日，本集團會評估每項個別貿易債項之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

由於交易夥伴為獲國際信貸評級機構評為高信貸評級之銀行，故流動資金之信貸風險有限。

除把流動資金存放於獲高信貸評級之數家銀行內所涉及之信貸風險集中度外，本集團並無重大集中之信貸風險。貿易應收款項涉及大量客戶，並跨越不同行業以及地區。

流動資金風險

在管理流動資金風險時，本集團監控及維持管理層認為充足之現金及現金等值水平，從而為本集團營運提供資金及減低現金流量波動之影響。管理層監控銀行借貸之動用情況，並確保符合貸款契約之規定。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The Group relies on bank borrowings as a significant source of liquidity. As at 31st December, 2008, the Group has available undrawn borrowing facilities of approximately HK\$249,310,000 (2007: HK\$35,000,000). The Group monitors its current and expected liquidity requirements regularly and ensuring sufficient liquid cash and adequate committed lines of funding from reputable financial institutions to meet the Group's liquidity requirements in the short and long term.

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

For derivative instruments that settle on a net basis, undiscounted net cash (inflows)/outflows are presented.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

本集團依賴銀行借貸作為其流動資金之主要來源。於二零零八年十二月三十一日，本集團有未提取的借貸融資約249,310,000港元(二零零七年：35,000,000港元)。本集團會定期監控其當前及預期流動資金需求，確保其維持充足之流動現金及從信譽良好之金融機構獲得足夠之承諾貸款額以應付本集團之短期及長期流動資金需求。

下表詳列本集團之財務負債之剩餘合約到期期限。就非衍生財務負債而言，該表乃按本集團可被要求付款的最早到期日的財務負債未折現現金流量列示。表中包括利息及本金現金流量。

就按淨值基準結算之衍生工具而言，會列出未折現淨現金(流入)/流出。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables

		Weighted average effective interest rate 加權平均實際利率 %	On demand or less than 1 month 按要求或一個月內 HK\$'000 千港元	1-3 months 一至三個月 HK\$'000 千港元	3 months to 1 year 三個月至一年 HK\$'000 千港元	1-2 years 一至兩年 HK\$'000 千港元	2-5 years 兩年至五年 HK\$'000 千港元	Total undiscounted cash flows 未折現現金流量總額 HK\$'000 千港元	Carrying amount at 31.12.2008 於二零零八年十二月三十一日賬面值 HK\$'000 千港元
								788,351	757,522
2008	二零零八年								
Non-derivative financial liabilities	非衍生財務負債								
Trade, bills and other payables	貿易、票據及其他應付款項	-	102,788	-	-	-	102,788	102,788	
Variable rate unsecured bank borrowings	無抵押銀行借貸 浮動利率	2.7	56,403	127,885	119,954	229,750	116,909	621,659	
Unsecured structured borrowing	無抵押結構借貸	4.8	-	5,777	5,777	11,554	11,554	33,075	
			159,191	133,662	125,731	241,304	128,463	788,351	
								757,522	
Derivatives settled net	按淨值結算之衍生工具								
Interest rate swaps	利率掉期		27	86	281	130	-	524	418
Forward foreign exchange contracts (note)	遠期外匯合約 (附註)		2,397	4,733	20,024	284	-	27,438	24,129
			2,424	4,819	20,305	414	-	27,962	24,547

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利息風險表

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

	Weighted average effective interest rate 加權平均 實際利率 %	On demand or less than 1 month 按要求或 一個月內 HK\$'000 千港元	1-3 months 一至三個月 HK\$'000 千港元	3 months to 1 year 三個月至一年 HK\$'000 千港元	1-2 years 一至兩年 HK\$'000 千港元	2-5 years 兩至五年 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Carrying amount at 31.12.2007 於二零零七年 十二月三十一日 賬面值 HK\$'000 千港元
2007								
Non-derivative financial liabilities								
Trade, bills and other payables		114,645	-	-	-	-	114,645	114,645
Variable rate unsecured bank borrowings	4.4	45,251	95,662	110,656	99,694	145,888	497,151	467,762
Unsecured structured borrowing	-	-	3,900	3,900	7,800	15,665	31,265	33,869
		159,896	99,562	114,556	107,494	161,553	643,061	616,276
Derivatives settled net								
Interest rate swaps		11	45	131	87	7	281	249
Forward foreign exchange contracts (note)		155	253	502	168	-	1,078	969
		166	298	633	255	7	1,359	1,218

Note: The above cash flows are estimated based on yield curves of market HK\$ to US\$ and RMB to US\$ exchange rates prevailing at the balance sheet date. Such yield curves show market HK\$ to US\$ and RMB to US\$ exchange rates over a range of maturity dates. Estimated cash flows in RMB to US\$ are then translated to HK\$ at spot rates prevailing at the balance sheet date for presentation purpose. The above cash flows might not reflect the actual outcomes. A significantly weakening in RMB against US\$ would result in the Group's purchasing much more RMB than what the Group needs due to the leverage. Details of the terms of the leveraged foreign currency contracts are set out in Note 19.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利息風險表(續)

附註：上述現金流乃按結算日當時港元兌美元及人民幣兌美元之匯率市值收益曲線予以估計。該收益曲線反映港元兌美元及人民幣兌美元於不同到期日之匯率。人民幣兌美元之估計現金流按結算日當時短期匯率予以換算成港元，以供呈列之用。上述現金流未必反映真實結果。人民幣兌美元之匯率急挫將會令本集團購買超預期融資所需之人民幣。融資外幣合約之條款詳情載述於附註19。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value

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

- the fair values of derivative financial instruments (i.e. forward foreign currency contracts and interest rate swaps) provided by bank, are determined based on observable market inputs. In addition, for forward foreign currency contracts, the Group also takes into account the probability of triggering exchange rate to the leverage on the notional amount. For structured borrowing, details are set out in notes 6(a) and 23; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) 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.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

7. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the gross proceeds received and receivable on the sale of goods during the year, net of discounts and sales related tax.

6. 金融工具(續)

(c) 公平值

財務資產及財務負債之公平值釐定如下：

- 由銀行提供之衍生金融工具之公平值(即遠期外幣合約及利率掉期)按可觀察市場數據釐定。此外，就遠期外幣合約而言，本集團亦考慮可能引發賬面值融資之匯率變動。有關結構借貸之詳情載於附註6(a)及23；及
- 其他財務資產及財務負債(不包括衍生工具)之公平值乃按折現現金流量分析之一般接納定價模式或使用現行可觀察市場交易之價格或比率而釐定。

董事認為在綜合財務報表以攤銷成本入賬之財務資產及財務負債之賬面值與其公平值相若。

7. 收益及分部資料

收益

收益指年內銷售貨品扣除折扣及銷售相關稅項後已收及應收所得款項總額。

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7. REVENUE AND SEGMENT INFORMATION

(continued)

Segment information

All of the Group's revenue and contribution to profit are attributable to the manufacturing and sales of paper-ware products and over 90% of the Group's revenue and contribution to operating profit is attributable to customers who have their manufacturing base in the PRC. Accordingly, no analysis of segment is presented.

As at 31st December, 2007 and 31st December, 2008, substantial assets, especially those property, plant and equipment, of the Group are located in the PRC.

7. 收益及分部資料(續)

分部資料

本集團所有收益及溢利貢獻均來自紙品生產與銷售，而本集團超過90%之收益及經營溢利貢獻來自在中國設有生產基地之客戶。因此，並無呈列分部分析。

於二零零七年十二月三十一日及於二零零八年十二月三十一日，本集團大部份資產(尤其是物業、廠房及設備)均位於中國。

8. OTHER INCOME

8. 其他收入

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Other income includes:	其他收入包括：		
Claims received from suppliers	自供應商索償所得	-	18
Exchange gain, net	貨幣兌換收益淨值	3,317	5,337
Interest income from bank balances	銀行結餘利息收入	652	2,751
Scrap sales	廢料銷售	5,202	1,346
Service income from customers	自顧客收取服務收入	1,720	2,543
Sundry income	雜項收入	9,843	6,531
		20,734	18,526

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9. FINANCE COSTS

9. 財務成本

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank borrowings wholly repayable within five years	須於五年內清付之銀行借貸之利息	18,748	14,869
Interest on discounted bills	貼現票據利息	-	180
Total borrowing costs	借貸成本總額	18,748	15,049
Less: amounts capitalised to property, plant and equipment	減：撥充物業、廠房及設備之資本金額	(6,879)	(8,212)
		11,869	6,837

Borrowing costs capitalised during the year ended 31st December, 2008 arising on the general borrowing pool of the Group were calculated by applying a capitalisation rate of approximately 3.0% (2007: 5.1%) to expenditure on the qualifying assets.

於截至二零零八年十二月三十一日止年度內由本集團一般借貸金撥充資本之借貸成本將發展中物業開支按資本化比率約3.0% (二零零七年：5.1%)計算而得出。

10. TAXATION

10. 稅項

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
Current taxation	即期稅項		
- Hong Kong Profits Tax	- 香港利得稅	1,265	2,141
- PRC Enterprise Income Tax	- 中國企業所得稅	585	3,431
		1,850	5,572
Overprovision in prior years:	往年度超額撥備：		
- Hong Kong Profits Tax	- 香港利得稅	-	(5,366)
Deferred taxation (note 25)	遞延稅項 (附註25)	4,420	3,164
		6,270	3,370

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10. TAXATION (continued)

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

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

A portion of the Group's profits are earned by the Macau subsidiaries of the Group incorporated under the Macau SAR's Offshore Law. Pursuant to the Macau SAR's Offshore Law, such portion of profits are exempted from Macau complimentary tax, which is currently at 12% of the profits. Further, in the opinion of the directors, that portion of the Group's profit is not at present subject to taxation in any other jurisdiction in which the Group operates.

Pursuant to the relevant laws and regulations in the PRC, the major operating PRC subsidiaries of the Group are exempted from PRC Enterprise Income Tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years.

On 16th March, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will unify the tax rate from 24% to 25% for subsidiaries operating in the PRC from 1st January, 2008. For the PRC subsidiary started the 50% reduction in the income tax rate, the reduction will be based on the 25% new tax rate. Moreover, 2008 will be deemed to be the first profit making year for the PRC subsidiary that is entitled to the tax concession.

The deferred tax balances were adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

10. 稅項(續)

於二零零八年六月二十六日，香港立法會通過《二零零八年收入條例草案》，由二零零八／二零零九課稅年度開始，調低公司利得稅稅率由17.5%至16.5%。因此，香港利得稅以年內估計應課稅溢利按16.5%（二零零七年：17.5%）稅率計算。

其他司法權區所產生之稅項乃按相關司法權區之當時稅率計算。

本集團部分利潤乃由本集團根據澳門特別行政區離岸法律註冊成立之澳門附屬公司所賺取。根據澳門特別行政區離岸法律，該部分利潤毋須繳納澳門優惠稅（目前按利潤之12%徵收）。此外，董事認為，目前本集團該部分利潤亦毋須於本集團經營所在之任何其他司法權區內繳納稅項。

根據中國有關法例及法規，本集團旗下之主要營運中國附屬公司自首個獲利年度起計兩年獲豁免繳交中國企業所得稅，其後三年獲減免50%企業所得稅。

於二零零七年三月十六日，根據中華人民共和國第63號主席令，中華人民共和國頒佈中華人民共和國企業所得稅法（「新稅法」）。於二零零七年十二月六日，中國國務院發佈新稅法實施法規。新稅法及實施法規將於中國經營之附屬公司之稅率由二零零八年一月一日起由24%統一為25%。對於已開始獲得減少50%所得稅率的中國附屬公司，有關減免將根據新稅率25%計算。此外，二零零八年將被視為有權獲得稅務優惠之中國附屬公司的首個獲利年度。

遞延稅項結餘已作出調整，以反映資產變現或負債清償時於各相關期間所應用之稅率。

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10. TAXATION (continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

10. 稅項(續)

年內稅項支出與綜合收益表所示稅前利潤之對賬如下：

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Profit before taxation	稅前利潤	47,702	115,114
Tax at Hong Kong Profits Tax rate of 16.5% (2007: 17.5%)	按香港利得稅率16.5% (二零零七年：17.5%) 計算之稅項	7,871	20,145
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(7,594)	(15,524)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	2,000	1,825
Overprovision in prior years	過往年度超額撥備	-	(5,366)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	922	-
Utilisation of tax loss previously not recognised	使用先前未確認之稅項虧損	(153)	-
Tax effect of deductible temporary differences previously not recognised	先前未確認可扣除暫時差額 之稅務影響	(209)	(38)
Effect of tax exemption/different tax rate of PRC subsidiaries	中國附屬公司獲豁免稅項/ 稅率不同之影響	2,618	1,980
Deferred tax on undistributed earnings of PRC subsidiaries (note 25)	中國附屬公司未分派盈利 之遞延稅項(附註25)	210	-
Others	其他	605	348
Tax charge for the year	年度稅項開支	6,270	3,370

Contingent liabilities relating to taxation of the Group are set out in note 30.

有關本集團稅項之或然負債載於附註30。

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11. PROFIT FOR THE YEAR

11. 年度利潤

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	年度利潤已扣除 (計入) 下列各項:		
Auditor's remuneration	核數師酬金	1,380	1,300
Cost of inventories recognised as expenses	確認為開支之存貨成本	835,341	713,899
Write-down of inventories (included in "cost of sales")	存貨撇減 (計入「銷售成本」)	13,275	-
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	46,858	34,652
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	493	493
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	8	285
(Reversal of) impairment losses on trade receivables	(撥回)貿易應收款項之減值虧損	(2,910)	2,056
Operating lease rental for warehouse and office premises	倉庫及辦公室經營租賃租金	112	57
Staff costs	員工成本		
Directors' emoluments (note 12)	董事酬金(附註12)	11,078	12,463
Other staff	其他員工		
– salaries and other allowances	– 薪金及其他津貼	38,330	25,501
– retirement benefit scheme contributions	– 退休福利計劃供款	1,959	677
– share-based payments	– 以股份支付之支出	1,650	2,382
		53,017	41,023
Changes in fair value of derivative financial instruments	衍生金融工具公平值變動		
– realised	– 已變現	(4,433)	(5,007)
– unrealised	– 未變現	24,764	(5,554)
		20,331	(10,561)

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12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS 12. 董事酬金及僱員薪酬

Directors

董事

		Other emoluments 其他酬金					2008 Total 酬金總額 HK\$'000 千港元	2007 Total 酬金總額 HK\$'000 千港元
		Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及 其他福利 HK\$'000 千港元	Bonus 花紅 HK\$'000 千港元	Retirement benefit scheme contributions 退休福利 計劃供款 HK\$'000 千港元	Share- based payments 以股份支付 之支出 HK\$'000 千港元		
Mr. Hui Sum Kwok	許森國先生	-	2,151	-	12	272	2,435	2,671
Mr. Hui Sum Ping	許森平先生	-	2,151	-	12	369	2,532	2,812
Mr. Hui Sum Tai	許森泰先生	-	1,894	-	12	718	2,624	3,072
Mr. Wong Wing Por	王榮波先生	-	1,972	-	12	293	2,277	2,535
Ms. Hui Yuen Li	許婉莉女士	-	599	-	12	215	826	977
Mr. Liu Kwok Fai, Alvan	廖國輝先生	105	-	-	-	23	128	132
Mr. Chee Man Sang, Eric	池民生先生	105	-	-	-	23	128	132
Mr. Wong Chu Leung	黃珠亮先生	105	-	-	-	23	128	132
Total for 2008	二零零八年度酬金總額	315	8,767	-	60	1,936	11,078	12,463
Total for 2007	二零零七年度酬金總額	294	8,220	1,065	60	2,824	12,463	

Bonuses to directors are determined as a percentage of the profit before taxation of the Group for the two years ended 31st December, 2008.

董事之花紅乃參考截至二零零八年十二月三十一日止兩個年度本集團稅前利潤百分比釐定。

During the year, no emoluments were paid by the Group to these directors as an inducement to join or upon joining the Group or as compensation for loss of office and no director had waived any emoluments.

於年內，本集團概無支付任何酬金予此等董事作為招攬其加入或作為加入本集團之獎勵金或離職補償金，亦無董事放棄任何酬金。

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12. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (continued)

Employees

Of the five individuals with the highest emoluments in the Group, four (2007: four) were directors of the Company whose emoluments are set out above. The emoluments of the remaining one (2007: one) individual were as follows:

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	750	825
Retirement benefit scheme contributions	退休福利計劃供款	12	12
Share-based payments	以股份支付之支出	390	307
		1,152	1,144

12. 董事酬金及僱員薪酬(續)

僱員

本集團五位最高薪酬人士中四位(二零零七年：四位)為本公司董事，彼等之薪酬已於上文載列。餘下一位(二零零七年：一位)人士之酬金如下：

13. DIVIDENDS

13. 股息

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Final dividend paid in respect of 2007 of HK4.32 cents (2007: Final dividend paid in respect of 2006 of HK4.64 cents) per share	已派二零零七年末期股息每股4.32港仙 (二零零七年：已派二零零六年末期股息每股4.64港仙)	20,864	19,669
Interim dividend paid in respect of 2007 of HK1.68 cents per share	已派二零零七年中期股息每股1.68港仙	-	8,107
		20,864	27,776

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13. DIVIDENDS (continued)

The directors did not recommend the payment of a final dividend for the year ended 31st December, 2008. The final dividend in respect of 2007 of HK4.32 cents per share proposed by the directors was approved by the shareholders in the annual general meeting held in 2008.

13. 股息(續)

董事不建議派付截至二零零八年十二月三十一日止年度之末期股息。董事建議及股東於二零零八年舉行之股東週年大會上批准二零零七年之末期股息每股4.32港仙。

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

14. 每股盈利

本公司普通股股權持有人應佔每股基本及攤薄盈利乃按以下數據計算：

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Earnings	盈利		
Earnings for the purposes of basic and diluted earnings per share	計算每股基本及攤薄盈利之盈利	41,432	111,744
		2008	2007
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之加權平均普通股股數	482,924,000	449,620,515
Effect of dilutive potential ordinary shares in respect of share options	購股權有關潛在攤薄普通股股份之影響		5,264,325
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之加權平均普通股股數		454,884,840

No diluted earnings per share has been presented for the year ended 31st December, 2008 because the exercise price of the Company's share options was higher than the average market price for shares for that year.

截至二零零八年十二月三十一日止年度，由於本公司購股權之行使價較年內之股份平均市價為高，故並無呈列每股攤薄盈利。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Construction in progress	Factory premises in the PRC	Leasehold land and buildings	Leasehold improvements	Furniture, fixtures and office equipment	Plant, machinery and equipment	Motor vehicles	Total
		在建工程	中國廠房	租賃土地 及樓宇	租賃物業 裝修	傢俬、裝置及 辦公室設備	廠房、 機器及設備	汽車	總計
		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
COST	成本								
At 1st January, 2007	二零零七年一月一日	25,742	139,982	4,291	27,865	8,277	253,223	8,942	468,322
Exchange adjustments	匯兌調整	-	-	83	7	1	-	-	91
Additions	增添	371,573	-	-	1,409	1,359	106,154	624	481,119
Disposals	出售	-	-	-	-	(45)	(641)	(27)	(713)
Transfer	轉撥	(2,100)	-	-	689	-	1,411	-	-
At 31st December, 2007	二零零七年 十二月三十一日	395,215	139,982	4,374	29,970	9,592	360,147	9,539	948,819
Exchange adjustments	匯兌調整	-	-	102	761	43	972	83	1,961
Additions	增添	227,542	-	-	3,740	1,230	116,762	797	350,071
Disposals	出售	-	-	-	-	(84)	(456)	-	(540)
Transfer	轉撥	(531,189)	308,557	-	-	-	222,632	-	-
At 31st December, 2008	二零零八年 十二月三十一日	91,568	448,539	4,476	34,471	10,781	700,057	10,419	1,300,311
DEPRECIATION AND AMORTISATION	折舊及攤銷								
At 1st January, 2007	二零零七年一月一日	-	16,956	312	12,667	2,976	83,554	3,261	119,726
Exchange adjustments	匯兌調整	-	-	4	3	1	-	-	8
Provided for the year	年度撥備	-	5,624	173	5,517	889	20,900	1,549	34,652
Eliminated on disposals	出售時註銷	-	-	-	-	(11)	(179)	(22)	(212)
At 31st December, 2007	二零零七年十二月三十一日	-	22,580	489	18,187	3,855	104,275	4,788	154,174
Exchange adjustments	匯兌調整	-	-	5	419	8	298	45	775
Provided for the year	年度撥備	-	10,759	179	5,697	990	27,556	1,677	46,858
Eliminated on disposals	出售時註銷	-	-	-	-	(32)	(104)	-	(136)
At 31st December, 2008	二零零八年十二月三十一日	-	33,339	673	24,303	4,821	132,025	6,510	201,671
CARRYING VALUES	賬面值								
At 31st December, 2008	二零零八年十二月三十一日	91,568	415,200	3,803	10,168	5,960	568,032	3,909	1,098,640
At 31st December, 2007	二零零七年十二月三十一日	395,215	117,402	3,885	11,783	5,737	255,872	4,751	794,645

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15. PROPERTY, PLANT AND EQUIPMENT

(continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Factory premises in the PRC	4%
Leasehold land and buildings	4%
Leasehold improvements	20%
Furniture, fixtures and office equipment	10%
Plant, machinery and equipment	3 $\frac{1}{3}$ % - 33 $\frac{1}{3}$ %
Motor vehicles	20%

15. 物業、廠房及設備(續)

上述物業、廠房及設備項目以直線法按以下年率折舊：

中國廠房	4%
租賃土地及樓宇	4%
租賃物業裝修	20%
傢俬、裝置及辦公室設備	10%
廠房、機器及設備	3 $\frac{1}{3}$ % - 33 $\frac{1}{3}$ %
汽車	20%

		2008	2007
		HK\$'000	HK\$'000
		千港元	千港元
The carrying value of the Group's leasehold land and buildings shown above comprises:	上表列示之本集團租賃土地及樓宇之賬面值包括：		
Situated in Hong Kong under medium-term lease	位於香港並按照中期租約持有	1,465	1,540
Situated in Macau under medium-term lease	位於澳門並按照中期租約持有	2,338	2,345
		3,803	3,885

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16. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS 16. 土地使用權預付租賃款項

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
The Group's prepaid lease payments on land use rights comprise:	本集團土地使用權預付租賃款項包括：		
Land use rights in the PRC	位於中國之土地使用權		
Medium-term lease	中期租約	35,663	36,156
Analysed for reporting purpose as:	就呈報而作分析：		
Non-current asset	非流動資產	34,854	35,347
Current asset	流動資產	809	809
		35,663	36,156

Included in the Group's prepaid lease payments on land use rights is HK\$2,056,000 (2007: HK\$2,117,000) prepayments under processing arrangement which represent the prepaid amount under an operating lease for land use rights.

本集團之土地使用權預付租賃款項中包括2,056,000港元(二零零七年: 2,117,000港元)之加工安排預付款, 乃指土地使用權經營租賃下之預付金額。

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17. INVENTORIES

17. 存貨

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Raw materials	原材料	54,099	176,255
Work in progress	在製品	372	740
Finished goods	製成品	11,160	15,003
		65,631	191,998

18. TRADE AND OTHER RECEIVABLES

18. 貿易及其他應收款項

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Trade receivables	貿易應收款項	109,684	128,477
Less: allowance for doubtful debts	減：呆賬撥備	(803)	(3,713)
		108,881	124,764
Other receivables	其他應收款項	6,538	6,661
Total trade and other receivables	貿易及其他應收款項總額	115,419	131,425

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18. TRADE AND OTHER RECEIVABLES (continued)

The Group allows credit periods ranging from 5 to 150 days to its trade customers which may be extended to selected trade customers depending on their trade volume and history of settlement with the Group. The following is an aged analysis of trade receivables net of allowance of doubtful debts at the balance sheet date:

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Current	即期	97,603	102,275
Overdue 1 to 30 days	逾期1至30日	11,278	22,489
		108,881	124,764

Before accepting any new customer, the Group uses an external litigation search to assess the potential customer's credit quality and defines credit limits on a customer-by-customer basis. Limits and scoring attributed to customers are reviewed monthly. Trade receivables that are neither past due nor impaired relate to customers for whom there was no recent history of default.

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$11,278,000 (2007: HK\$22,489,000) which were past due at the reporting date but for which the Group has not provided for impairment loss. Such amount relates to a number of independent customers that have good trade and payment records with the Group. There has not been a significant change in credit quality of the relevant customers and the Group believes that the balances are still recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 41 days based on invoice dates (2007: 48 days).

18. 貿易及其他應收款項(續)

本集團給予其貿易客戶5至150日信貸期，且可以根據特定客戶與本集團之貿易量及付款紀錄而延長該信貸期。下列為結算日扣除呆賬撥備後之貿易應收款項之賬齡分析：

在接納任何新顧客前，本集團會採用外部訴訟搜索，評估每名潛在客戶信貸質素之信用度及為每名客戶設定信貸限額。顧客之信貸限額評級會每月作出檢討。既未逾期又未減值之貿易應收款項之與近期並無延期付款紀錄之客戶有關。

本集團之貿易應收款項結餘中包括賬面值總額為11,278,000港元之應收款項(二零零七年：22,489,000港元)，該等款項於申報日已逾期，而本集團並無就減值虧損進行撥備。該等款項與在本集團保持良好貿易及付款紀錄之多名獨立客戶有關。該等客戶之信貸質素並無重大改變，且本集團相信仍可收回有關結餘。本集團並無就該等結餘而持有任何之抵押品。根據發票日期，該等應收款項的平均賬齡為41日(二零零七年：48日)。

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18. TRADE AND OTHER RECEIVABLES (continued)

Ageing of trade receivables which are past due but not impaired

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Overdue 1 to 30 days	逾期1至30日	11,278	22,489

18. 貿易及其他應收款項(續)

已逾期但未減值之貿易應收款項之賬齡

Movement in the allowance for doubtful debts

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Balance at beginning of the year	年初結餘	3,713	5,577
(Reversal of) impairment losses recognised on trade receivables	(撥回)已確認貿易應收款項之減值虧損	(2,910)	2,056
Amounts written off as uncollectible	撇銷之不可收回金額	-	(3,920)
Balance at end of the year	年末結餘	803	3,713

呆賬撥備之變動

Impairment losses were recognised based on the Group's historical experience, aged analysis and internal assessment of the recoverability of the debt. The Group does not hold any collateral over these balances.

減值虧損乃根據本集團對債項之過往經驗、賬齡分析及收回機會的內部評估而確認。本集團並無就該等結餘而持有任何抵押品。

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19. DERIVATIVE FINANCIAL INSTRUMENTS

19. 衍生金融工具

		2008		2007	
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Foreign exchange forward contracts	遠期外匯合約	706	(24,129)	2,141	(969)
Interest rate swaps	利率掉期	-	(418)	-	(249)
		706	(24,547)	2,141	(1,218)

The Group has entered foreign currency forward contracts to manage its exposure to currency risk of certain trade, bills and other payables denominated in foreign currencies. These derivatives are not accounted for under hedging accounting.

At 31st December, 2008, the Group had outstanding foreign currency forward contracts that are measured at fair value at the balance sheet. The Group has an obligation, in accordance with the terms of the respective contracts, to buy or sell US\$ monthly until maturity. The instruments purchased are to be settled on a net basis. The major terms of these outstanding foreign currency forward contracts are as follow:

本集團訂立遠期外匯合約以管理若干以外幣計值之貿易、票據及其他應付款項承受之貨幣風險。該等衍生工具並未按對沖會計法入賬處理。

於二零零八年十二月三十一日，本集團尚未履行之遠期外匯合約乃按結算日之公平值計量。根據各合約之條款，本集團有責任按月買入或賣出美元，直至合約到期為止。合約之公平值乃根據銀行於結算日作出之估值釐定。購買之工具將全額清結。該等尚未履行之遠期外匯合約主要條款如下：

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19. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

(i) Foreign exchange forward contracts as at 31st December, 2008

Total monthly notional amount 每月名義總金額	Remaining total notional amount 餘下名義總金額	Maturity 屆滿年期	Contract rate 合約匯率
Buy US\$3,600,000 (note i) 買入3,600,000美元 (附註i)	US\$23,100,000 23,100,000美元	1 year 一年	HK\$7.726/US\$1 to HK\$7.748/US\$1 7.726港元/1美元至 7.748港元/1美元
Buy US\$4,000,000 (note ii) 買入4,000,000美元 (附註ii)	US\$42,500,000 42,500,000美元	1 to 2 years 一至兩年	HK\$7.720/US\$1 to HK\$7.750/US\$1 7.720港元/1美元至 7.750港元/1美元
Sell US\$7,500,000 (note iii) 賣出7,500,000美元 (附註iii)	US\$39,500,000 39,500,000美元	1 year 一年	RMB6.085/US\$1 to RMB6.8472/US\$1 人民幣6.085元/1美元至 人民幣6.8472元/1美元

Notes:

- i. Under the above foreign currency forward contracts, the Group will receive US\$ and deliver HK\$ at stipulated contract rate on a monthly basis. At each monthly settlement, when market HK\$/US\$ exchange rate moves favourable to the Group (i.e. spot HK\$/US\$ exchange rate is at or higher than the contract rate), the Group gets to buy the agreed notional amount of US\$ at the contract rate. However, when market HK\$/US\$ exchange rate moves unfavourable to the Group (i.e. spot HK\$/US\$ exchange rate is lower than the contract rate), the Group gets to buy 2 times of the agreed notional amount of USD at the contract rate with HK\$.

19. 衍生金融工具(續)

(i) 於二零零八年十二月三十一日之外匯遠期合約

附註：

- i. 根據上述外匯遠期合約，本集團以議定合約率按月買入美元及賣出港元。於每月結算時，當港元/美元市場匯率利好本集團時(即當期港元/美元匯率等於或高於合約匯率)，本集團將按合約匯率買入議定名義金額之美元。然而，當港元/美元市場匯率不利本集團時(即當期港元/美元匯率低於合約匯率)，則本集團將按港元合約匯率雙倍買入議定名義金額美元。

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19. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

(i) Foreign exchange forward contracts as at 31st December, 2008 (continued)

Notes: (continued)

- ii. Under the above foreign currency forward contracts, the Group will receive US\$ and deliver HK\$ at stipulated contract rate on a monthly basis. At each monthly settlement, when market HK\$/US\$ exchange rate moves favourable to the Group (i.e. spot HK\$/US\$ exchange rate is higher than the contract rate), the Group gets to buy the agreed notional amount of US\$ at the contract rate. However, when market HK\$/US\$ exchange rate moves unfavourable to the Group (i.e. spot HK\$/US\$ exchange rate is at or lower than the contract rate), the Group gets to buy 2 times of the agreed notional amount of USD at the contract rate with HK\$.

Several contracts with total monthly notional amount of US\$27,000,000 contain additional feature which limit the Group's potential gains. At the settlement date, if the spot HK\$/US\$ exchange rate is higher than a stipulated cap rate, the Group will not get to buy the contractual notional at the contract rate.

- iii. Under the above foreign currency forward contracts, the Group is a party that has an obligation to deliver USD and receive RMB at a series of predetermined prices, based on the price calculated with a pre-specified formula.

Several contracts with total monthly notional amount of US\$38,500,000, the Group will deliver US\$ and receive RMB at stipulated contract rate on a semi-monthly/monthly basis. At each semi-monthly/monthly settlement, when market RMB/US\$ exchange rate moves favourable to the Group (i.e. spot RMB/US\$ exchange rate is at or lower than the contract rate), the Group gets to sell the agreed notional amount of US\$ at the contract rate. However, when market RMB/US\$ exchange rate moves unfavourable to the Group (i.e. spot RMB/US\$ exchange rate is higher than the contract rate), the Group gets to sell 2 times of the agreed notional amount of USD at the contract rate with RMB.

Several contracts with total monthly notional amount of US\$23,500,000 contain additional feature that the relevant banks can terminate the contracts when the based on the pre-specified formula.

19. 衍生金融工具(續)

(i) 於二零零八年十二月三十一日之外匯遠期合約(續)

附註:(續)

- ii. 根據上述外匯遠期合約，本集團以議定合約率按月買入美元及賣出港元。於每月結算時，當港元／美元市場匯率利好本集團時(即當期港元／美元匯率等於或高於合約匯率)，本集團將按合約匯率買入議定名義金額之美元。然而，當港元／美元市場匯率不利本集團時(即當期港元／美元匯率低於合約匯率)，則本集團將按港元合約匯率雙倍買入議定名義金額美元。

每月名義總金額為27,000,000美元之若干合約另具有限制本集團潛在盈利之特性。於結算日，倘當期港元／美元匯率高於議定上限匯率時，本集團將不會按合約匯率買入合約名義金額。

- iii. 根據上述外匯遠期合約，本集團為有責任按一系列預先釐定之價格，按預先指明之公式計算之價格賣出美元及買入人民幣之訂約方。

就每月名義總金額為38,500,000美元之若干合約而言，本集團將按每半月／月之議定之合約利率賣出美元及買入人民幣。於每半月／月結算時，倘市場上人民幣／美元匯率有利於本集團(即人民幣／美元之即期匯率為或低於合約利率)，則本集團會按合約利率售出所協定之美元名義金額。然而，倘市場上人民幣／美元匯率對本集團不利(即人民幣／美元之即期匯率高於合約利率)，則本集團會以人民幣按合約利率售出2倍所協定之美元名義金額。

每月名義總金額為23,500,000美元之若干合約另具特性，相關銀行則可終止根據預先指明之公式計算之該等合約。

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19. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

(ii) Foreign exchange forward contracts as at 31st December, 2007

Total monthly notional amount 每月名義總金額	Remaining total notional amount 餘下名義總金額	Maturity 屆滿年期	Contract rate 合約匯率
Buy US\$3,000,000 (note i) 買入3,000,000美元 (附註i)	US\$33,200,000 33,200,000美元	1 to 2 years 一至兩年	HK\$7.681/US\$1 to HK\$7.738/US\$1 7.681港元/1美元至 7.738港元/1美元
Buy US\$2,000,000 (note ii) 買入2,000,000美元 (附註ii)	US\$22,500,000 22,500,000美元	1 to 2 years 一至兩年	HK\$7.699/US\$1 to HK\$7.739/US\$1 7.699港元/1美元至 7.739港元/1美元
Sell HK\$15,000,000 (note iii) 賣出15,000,000港元 (附註iii)	HK\$15,000,000 15,000,000港元	1 year 一年	RMB0.9380/HK\$1 to RMB0.9708/HK\$1 人民幣0.9380元/1港元至 人民幣0.9708元/1港元
Buy HK\$20,000,000 (note iii) 買入20,000,000港元 (附註iii)	HK\$20,000,000 20,000,000港元	1 year 一年	RMB0.9414/HK\$1 to RMB0.9590/HK\$1 人民幣0.9414元/1港元至 人民幣0.9590元/1港元

Notes:

- i. Under the above foreign currency forward contracts, the Group will receive US\$ and deliver HK\$ at stipulated contract rate on a monthly basis. At each monthly settlement, when market HK\$/US\$ exchange rate moves favourable to the Group (i.e. spot HK\$/US\$ exchange rate is at or higher than the contract rate), the Group gets to buy the agreed notional amount of US\$ at the contract rate. However, when market HK\$/US\$ exchange rate moves unfavourable to the Group (i.e. spot HK\$/US\$ exchange rate is lower than the contract rate), the Group gets to buy 2 times of the agreed notional amount of USD at the contract rate with HK\$.

19. 衍生金融工具(續)

(ii) 於二零零七年十二月三十一日之外匯遠期合約

附註：

- i. 根據上述外匯遠期合約，本集團以議定合約率按月買入美元及賣出港元。於每月結算時，當港元/美元市場匯率利好本集團時（即當期港元/美元匯率等於或高於合約匯率），本集團將按合約匯率買入議定名義金額之美元。然而，當港元/美元市場匯率不利本集團時（即當期港元/美元匯率低於合約匯率），則本集團將按港元合約匯率雙倍買入議定名義金額美元。

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19. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

(ii) Foreign exchange forward contracts as at 31st December, 2007 (continued)

Notes: (continued)

- ii. Under the above foreign currency forward contracts, the Group will receive US\$ and deliver HK\$ at stipulated contract rate on a monthly basis. At each monthly settlement, when market HK\$/US\$ exchange rate moves favourable to the Group (i.e. spot HK\$/US\$ exchange rate is higher than the contract rate), the Group gets to buy the agreed notional amount of US\$ at the contract rate. However, when market HK\$/US\$ exchange rate moves unfavourable to the Group (i.e. spot HK\$/US\$ exchange rate is at or lower than the contract rate), the Group gets to buy 2 times of the agreed notional amount of USD at the contract rate with HK\$.
- iii. These contracts will not be settled on a monthly basis. They will be settled on the maturity date.

(iii) Interest rate swaps contracts as at 31st December, 2008 and 2007

Notional amount 名義金額	Maturity date 到期日	Swaps 掉期
HK\$50,000,000 50,000,000港元	17.5.2010	From HIBOR floating rate to HIBOR floating rate with maximum interest rate of 4.2% 由香港銀行同業拆息浮息至香港銀行同業拆息浮息，最高利率為4.2%
HK\$50,000,000 50,000,000港元	25.5.2010	From HIBOR floating rate to HIBOR floating rate with maximum interest rate of 4.3% 由香港銀行同業拆息浮息至香港銀行同業拆息浮息，最高利率為4.3%

19. 衍生金融工具(續)

(ii) 於二零零七年十二月三十一日之外匯遠期合約(續)

附註:(續)

- ii. 根據上述外匯遠期合約，本集團以議定合約率按月買入美元及賣出港元。於每月結算時，當港元／美元市場匯率利好本集團時(即當期港元／美元匯率等於或高於合約匯率)，本集團將按合約匯率買入議定名義金額之美元。然而，當港元／美元市場匯率不利本集團時(即當期港元／美元匯率低於合約匯率)，則本集團將按港元合約匯率雙倍買入議定名義金額美元。
- iii. 此等合約不按月結算，而將按屆滿年期結算。

(iii) 於二零零八年及二零零七年十二月三十一日之掉期合約利率

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20. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and bank balances at prevailing market rates from 0.01% to 0.36%.

Included in the carrying amount of the Group's bank balances, approximately HK\$148,417,000 (2007: HK\$12,723,000), HK\$3,098,000 (2007: HK\$12,853,000), HK\$6,316,000 (2007: Nil) and HK\$4,000 (2007: HK\$1,901,000) denominated in RMB, USD, HKD and Euro dollars respectively are the currencies other than the functional currencies of the relevant group entities.

21. TRADE, BILLS AND OTHER PAYABLES

The following is an aged analysis of trade and bills payables at the balance sheet date:

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Current	即期	41,799	43,137
Overdue 1 to 30 days	逾期1至30日	1,143	10,285
Overdue 31 to 60 days	逾期31至60日	48	6,231
Overdue for more than 60 days	逾期60日以上	636	476
		43,626	60,129
Other payables and accrued charges	其他應付款項及應計支出	59,162	54,516
		102,788	114,645

The average credit period on purchases of goods is 31 days (2007: 29 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

20. 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及現行市場利率介乎0.01%至0.36%之銀行結餘。

本集團以有關集團個體各自功能貨幣以外之貨幣人民幣、美元、港元及歐元列值之銀行結餘之賬面值分別約148,417,000港元(二零零七年: 12,723,000港元)、3,098,000港元(二零零七年: 12,853,000港元)、6,316,000港元(二零零七年: 零)及4,000港元(二零零七年: 1,901,000港元)。

21. 貿易、票據及其他應付款項

下列為結算日之貿易、票據及應付款項賬齡分析：

購買貨物之平均信貸期為31日(二零零七年: 29日)。本集團訂有財務風險管理政策，以確保所有應付款項均不超逾信貸期限。

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22. UNSECURED BANK BORROWINGS

Unsecured bank borrowings comprise:

22. 無抵押銀行借貸

無抵押銀行借貸包括：

		Effective interest rate 實際利率	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Bank loans	銀行貸款	2.481% – 6.151% (2007: 4.655% – 5.674%)	465,168	335,597
Bank advances	銀行墊款	1.800% – 4.820%	124,659	–
Trust receipt loans	信託收據貸款	1.500% – 5.928% (2007: 3.520% – 6.050%)	31,832	132,165
			621,659	467,762
			2008 HK\$'000 千港元	2007 HK\$'000 千港元
Carrying amount repayable:	應償還賬面值：			
Within one year	一年內		282,974	236,848
More than one year, but not exceeding two years	一年以上但不超過兩年		224,445	91,754
More than two years, but not exceeding five years	兩年以上但不超過五年		114,240	139,160
			621,659	467,762
Less: Amount due within one year shown under current liabilities	減：流動負債下一年內到期金額		(282,974)	(236,848)
Amounts due after one year	一年後到期金額		338,685	230,914

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22. UNSECURED BANK BORROWINGS (continued)

All the bank loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

Included in the carrying amount of the Group's unsecured bank borrowings, approximately HK\$127,955,000 bank borrowings (2007: Nil) are denominated in RMB that is the currency other than the functional currency of the relevant group entity.

22. 無抵押銀行借貸(續)

所有銀行貸款以浮動利率安排，使本集團面對流動現金利率風險。

本集團以有關集團個體各自功能貨幣以外之貨幣人民幣列值之無抵押銀行借貸之賬面值約127,955,000港元(二零零七年：零)。

23. UNSECURED STRUCTURED BORROWING

The Group entered into a contract of unsecured structured borrowing with a bank during the year ended 31st December, 2006 for a period of five years. The contract contains embedded derivatives and was designated as financial liabilities at fair value through profit or loss on initial recognition.

23. 無抵押結構借貸

截至二零零六年十二月三十一日止年度，本集團與銀行訂立一項五年期之無抵押結構借貸合約。該合約包含附帶內在衍生工具，而於首次確認時該合約全數指定為以公平值計入損益表之財務負債。

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Unsecured structured borrowing, classified as:	無抵押結構借貸，分類為：		
Current (note)	即期(附註)	7,750	7,800
Non-current	非即期	25,325	26,069
		33,075	33,869

Note: The current portion represents the estimated fair value of amount repayable to the bank within one year from the balance sheet date.

附註：即期部份即須於結算日起計一年內向銀行償還金額之估計公平值。

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23. UNSECURED STRUCTURED BORROWING 23. 無抵押結構借貸(續)

(continued)

Major terms of the unsecured structured borrowing at 31st December, 2008 and 2007 are set out below:

於二零零八年及二零零七年十二月三十一日，無抵押結構借貸之主要條款如下：

Borrowing 借貸	Maturity date 到期日	Repayment amount 償還金額
US\$5,000,000 5,000,000美元	25.9.2011	First half year: 2% per annum on the notional amount 首半年：每年計名義金額之2% Remaining 4 and half years: 8% minus (6% x N/M) per annum on the notional amount 餘下四年半： 每年計名義金額之8%減(6% x N/M)

Where:

其中：

N = number of business days in the period for which Spread Rate > = -0.05%

N = 息差 > = -0.05% 期間之營業日日數

M = actual number of business days in the period

M = 期間之實際營業日日數

Notional amount = US\$50,000,000

名義金額 = 50,000,000 美元

“Spread Rate” means 10-year US\$-ISDA-Swap Rate minus 2-year US\$-ISDA-Swap Rate

「息差」指10年美元-ISDA-掉期利率減2年美元-ISDA-掉期利率

“10-year US\$-ISDA-Swap Rate” means the rate for a reset date will be the rate for U.S. Dollar swaps with a maturity of the designated maturity of 10 years, expressed as a percentage which appears on the Reuters Screen ISDAFIX1 Page as of 11:00 a.m. New York time on each business day.

「10年美元-ISDA-掉期利率」指重訂利率日期之利率將為其屆滿期為指定十年到期之美元掉期利率，以百分比表示，並於每個營業日上午11時正(紐約時間)在路透社屏幕 ISDAFIX1 頁顯示。

“2-year US\$-ISDA-Swap Rate” means the rate for a reset date will be the rate for U.S. Dollar swaps with a maturity of the designated maturity of 2 years, expressed as a percentage which appears on the Reuters Screen ISDAFIX1 Page as of 11:00 a.m. New York time on each business day.

「2年美元-ISDA-掉期利率」指重訂利率日期之利率將為其屆滿期為指定兩年到期之美元掉期利率，以百分比表示，並於每個營業日上午11時正(紐約時間)在路透社屏幕 ISDAFIX1 頁顯示。

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23. UNSECURED STRUCTURED BORROWING 23. 無抵押結構借貸(續)

(continued)

The entire combined contract is measured at fair value that are estimated using a discounted cash flow analysis based on reasonable and supportable assumptions and market rates adjusted for specific features of this instrument. Increase in the fair value of the unsecured structured borrowing for the year of HK\$7,157,000 has been charged to the consolidated income statement. Decrease in the fair value of HK\$9,762,000 has been credited to the consolidated income statement for the year ended 31st December, 2007.

The structured borrowing is denominated in United States dollars that is the currency other than the functional currency of the relevant group entity.

該合併合約全數按公平值計量，而該公平值乃使用現金流量折現分析，根據合理和有關之假設及就有關工具之特性作調整之市場利率而估計。年內無抵押結構借貸之公平值增加7,157,000港元已於綜合收益表內扣除。截至二零零七年十二月三十一日止年度，公平值減少9,762,000港元已計入綜合收益表內。

結構借貸以美元計值，而美元為集團相關個體之功能貨幣以外之貨幣。

24. SHARE CAPITAL

24. 股本

		Number of shares 股份數目		Share capital 股本	
		2008	2007	2008 HK\$'000 千港元	2007 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之 普通股股份				
Authorised:	法定股本：				
At the beginning and the end of the year	於年初及年終	1,000,000,000	1,000,000,000	100,000	100,000
Issue and fully paid:	已發行及繳足股本：				
At the beginning of the year	於年初	482,924,000	423,898,000	48,292	42,390
Exercise of share options (Note 26)	行使購股權 (附註26)	-	16,626,000	-	1,662
Placing of new shares	配售新股份	-	42,400,000	-	4,240
At the end of the year	於年終	482,924,000	482,924,000	48,292	48,292

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24. SHARE CAPITAL (continued)

On 19th July, 2007, arrangements were made for a private placement to independent investors of 42,400,000 shares of HK\$0.10 each in the Company held by Hop Fung Industries Limited, the controlling shareholder of the Company, at a price of HK\$3.55 per share representing a discount of approximately 7.31% to the closing market price of the Company's shares on 19th July, 2007.

Pursuant to a subscription agreement of the same date, Hop Fung Industries Limited subscribed for 42,400,000 new shares of HK\$0.10 each in the Company at a price of HK\$3.55 per share. The proceeds were used to finance the construction of a new manufacturing factory and acquisition of production equipment. These new shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on 28th May, 2007 and rank pari passu with other shares in issue in all respects.

24. 股本(續)

於二零零七年七月十九日，本公司控股股東 Hop Fung Industries Limited 作出安排，按每股3.55港元之價格向獨立投資者私人配售其持有之本公司每股面值0.10港元之股份42,400,000股，該配股價較本公司股份於二零零七年七月十九日之收市價折讓約7.31%。

根據同日之認購協議，Hop Fung Industries Limited 按每股3.55港元之價格認購本公司每股面值0.10港元之新股份42,400,000股。所得款項用於為興建新廠房及收購生產設備提供資金。該等新股份乃根據本公司於二零零七年五月二十八日舉行之股東週年大會向董事授出之一般授權而發行，並與其他已發行股份在各方面均享有同等地位。

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25. DEFERRED TAXATION

The followings are the deferred tax liabilities recognised by the Group and movements thereon during the current and prior reporting period:

25. 遞延稅項

以下為本集團確認之遞延稅項負債及於本報告期間及以往報告期間之變動：

		Accelerated tax depreciation	Undistributed earnings of PRC subsidiaries	Write-down of inventories	Total
		加 速 稅 項 折 舊	中 國 附 屬 公 司 之 未 分 派 盈 利	存 貨 撇 減	總 計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1st January, 2007	於二零零七年一月一日	666	-	-	666
Charge to consolidated income statement for the year	在本年度綜合收益表扣除	3,164	-	-	3,164
At 31st December, 2007	於二零零七年十二月三十一日	3,830	-	-	3,830
Charge (credit) to consolidated income statement for the year	在本年度綜合收益表扣除(計入)	6,052	210	(1,842)	4,420
At 31st December, 2008	於二零零八年十二月三十一日	9,882	210	(1,842)	8,250

At 31st December, 2008, the Group had unused tax losses of HK\$5,930,000 (2007: HK\$1,272,000) available to offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

於二零零八年十二月三十一日，本集團可用以抵銷日後利潤之未使用稅項虧損為5,930,000港元(二零零七年：1,272,000港元)。由於無法預計未來利潤來源，故並無就該等稅項虧損確認遞延稅項資產。虧損可無限期結轉。

At 31st December, 2007, the Group also has other deductible temporary differences of HK\$1,266,000. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

於二零零七年十二月三十一日，本集團亦有其他可扣稅暫時差額1,266,000港元。由於可能沒有應課稅利潤可用以抵銷該等可扣稅暫時差額，故並無就該等可扣稅暫時差額確認遞延稅項資產。

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25. DEFERRED TAXATION (continued)

At the balance sheet date, the deferred tax liabilities on temporary differences associated with the undistributed earnings of the PRC subsidiaries derived on or after 1st January, 2008 amounting to approximately HK\$210,000 (2007: Nil) has been recognised.

26. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 4th September, 2003 for the primary purpose of providing incentives or rewards to selected participants for their contribution to the Group. The Scheme will expire on 3rd September, 2013.

Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including executive or non-executive directors (including independent non-executive directors), of the Company, its subsidiaries, or any entity ("Invested Entity") in which any member of the Group holds any equity interest, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to any supplier of goods or services to any member of the Group or any Invested Entity, any customer of the Group or any Invested Entity, and any consultants, advisers, managers, officers or entities that provides research, development or other technological support to the Group or any Invested Entity.

The total number of shares which may be issued upon exercise of all options to be granted under the Scheme is not permitted to exceed 36,000,000 shares, being 10% of the shares of the Company in issue as at the date on which the shares of the Company are listed on the Stock Exchange, which can be refreshed according to the Scheme. The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised at any time under the Scheme shall not exceed 30% of the issued share capital of the Company from time to time.

25. 遞延稅項(續)

於結算日，已確認暫時差額之遞延稅項負債與中國附屬公司於二零零八年一月一日或之後產生之未分派盈利有關，合共約210,000港元(二零零七年：零)。

26. 以股份支付之支出

股權支付交易購股權計劃

根據於二零零三年九月四日通過之決議案，本公司已採納購股權計劃(「該計劃」)主要目的為向指定參與者授予購股權，以鼓勵或獎賞彼等對本集團作出之貢獻。該計劃將於二零一三年九月三日屆滿。

根據該計劃，本公司董事會可向本公司、其附屬公司或本集團任何成員公司持有任何股權之任何機構(「所投資機構」)之合資格僱員(包括執行董事或非執行董事或獨立非執行董事)授出購股權，以認購本公司股份。另外，本公司有權不時授出購股權予任何向本集團之成員公司或任何所投資機構提供貨物或服務之任何供應商、本集團或任何所投資機構之任何客戶，以及向本集團或任何所投資機構提供研究、開發或其他技術支援服務之任何諮詢人、顧問、經理、高層人員或機構。

根據該計劃授出之購股權獲全數行使時可予發行之股份總數，不得超逾36,000,000股股份，即本公司股份於聯交所上市當日已發行股份之10%，而此限額可根據該計劃更新。於任何時間因隨時行使根據該計劃授出而未行使之全部購股權而可予發行股份之數目，不得超過本公司不時之已發行股本之30%。

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26. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

The number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders in accordance with the Scheme. Where any grant of options to a substantial shareholder or an independent non-executive director or any of their respective associates would result in the shares in the Company issued and to be issued upon exercise of all options to such person in the 12-month period up to and including the date of grant in excess of 0.1% of the shares of the Company in issue and with a value (based on the closing price of the shares of the Company at the offer date of each offer) in excess of HK\$5,000,000, such grant of options must be approved in advance by the Company's shareholders in accordance with the Scheme.

An option may be exercised at any time during the period to be determined and notified by the Directors to the grantee and in the absence of such determination, from the date of acceptance of an offer of the grant of such option to the earlier of the date on which such option lapses and ten years from the date of offer of that option. A consideration of HK\$1 is payable upon acceptance of the offer.

The exercise price is determined by the directors of the Company, and will not be less than the higher of the nominal value of the share; the closing price of the Company's shares on the date of offer; and the average closing price of the shares for the five business days immediately preceding the date of offer.

26. 以股份支付之支出(續)

股權支付交易購股權計劃(續)

未經本公司股東根據該計劃事先批准，向任何個人授出之購股權可能涉及之股份數目，於任何十二個月期間，均不得超過本公司於任何時間已發行股份之1%。倘向一名主要股東、獨立非執行董事或任何彼等之任何聯繫人士授出任何購股權，會導致因授予該人士之所有購股權獲行使而於截至授出當日止十二個月期間，已經及將予發行之本公司股份，合共佔本公司已發行股份超過0.1%，且價值(根據本公司股份於每次授出購股權日期之收市價計算)超過5,000,000港元，則該項授出購股權須事先得到本公司股東根據該計劃批准。

購股權可於董事釐定及知會承授人之期間內隨時行使，倘未有釐定，則由接納授出購股權日期起至該購股權根據該計劃失效之日及授出該購股權日期起計十年之較早日期。於接納購股權時須付1港元代價。

行使價乃由本公司董事釐定，惟不得低於股份面值、本公司股份於授出日期之收市價及股份緊接於授出日期前五個營業日之平均收市價之較高者。

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26. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

The following table discloses details of the Company's share options held by directors and other employees and movements in such holdings during the year:

26. 以股份支付之支出(續)

股權支付交易購股權計劃(續)

下表披露由董事及其他僱員持有之本公司購股權以及該等購股權於年內之變動詳情：

2008		二零零八年				
Option type 購股權類別	Date of grant 授出日期	Exercisable price HK\$ 港元	Outstanding	Granted	Exercised	Outstanding
			at 1.1.2008 於二零零八年 一月一日 尚未行使	during 2008 二零零八年 內授出	during 2008 二零零八年 內行使	at 31.12.2008 於二零零八年 十二月三十一日 尚未行使
D	29.5.2007	2.640	18,374,360	-	-	18,374,360
Exercisable at the end of the year 於年終可行使						9,187,180
Weighted average exercise price 加權平均行使價			2.640	-	-	2.640

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26. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

2007

Option type 購股權類別	Date of grant 授出日期	Exercisable price 行使價 HK\$ 港元	Outstanding	Granted	Exercised	Outstanding
			at 1.1.2007 於二零零七年 一月一日 尚未行使	during 2007 二零零七年 內授出	during 2007 二零零七年 內行使	at 31.12.2007 於二零零七年 十二月三十一日 尚未行使
B	29.7.2004	1.330	7,626,000	-	(7,626,000)	-
C	4.11.2004	1.104	9,000,000	-	(9,000,000)	-
D	29.5.2007	2.640	-	18,374,360	-	18,374,360
			16,626,000	18,374,360	(16,626,000)	18,374,360
Exercisable at the end of the year 於年終可行使						-
Weighted average exercise price 加權平均行使價			1.208	2.640	1.208	2.640

26. 以股份支付之支出(續)

股權支付交易購股權計劃(續)

二零零七年

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26. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

Note:

The vesting period, which is the period from the date of grant to the exercisable date, of the share options granted is determined by directors at each time when the options are granted. Holders of share options granted under the Scheme may only exercise their options during the exercisable periods as follows:

Option type B B類購股權	Option type C C類購股權	Option type D D類購股權	Maximum % of share options exercisable 可行使購股權最高百分比
1.1.2005 – 31.12.2005	1.3.2005 – 28.2.2006	1.3.2008 – 28.2.2009	up to 50% 最高可達50%
1.1.2006 – 31.12.2006	1.3.2006 – 28.2.2007	1.3.2009 – 28.2.2010	up to 75% (to the extent not already exercised) 最高可達75% (以尚未行使者為限)
1.1.2007 – 31.12.2007	1.3.2007 – 29.2.2008	1.3.2010 – 28.2.2011	up to 100% (to the extent not already exercised) 最高可達100% (以尚未行使者為限)

No share option was exercised during the year ended 31st December, 2008. In respect of the share options exercised during the year ended 31st December, 2007, the weighted average share price at the dates of exercise was HK\$3.108. The options outstanding at the end of the year have a weighted average remaining contractual life of 2.2 years (2007: 3 years).

During the year ended 31st December, 2007, options type D were granted on 29th May, 2007. The estimated fair values of the options granted were HK\$10,211,000.

26. 以股份支付之支出(續)

股權支付交易購股權計劃(續)

附註：

授出購股權之歸屬期為行使授權日期期間由董事於每次授出購股權時釐定。根據該計劃授出之購股權持有人僅可於以下行使期間行使其購股權：

截至二零零八年十二月三十一日止年度，並無任何購股權獲行使。就截至二零零七年十二月三十一日止年度行使之購股權而言，其行使日之加權平均股價為3.108港元。於年終尚未行使之購股權之加權平均剩餘合約期為2.2年(二零零七年：3年)。

於截至二零零七年十二月三十一日止年度，於二零零七年五月二十九日授出D類購股權。授出之購股權之估計公平值為10,211,000港元。

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26. SHARE-BASED PAYMENTS (continued)

Equity-settled share option scheme (continued)

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

		2007	
Share price on the date of grant	授出日期之股價	HK\$2.64	2.64港元
Exercise price	行使價	HK\$2.64	2.64港元
Expected volatility	預期波幅	33.18%	33.18%
Expected life	預期年期	2.26 to 3.26 years	2.26至3.26年
Risk-free rate	無風險利率	4.210 to 4.244%	4.210至4.244%
Expected dividend	預期股息	Interim: HK\$0.0168 Final: HK\$0.0464	中期: 0.0168港元 末期: 0.0464港元
Closing share price immediately before date of grant	緊接授出日期前股份之收市價	HK\$2.53	2.53港元

Expected volatility was determined by using the historical volatility of the Company's 400-day share prices before the date of grant. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

The Group recognised the total expense of HK\$3,586,000 for the year ended 31st December, 2008 (2007: HK\$5,206,000) in relation to share options granted by the Company.

26. 以股份支付之支出(續)

股權支付交易購股權計劃(續)

該等公平值乃使用二項式模式釐定。該模式所用數據如下：

預期波幅乃使用授出日期前400日本公司股價之過往波幅釐定。該模式所使用的預期年期已根據管理層之最佳估計就不可轉讓、行使限制及行為考慮因素之影響作出調整。

本集團確認截至二零零八年十二月三十一日止年度與本公司所授出之購股權有關之總支出為3,586,000港元(二零零七年:5,206,000港元)。

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27. OPERATING LEASE COMMITMENTS

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

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Within one year	一年內	84	84
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	-	58
		84	142

Operating lease payments represent rentals payable by the Group for certain of its warehouse, ancillary office properties and car parks. Lease is negotiated for an average term of one year (2007: one year) with fixed monthly rentals over the term of the lease.

27. 經營租賃承擔

於結算日，本集團根據不可取消經營租賃而有未來最低租賃付款承擔，且於下列期間到期：

經營租賃付款指本集團用作倉庫、輔助辦公物業及停車位之應付租金。租賃議定為平均一年期(二零零七年：一年期)，並於租約期間支付固額月租。

28. CAPITAL COMMITMENTS

		2008 HK\$'000 千港元	2007 HK\$'000 千港元
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements	已訂約但未於 綜合財務報表提撥 之廠房及設備 收購資本開支	55,255	151,898

28. 資本承擔

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29. RETIREMENT BENEFIT SCHEME

Hong Kong

The Group has joined a Mandatory Provident Fund Scheme (the "MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

The retirement benefit scheme contributions arising from the MPF Scheme charged to the consolidated income statement represent contributions payable to the funds by the Group at rates specified in the rules of the scheme.

PRC

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

During the year, the retirement benefit scheme contributions amounted to approximately HK\$2,019,000 (2007: HK\$737,000).

29. 退休福利計劃

香港

本集團為其香港僱員加入強制性公積金計劃(「強積金計劃」)。強積金計劃根據強制性公積金計劃條例於強制性公積金計劃管理局註冊。強積金計劃之資產與本集團資產分開，並由獨立受託人控制之基金託管。根據強積金計劃規則，僱主及其僱員各自須按規則指定的比率向強積金計劃繳付供款。本集團對有關強積金計劃之唯一責任是向強積金計劃繳付規定的供款。

於綜合收益表支銷之強積金計劃退休福利計劃供款為本集團按計劃規定之比率應向基金作出之供款。

中國

本集團之中國附屬公司僱員為中國政府管理之國家管理退休福利計劃成員。附屬公司須將彼等僱員之薪酬某一百分比率向國家管理之退休福利計劃供款。本集團對退休福利計劃之唯一責任為作出指定供款。

年內，退休福利計劃供款約為2,019,000港元(二零零七年：737,000港元)。

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30. CONTINGENT LIABILITIES

On 9th December, 2004, a tax audit was commenced by the Hong Kong Inland Revenue Department (the "IRD") on certain subsidiaries of the Company, namely, Gong Ming Hop Fung Paper Ware Factory Limited ("GMHF"), Fung Kong Hop Fung Paper Ware Factory Limited ("FKHF") and Hop Fung (Overseas) Trading Limited (the "Subsidiaries"), in respect of the years of assessment 1998/1999 to 2003/2004. On 26th January, 2005, 5th January, 2006 and 2nd June, 2006, whilst these cases are still under investigation, the IRD issued protective assessments for the years of assessment 1998/1999, 1999/2000 and 2000/2001 to 2003/2004 respectively to the above-mentioned subsidiaries in order not to jeopardise the assessment powers of the IRD which will be time-barred after 6 years of assessment. In addition, the IRD issued an additional assessment to GMHF for the year of assessment 2004/2005 on 2nd June, 2006. Objections have been filed against all these assessments and, accordingly, no provision has been made in the consolidated financial statements in respect of any potential tax liabilities.

Up to date, the taxes demanded under the protective assessments amounted to HK\$75,663,980 in aggregate. Subsequent to the lodgement of objections by the Subsidiaries, tax reserve certificates of HK\$480,000 and HK\$1,400,000 in respect of the assessments for GMHF and FKHF, pending the outcome of the tax audits and the objections, were purchased in March 2005 and March 2006 respectively. In addition, tax reserve certificates of HK\$1,717,279 in respect of the assessments for GMHF, pending the outcome of the tax audits and the objections, were purchased in December 2006. Also, banker's undertakings of HK\$13,197,475 were arranged by the Group and had been accepted by the IRD as security for payment of the mentioned tax. The remaining amounts of tax of HK\$58,869,226 demanded by the IRD have been held over unconditionally.

In the opinion of the Company's directors, the potential tax liabilities that may arise as a result of the tax audits, if any, would not have any significant effects on the consolidated financial statements of the Group.

30. 或然負債

於二零零四年十二月九日，香港稅務局（「稅務局」）就本公司若干附屬公司公明合豐紙品廠有限公司（「公明合豐」）、鳳崗合豐紙品廠有限公司（「鳳崗合豐」）及Hop Fung (Overseas) Trading Limited（「附屬公司」）於一九九八年／一九九九年／二零零零年／二零零一年／二零零二年／二零零三年／二零零四年評稅年度展開稅務審核。有關審核尚在進行期間，於二零零五年一月二十六日、二零零六年一月五日及二零零六年六月二日，稅務局分別就上述附屬公司之一九九八年／一九九九年、一九九九年／二零零零年及二零零零年／二零零一年至二零零三年／二零零四年評稅年度發出保障性評稅單，以免影響稅務局須於有關評稅年度後六年內行使之評稅權力。此外，稅務局於二零零六年六月二日就公明合豐另行發出二零零四年／二零零五年評稅年度之評稅單。本集團已就所有該等評稅提出反對，因此，並無就任何潛在稅務負債於綜合財務報表作出撥備。

直至該日期，在保障性評稅要求之稅款總額為75,663,980港元。於附屬公司遞交反對書後，分別於二零零五年三月及二零零六年三月就公明合豐及鳳崗合豐之評稅購買480,000港元及1,400,000港元儲稅券，以待稅務審核及提出反對之結果。另於二零零六年十二月就公明合豐之評稅購買1,717,279港元儲稅券，以待稅務審核及提出反對之結果。此外，本集團已安排銀行承擔13,197,475港元，作為支付上述稅款之抵押，而稅務局已接受該抵押。稅務局所要求之其餘稅項58,869,226港元已獲無條件暫緩。

本公司董事認為，有關稅務審核可能產生潛在稅務負債（如有）不會對本集團綜合財務報表構成任何重大影響。

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31. RELATED PARTY TRANSACTIONS

- a) During the year, the Group engaged Hop Fung (Australia) Pty Ltd as the Group's purchase agent in Australia at an annual fee of HK\$1 for the agency services rendered to the Group. The total value of goods purchased under this arrangement from the suppliers amounted to HK\$15,196,000 (2007: HK\$27,175,000). Hop Fung (Australia) Pty Ltd is a company in which Mr. Hui Sum Kwok, executive director of the Company, has beneficial interest.
- b) The remuneration of directors, who are key management of the Group, during the year are disclosed in note 12. The remuneration of executive directors, who are also the key executives of the Group, is determined by the remuneration committee having regard to the performance of individuals and market trends.

31. 關連人士交易

- a) 年內，本集團聘用Hop Fung (Australia) Pty Ltd為本集團於澳洲之採購代理人，並就其向本集團提供之代理服務支付年費1港元。根據此項安排向供應商採購之貨品總值為15,196,000港元(二零零七年：27,175,000港元)。本公司執行董事許森國先生於Hop Fung (Australia) Pty Ltd中擁有實益權益。
- b) 身為本集團主要管理人員之董事於年內之酬金於附註12披露。執行董事亦身兼本集團主要高級行政人員，彼等之酬金由薪酬委員會視乎個人表現及市場趨勢釐定。

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FOR THE YEAR ENDED 31ST DECEMBER, 2008

截至二零零八年十二月三十一日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES 32. 主要附屬公司資料

Particulars of the principal subsidiaries, all of which are wholly-owned by the Company, as at 31st December, 2008 and 2007 are as follows:

於二零零八年及二零零七年十二月三十一日，本公司旗下全資擁有之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立／營業地點	Issued and fully paid share capital/ contributed capital 已發行及繳足股本／實繳股本	Principal activities 主要業務
Chun Yik (Macao Commercial Offshore) Limited 進益(澳門離岸商業服務)有限公司	Macau 澳門	Ordinary shares MOP 100,000 普通股100,000澳門幣	Trading of paper ware products 紙品貿易
Fung Kong Hop Fung Paper Ware Factory Limited 鳳崗合豐紙品廠有限公司	Hong Kong 香港	Ordinary shares HK\$100 普通股100港元	Provision of management service 提供管理服務
		Non-voting deferred shares HK\$3,000,000 (Note) 無投票權遞延股 3,000,000港元(附註)	
Fung Kong Shing Fung Paper Ware Factory Limited 鳳崗誠豐紙品廠有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	Investment holding 投資控股
Gong Ming Hop Fung Paper Ware Factory Limited 公明合豐紙品廠有限公司	Hong Kong 香港	Ordinary shares HK\$100 普通股100港元	Provision of management service 提供管理服務
		Non-voting deferred shares HK\$3,000,000 (Note) 無投票權遞延股 3,000,000港元(附註)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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32. PARTICULARS OF PRINCIPAL SUBSIDIARIES 32. 主要附屬公司資料(續)

(continued)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立/營業地點	Issued and fully paid share capital/ contributed capital 已發行及繳足股本/實繳股本	Principal activities 主要業務
Green Forest (QingXin) Paper Industrial Limited * 森葉(清新)紙業有限公司*	PRC 中國	Contributed capital HK\$764,494,899 (2007: HK\$554,094,899) 實繳股本764,494,899港元 (二零零七年: 554,094,899港元)	Manufacturing and trading of paper 紙張之製造及貿易
Hop Fung Consultants Limited 合豐顧問有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	Provision of management service 提供管理服務
Hop Fung Group Company Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Ordinary shares US\$600 普通股600美元	Investment holding 投資控股
Hop Fung International Enterprise Limited 合豐國際企業有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	Provision of accounting service 提供會計服務
Man Shung (Macao Commercial Offshore) Limited 萬順(澳門離岸商業服務)有限公司	Macau 澳門	Ordinary shares MOP100,000 普通股100,000澳門幣	Manufacturing and trading of paper ware products 製造紙品及紙品貿易
Top Develop Limited 拓展有限公司	British Virgin Islands 英屬處女群島	Ordinary shares US\$1 普通股1美元	Investment holding and trading of paper 投資控股及紙張貿易
東莞進益紙品有限公司*	PRC 中國	Contributed capital HK\$20,000,000 實繳股本20,000,000港元	Manufacturing and sales of paper ware products 製造及銷售紙品
合豐紙品(深圳)有限公司* (newly established in 2008) (於二零零八年新成立)	PRC 中國	Contributed capital HK\$22,000,000 實繳股本22,000,000港元	Manufacturing and trading of paper ware products 製造紙品及紙品貿易

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2008

截至二零零八年十二月三十一日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(continued)

Note: The non-voting deferred shares, which are not held by the Group, practically carry no right to dividends or to receive notice of or to attend or vote at any annual general meeting of the companies. On winding up, the holders of the deferred shares are entitled to the distribution after the distribution of HK\$100,000,000 million to holders of ordinary shares, as specified in the articles of association.

Other than Hop Fung Group Company Limited, all subsidiaries are indirectly held by the Company.

None of the subsidiaries had any debt securities subsisting at 31st December, 2008 and 2007 or at any time during the years.

* Green Forest (QingXin) Paper Industrial Limited, 東莞進益紙品有限公司 and 合豐紙品(深圳)有限公司 are wholly foreign owned enterprise.

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

33. EVENT AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, a subsidiary of the Group obtained the approval from a bank established in the PRC in respect of its application for a three-year term loan amounting to RMB200,000,000. The directors expect that the relevant loan agreement will be entered into on or before 10th May, 2009.

32. 主要附屬公司資料(續)

附註：無投票權遞延股並非由本集團持有，且實際上並無附帶獲派股息、收取相關公司任何股東週年大會通知、出席或於會上投票之權利。於清盤時，根據公司組織章程細則規定，遞延股份持有人於向普通股持有人分派100,000,000,000,000港元後可參與分派。

除Hop Fung Group Company Limited外，其他所有附屬公司均由本公司間接持有。

於二零零八年及二零零七年十二月三十一日或年內任何時間，各附屬公司均無債務證券。

* 森葉(清新)紙業有限公司、東莞進益紙品有限公司及合豐紙品(深圳)有限公司均為全資外資企業。

上表列出董事認為對本集團業績及資產有重要影響之本集團附屬公司。董事認為，將其他附屬公司資料列出會導致篇幅過於冗長。

33. 結算日後事項

於結算日後，本集團附屬公司已接獲中國成立之銀行就其申請金額為人民幣200,000,000元之三年期貸款發出之批准函。董事預期，相關貸款協議將於二零零九年五月十日或之前訂立。

FINANCIAL SUMMARY 財務概要

		Year ended 31st December, 截至十二月三十一日止年度				
		2004	2005	2006	2007	2008
		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
		(Restated)				
		(經重列)				
RESULTS	業績					
Revenue	收益	760,981	788,555	799,936	925,533	1,033,152
Cost of sales	銷售成本	(610,163)	(634,422)	(617,735)	(713,899)	(835,341)
Gross profit	毛利	150,818	154,133	182,201	211,634	197,811
Other income	其他收入	11,554	15,728	17,742	18,526	20,734
Selling and distribution costs	銷售及分銷成本	(38,069)	(37,277)	(39,946)	(45,355)	(46,843)
Administrative expenses	行政開支	(35,200)	(37,724)	(42,614)	(58,491)	(62,198)
Other expenses	其他開支	(12,582)	(18,601)	(22,081)	(24,686)	(22,445)
Finance costs	財務成本	(1,871)	(5,924)	(8,644)	(6,837)	(11,869)
Change in fair value of unsecured structured borrowing	無抵押結構借貸 公平值之變動	-	-	(12,366)	9,762	(7,157)
Changes in fair value of derivative financial instruments	衍生金融工具 公平值之變動	-	474	(4,278)	10,561	(20,331)
Profit before taxation	稅前利潤	74,650	70,809	70,014	115,114	47,702
Taxation	稅項	(7,719)	(1,096)	(1,716)	(3,370)	(6,270)
Profit for the year	年度利潤	66,931	69,713	68,298	111,744	41,432

FINANCIAL SUMMARY 財務概要

		At 31st December, 於十二月三十一日				
		2004	2005	2006	2007	2008
		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
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	481,574	663,726	843,030	1,382,537	1,581,391
Total liabilities	總負債	195,552	325,401	358,934	638,795	809,314
Equity	股本	286,022	338,325	484,096	743,742	772,077



HOP FUNG GROUP

合豐集團控股有限公司
HOP FUNG GROUP HOLDINGS LIMITED