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FINANCIAL HIGHLIGHTS 財務摘要

		2008 二零零八年 HK\$'m 百萬港元	2007 二零零七年 HK\$'m 百萬港元	Changes 變動 %
Profit Attributable to Equity Holders of the Company	本公司股本持有人應佔溢利	87	323	(73%)
Total Assets	資產總值	6,410	6,381	0.5%
Equity Attributable to Equity Holders of the Company	本公司股本持有人應佔股本	4,870	5,006	(3%)
Cash & Bank Balances	現金及銀行結餘	792	1,335	(41%)

Key Performance and Liquidity Indicators:	主要營運表現及財務狀況指標:	HK\$ 港元	HK\$ 港元	Changes 變動 %
Earnings Per Share	每股盈利	0.048	0.177	(73%)
Net Assets Per Share (Note 1)	每股資產淨值(附註1)	2.70	2.70	Nil
P/E Ratio (Note 1)	市盈率(附註1)	14.8x	9.6x	54%
Return on Capital Employed (Note 2)	股本回報率(附註2)	1.8%	6.4%	(72%)
Return on Total Assets (Note 3)	總資產回報率(附註3)	1.4%	5.1%	(73%)
Gearing Ratio (Note 4)	借貸比率(附註4)	16%	12%	33%
Current Ratio (Note 5)	流動比率(附註5)	2.1x	3.1x	(32%)
Interest Coverage (Note 6)	利息償付比率(附註6)	4.6x	8.4x	(45%)

FINANCIAL HIGHLIGHTS 財務摘要

Notes:

1. Based on 1,820,709,611 shares issued and fully paid as at 31 December, 2008 (2007: 1,820,709,611 shares) and the market closing price of HK\$0.71 (2007: HK\$1.70) per share.
2. Calculated as profit attributable to equity holders of the Company over equity attributable to equity holders of the Company.
3. Calculated as profit attributable to equity holders of the Company over total assets.
4. Calculated as total borrowings over equity attributable to equity holders of the Company.
5. Calculated as current assets over current liabilities.
6. Calculated as profit before finance costs and taxation over finance costs (excluding the notional interest portion in respect of convertible note).

附註：

1. 基於二零零八年十二月三十一日已發行及已繳足股份1,820,709,611股(二零零七年：1,820,709,611股)及收市價每股0.71港元(二零零七年：1.70港元)計算所得。
2. 以本公司股本持有人應佔溢利除以本公司股本持有人應佔股本計算所得。
3. 以本公司股本持有人應佔溢利除以總資產計算所得。
4. 以借貸總額除以本公司股本持有人應佔股本計算所得。
5. 以流動資產除以流動負債計算所得。
6. 以扣除財務費用及稅項前溢利除以財務費用(經扣除可換股票據之市場利息部份後)計算所得。

CORPORATE INFORMATION 公司資料

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Principal Bankers

Bank of China (Hong Kong) Limited

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

REVIEW OF RESULTS

Profit attributable to equity holders of the Company for the year ended 31 December 2008 has decreased by HK\$235.8 million to HK\$87.1 million (2007: HK\$322.9 million), representing a decrease of approximately 73%. Basic earnings per share has decreased by HK\$0.129 to HK\$0.048 (2007: HK\$0.177), also representing a decrease of approximately 73%.

The decrease was mainly due to the diminution in the fair values of investment properties and leasehold properties, the diminution in the fair values of trading securities and the significant decrease in net foreign exchange gain. Such diminution in the fair values was due to the outbreak of the financial tsunami in September 2008, which has led to severe deterioration in the investment environment. The fair values of investment properties, leasehold properties and trading securities have further decreased by HK\$20.1 million, HK\$19.1 million and HK\$35.4 million respectively. The significant decrease in net foreign exchange gain is due to the decrease in the Group's average balance of RMB deposits and the reason that RMB to HKD exchange rate did not appreciate further during the year. Such decrease amounted to approximately HK\$71.4 million.

Other reasons leading to the decrease in profit attributable to equity holders of the Company were that there were one-off disposal gains recognised in 2007 in the amount of HK\$38.6 million and HK\$48.5 million in respect of the partial disposal of the Tongjitang ADSs and the disposal of the Shenyang subsidiaries respectively.

On a net basis, profit contribution from the distressed assets business in 2008 was HK\$33.9 million (2007: HK\$38.2 million) and was mainly derived from the Orient Portfolio.

業績回顧

截至二零零八年十二月三十一日止年度，本公司股本持有人應佔溢利減少 235,800,000 港元至 87,100,000 港元(二零零七年：322,900,000 港元)，減幅約為 73%。每股基本盈利減少 0.129 港元至 0.048 港元(二零零七年：0.177 港元)，減幅同樣約為 73%。

減少的主要原因是由於本集團之投資物業及租賃物業的公平值減少、證券投資的公平值減少以及匯兌收益淨額大幅減少所致。該等公平值減少乃是由於二零零八年九月爆發金融海嘯，導致投資環境急劇變壞所致。投資物業、租賃物業及證券投資公平值分別進一步減少 20,100,000 港元、19,100,000 港元及 35,400,000 港元。匯兌收益淨額大幅減少乃是由於本集團持有之人民幣存款的平均結餘減少以及人民幣兌港元匯率於年內未有進一步上漲所致。有關減少的數額約為 71,400,000 港元。

導致本公司股本持有人應佔溢利減少的其他原因在於二零零七年出售部分同濟堂預托證券及出售瀋陽附屬公司分別確認 38,600,000 港元及 48,500,000 港元的一次性出售收益所致。

按淨額基準，不良資產業務於二零零八年的盈利貢獻為 33,900,000 港元(二零零七年：38,200,000 港元)並且主要是來自東方資產包。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

REVIEW OF RESULTS *(Continued)*

For the year ended 31 December 2008, the Group

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

BUSINESS REVIEW & PROSPECTS

Property Investments, Development and Management

For the year ended 31 December 2008, profit contribution from leasing of investment properties increased slightly by 9% to HK\$26.4 million (2007: HK\$24.3 million) and was pretty stable for both years. The Group's main source of rental income is from the East Gate Plaza. During the year, the gross rental income in respect of the East Gate Plaza recorded a slight decrease to approximately HK\$54.1 million (2007: HK\$62.6 million).

The operations of Beijing Yinda Property Management Limited ("Yinda") were stable for both of the current year under review and the last year. At the balance sheet date, there were 21 projects (2007: 21 projects) under the management of Yinda. The total floor area under the management of Yinda exceeds 3.0 million square meters. The revenue of Yinda for the year was HK\$147.1 million (2007: HK\$105.2 million). Net profit for the year was HK\$11.6 million (2007: net loss of HK\$1.8 million). The increase in revenue and profit was mainly attributable to the short-term appointment of Yinda for the management of three properties during the period of the 2008 Beijing Olympic Game. In the coming years, Yinda will concentrate its effort in soliciting new projects with high profit margin in order to enhance shareholders' return.

Re-development project

The Group invested in the re-development of the Tong Zhou District in Beijing through its 22.62% owned associate namely 北京君合百年房地產開發有限公司(「君合百年」).

The re-development project was named "Zi You Xiao Zhen", which has a site area and gross development area of 320,000 square metres and 830,000 square metres respectively. According to the development plan, the "Zi You Xiao Zhen" project will be developed by four phases in four years' time.

業務回顧及展望

物業投資、發展及管理

截至二零零八年十二月三十一日止年度，從出租投資物業所得的收入輕微增加9%至26,400,000港元(二零零七年：24,300,000港元)並於兩年均保持平穩。本集團的租金收入主要來自東環廣場，年內東環廣場的租金收入毛額錄得輕微減少至54,100,000港元(二零零七年：62,600,000港元)。

北京銀達物業管理有限責任公司(「銀達」)於回顧年內及去年的經營，同樣保持穩定。於結算日，由銀達管理的項目組合共有21個(二零零七年：21個)，管理總面積逾三百萬平方米。銀達本年度之收入約為147,100,000港元(二零零七年：105,200,000港元)，本年度之淨盈利為11,600,000港元(二零零七年：淨虧損約為1,800,000港元)。收入與溢利增加乃主要因為於2008北京奧運舉行期間，銀達獲短期委任管理三個物業所致。未來年度，銀達將致力爭取盈利率高的項目，從而提高股東回報。

重建項目

本集團透過其持股22.62%之聯營公司，北京君合百年房地產開發有限公司(「君合百年」)，投資參與北京市通州區的重建。

重建項目已定名為《自由小鎮》，其地盤面積及發展毛面積分別為320,000平方米及

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

BUSINESS REVIEW & PROSPECTS (Continued)

Property Investments, Development and Management (Continued)

Re-development project (Continued)

As at 31 December 2008, the Group has invested approximately HK\$582.4 million (2007: HK\$484.0 million) in aggregate in the "Zi You Xiao Zhen" project.

However, due to the outbreak of the financial tsunami in September 2008, the progress of the "Zi You Xiao Zhen" project was delayed for the purpose of awaiting for more market data and economic indicators before entering into the next stage of development. Moreover, the directors have recently learnt that the controlling shareholder of 君合百年 is considering the disposal of its entire interest in 君合百年 due to its own funding needs. The act of the controlling shareholder will inevitably affect the next stage of development of the "Zi You Xiao Zhen" to a certain extent. In this regard, the Group may also dispose of its interests in 君合百年 at the same time or may acquire additional interests in 君合百年, depending on the disposal price of the controlling shareholder. However, the Group has not yet arrived at any decision for the time being.

Cinda Jianrun

Cinda Jianrun has made no significant investment since its incorporation in January 2008. Despite this, the Group had further paid RMB200.0 million (equivalent to approximately HK\$222.2 million) funds into Cinda Jianrun as previously agreed. Cinda Jianrun is currently negotiating for a potential investment opportunity for the purpose of commencing its business.

業務回顧及展望(續)

物業投資、發展及管理(續)

重建項目(續)

於二零零八年十二月三十一日，本集團於《自由小鎮》項目總投資約582,400,000港元(二零零七年：484,000,000港元)。

然而，由於二零零八年九月爆發金融海嘯，《自由小鎮》項目的進度已暫緩下來，以便等待更多的市場數據以及經濟指標，才進入下一階段的發展。此外，董事最近獲悉君合百年的控股股東因資金需求關係，有意出售其於君合百年的全部權益；該控股股東的舉動將無可避免地對《自由小鎮》下一階段的發展有一定程度的影響。鑒於此原因，本集團可能會一併出售其於君合百年的權益或可能會購入君合百年的額外權益，視乎該控股股東的出售價格而定。惟本集團目前並無落實任何決定。

信達建潤

自二零零八年一月成立以來，信達建潤仍未有作出任何重大的投資。然而，根據早前的協定，本集團已額外向信達建潤支付人民幣200,000,000元(相當於222,200,000港元)。信達建潤目前正在洽商一個投資機會，希望於短期內能開展其業務。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

BUSINESS REVIEW & PROSPECTS (Continued)

Property Investments, Development and Management (Continued)

科馬印象

In 2008, the Group made investment in a newly incorporated company named 科馬印象實業有限公司(「科馬印象」) in Beijing. The Group contributed RMB50.0 million (equivalent to HK\$55.6 million) to 科馬印象 as registered capital for an equity interest of 50%. The Group accounted for its interest in 科馬印象 as a jointly controlled entity. The principal business of 科馬印象 is the production of branded Italian style bathroom suite and related products such as bathtubs, showers, toilets, sinks and bathroom tiles.

Infrastructure Investments

The shareholders of CII have decided not to utilize CII as a platform to co-operate and to invest in infrastructure projects. In this regard, CII focus on liquidating all its investments and projects during the year and in the coming year. The funds realized will be distributed to the shareholders of CII as soon as practicable. As a consequence of the above strategic change, profit contribution from CII has decreased significantly to HK\$23.5 million (2007: HK\$54.8 million).

In the last quarter of 2008, the Group has acquired the entire investments in the petrochemical project and a shareholder's loan from CII at a total consideration of approximately HK\$184.8 million so as to invest in the petrochemical industry directly.

業務回顧及展望(續)

物業投資、發展及管理(續)

科馬印象

於二零零八年，本集團於北京投資成立一間名為科馬印象實業有限公司(「科馬印象」)。本集團向科馬印象注資人民幣50,000,000元(相當於55,600,000港元)作為50%權益的註冊資金投入。本集團以共同控制公司的會計處理方式歸類其於科馬印象的投資。科馬印象的主要業務是生產意大利風格的品牌套裝衛生間以及相關的產品如浴缸、花灑、抽水馬桶、洗臉盤及浴室瓷磚。

基礎建設投資

中基的股東已決定不再透過利用中基作為共同投資基礎建設項目的平台。因此，於年內及下一年度，中基將會以套現其所有的投資及項目為主。套現所得的資金，將會在實際可行的最快時間內分派予中基之各股東。鑒於上述策略性的改變，來自中基的溢利貢獻大幅下降至23,500,000港元(二零零七年：54,800,000港元)。

於二零零八年第四季度，本集團以總代價約184,800,000港元，從中基購入石油化工項目的全部權益以及一項股東貸款，藉以直接投資於石油化工行業。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

BUSINESS REVIEW & PROSPECTS (Continued)

Petrochemical Products

During the year, the Group invested in a new core-business, which is the production and trading of petrochemical products. The new core-business is conducted through Tai Zhou United East Petrochemical Company Limited ("United East Petrochemical"), Tai Zhou Dong Tai Petrochemical Company Limited ("Dong Tai Petrochemical") and Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited ("Zhong Hai You Qi"). United East Petrochemical and Dong Tai Petrochemical were indirectly held subsidiaries in which the Group is interested in 50% and 69.78% respectively. Zhong Hai You Qi is an indirectly held associate in which the Group is interested in 23.03%.

The principal activities of these companies include the operation of crude oil storage tanks, crude oil loading and unloading terminal, crude oil refinery and the production of an organic solvent methyl ethyl ketone and bitumen as major oil refinery by-products.

The operation results of the new core-business was barely breakeven in 2008 due to high crude oil price during the majority times of 2008 and the fact that the new core-business has contributed operation results of less than a quarter since acquisition.

業務回顧及展望(續)

石油化工產品

年內，本集團投資一項新主營業務，乃生產及銷售石油化工產品。該項新主營業務乃透過泰州東聯化工有限公司(「東聯化工」)、泰州東泰石化有限公司(「東泰石化」)及中海油汽(泰州)石化有限公司(「中海油汽」)經營。東聯化工及東泰石化分別是由本集團持有其50%及69.78%權益的間接持股附屬公司。中海油汽是由本集團持有其23.03%權益的間接持股聯營公司。

該等公司之主要業務包括經營原油儲存、原油裝卸碼頭、原油提煉以及以有機溶劑甲乙酮及瀝青為主要煉油副產品的生產。

由於原油價格於二零零八年內的大部分時間處於高價位以及新主營業務在收購後只有少過一個季度的經營，該項新主營業務於二零零八年之經營業績只能保持收支平衡。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

BUSINESS REVIEW & PROSPECTS (Continued)

Financial Investments

Distressed Assets Business

The Huarong Portfolio

The progress of the disposal of the Huarong Portfolio was unsatisfactory. China Huarong Asset Management Corporation ("China Huarong") failed to complete the disposal within the time limit of its servicing contract. Despite the fact that the servicing contract had been extended to 31 December 2008, the disposal of the Huarong Portfolio has not been completed. After serious negotiations with China Huarong, the Group agreed to further extend the servicing contract to 31 December 2009 in light of the recent financial crisis, which affected all economies over the world. The Group believes that the PRC economy will start to recover in the second half year of 2009, which will benefit the disposal of the Huarong Portfolio. Moreover, the Group has removed the target cash recovery rate so as to give China Huarong more flexibility in disposing the Huarong Portfolio.

The Group will push for the completion of the disposal of the Huarong Portfolio within the extended period and will try its best effort to ensure the disposal of the Huarong Portfolio will not lead to any loss to the Group as a whole.

Up to 31 December 2008, the cumulative principal amount of distressed assets in the Huarong Portfolio that has been disposed was approximately HK\$27.6 billion, representing approximately 68% of the total principal amount of the Huarong Portfolio. The cumulative cash recovered was approximately HK\$540.6 million. The effective cash recovery rate was approximately 2.0%. As at 31 December 2008, the carrying value of the outstanding debts in the Huarong Portfolio was approximately HK\$12.8 billion in aggregate.

業務回顧及展望(續)

金融投資

不良資產業務

華融資產包

華融資產包於期內的處置進度並不理想。中國華融資產管理公司(「中國華融」)未能於其服務合同協定的期間內完成處置工作。雖然有關服務合同已延期至二零零八年十二月三十一日，處置華融資產包的工作仍未能完成。經過與中國華融認真協商後，本集團同意再度延期服務合同至二零零九年十二月三十一日，以對應近期爆發的金融危機對全世界所有實體經濟帶來的影響。本集團相信，中國內地的經濟可望於二零零九年下半年開始恢復，並且會有利於華融資產包的處置。此外，本集團已經放棄目標回收率以讓中國華融能更有彈性地處置華融資產包。

本集團將致力爭取在延長了的期間內完成處置華融資產包，並且盡力確保處置華融資產包不會對本集團在整體上產生任何虧損。

截至二零零八年十二月三十一日，華融資產包累計已處置的不良資產之本金總額約為27,600,000,000港元，約相等於華融資產包本金總額的68%。累計已收回的現金總額約為540,600,000港元。折算所得的現金回收率約為2.0%。於二零零八年十二月三十一日，華融資產包未處置債權結餘總額約為12,800,000,000港元。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

BUSINESS REVIEW & PROSPECTS (Continued)

Financial Investments (Continued)

Distressed Assets Business (Continued)

The Huarong Portfolio (Continued)

After deducting operating expenses and management fee payable to China Huarong, loss attributable to the Huarong Portfolio for the period was less than HK\$1.0 million and was included in the share of results of jointly controlled entities.

The Orient Portfolio

Profit contribution from the Orient Portfolio for the year ended 31 December 2008 was HK\$33.9 million (2007: HK\$100.2 million). The decrease was due to and was in line with the decrease in the amount of outstanding distressed assets pending disposal. The cumulative cash recovery of the Orient Portfolio was RMB633.4 million (equivalent to HK\$703.8 million), representing a recovery rate of 2.97%.

During the year, the Group together with certain investors had agreed to make investment in a second portfolio of distressed assets owned by China Orient Asset Management Corporation. The investment is conditional upon approval being obtained from the relevant PRC authorities. After netting off the cash recovered and included in the second portfolio of distressed assets, the acquisition cost of the second portfolio of distressed assets will be RMB227.3 million (equivalent to HK\$252.6 million). The Group's participating interest in the second portfolio of distressed assets is approximately 46%, or equivalent to approximately HK\$115.9 million.

業務回顧及展望(續)

金融投資(續)

不良資產業務(續)

華融資產包(續)

在扣除經營費用及應付予中國華融的管理費用後，期內攤佔來自華融資產包的虧損少於1,000,000港元，並已包括在攤佔共同控制公司業績之內。

東方資產包

於截止二零零八年十二月三十一日止年度，東方資產包為本集團貢獻盈利金額約為33,900,000港元(二零零七年：100,200,000港元)。減少是由於有待處置的不良資產金額同時地減少，本集團從處置東方資產包累計已收回現金人民幣633,400,000元(相當於703,800,000港元)，處置回收率約為2.97%。

年內，本集團連同若干投資者同意投資一項由中國東方資產管理公司擁有的第二包不良資產。惟落實該項投資須待取得中國的相關部門批准作為先決條件。扣除已回收並包括在第二包不良資產的現金後，第二包不良資產的收購代價約為人民幣227,300,000元(相當於252,600,000港元)。本集團於第二包不良資產的參與份額約為46%，或相當於115,900,000港元。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

BUSINESS REVIEW & PROSPECTS (Continued)

Financial Investments (Continued)

Other Financial Investments (Continued)

Cinda International

During the year, the Group acquired 40,022,000 shares, representing an equity interest of approximately 9.58%, in Cinda International Holdings Limited (“Cinda International”) (formerly known as Hantec Investment Holdings Limited). Cinda International is an indirectly owned subsidiary of China Cinda Asset Management Corporation (“China Cinda”). Cinda International is a company listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) which is engaged in the businesses of leveraged foreign exchange trading services and securities broking, commodities and future broking, corporate financial advisory, asset management and individual financial planning in Hong Kong.

In light of the strong background of China Cinda and with its support, the Board believes that this would attract investors and other financial institutions from both the PRC and Hong Kong requiring financial services to subscribe the services of Cinda International. For this reason, the Board has confidence in the prospect and profitability of Cinda International and also believes that the investment will be capable of generating capital gain to the Group in the future.

Closed-end Fund

During the year, the Group invested RMB56.0 million (equivalent to HK\$62.2 million) in 北京百年德誠創業投資中心 (“Bai Nian De Cheng”), which is a newly established closed-end fund and is discretionary operated by a professional fund manager, for the purpose of leveraging the expertise of the fund manager. The fund will invest principally in equity interests, loan capital and convertible notes of target investees which have great potential for separate listing.

業務回顧及展望(續)

金融投資(續)

其他金融投資(續)

信達國際

年內，本集團購入40,022,000股，約為9.58%股份權益之信達國際控股有限公司(「信達國際」)前稱亨達國際控股有限公司)股份。信達國際為中國信達資產管理公司(「中國信達」)間接持有的附屬公司。信達國際為一家於香港聯合交易所有限公司(「聯交所」)上市的公司並於香港從事槓桿式外匯交易服務、證券經紀、商品及期貨經紀、企業財務顧問、資產管理及個人理財策劃的業務。

基於中國信達雄厚的中國背景及其支持，董事會相信這將可以吸引中國內地及香港對金融服務有需要的投資者及其他金融機構訂購信達國際的服務。基於這個原因，董事會對信達國際的前景及盈利能力充滿信心，並且相信該項投資於未來能為本集團帶來資本收益。

私募基金

年內，本集團投資人民幣56,000,000元(相當於62,200,000港元)於北京百年德誠創業投資中心(「百年德誠」)，其為一個由專業基金經理獨立管理、新籌組的私募基金，藉以享受該基金經理的專業投資成果。該基金將主要投資於具有獨立上市潛力的目標投資方的股權、債權及可換股票據。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

BUSINESS REVIEW & PROSPECTS (Continued)

業務回顧及展望(續)

Financial Investments (Continued)

金融投資(續)

Other Financial Investments (Continued)

其他金融投資(續)

Others

其他

During the year, the Group made certain strategic investments directly and indirectly by investing, in certain PRC enterprises, which have the potential for separate listing. The business of these enterprises include, but not limited to, power, banking, financial services and information technology. The carrying value of these investments amounted to approximately HK\$435.3 million in aggregate and comprises the following projects:

於本年內，本集團以直接及間接方式作出若干策略性投資，投資若干具有獨立上市潛力的中國企業，該等企業之業務包括但不限於電力、銀行、金融服務及資訊科技行業。該等投資之總賬面值約為435,300,000港元，並由以下項目組成：

		HK\$ million 百萬港元
中國銀聯股份有限公司	中國銀聯股份有限公司	103.3
北京金隅股份有限公司	北京金隅股份有限公司	36.4
中國西電電器股份有限公司	中國西電電器股份有限公司	55.6
深圳市中青寶網網絡科技股份 有限公司(Notes)	深圳市中青寶網網絡科技股份 有限公司(附註)	57.8
Bai Nian De Cheng	百年德誠	62.2
Tongjitang	同濟堂	48.8
Others	其他	71.2
		435.3

Note: It has decided to apply for a listing on the Shenzhen GEM Board. It is under the guidance period and is expected to be amongst the first batch of companies listed on the Shenzhen GEM Board.

附註：該公司已決定申請於深圳創業板上市。該公司目前已進入上市前的輔導期並預期可以成為首批於深圳創業板上市的公司之一。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

GROWTH STRATEGIES

Following the decision of not to invest in infrastructure projects through CII as a platform, the Group has fine-tuned its three core-businesses to be property investments, industrial investments and financial investments. The directors will allocate resources efficiently to each individual core-business.

The global economic outlook will remain negative in 2009 and Hong Kong's economy will be further impacted. The Group will inevitably be affected by the overall investment environment. Fortunately, the China's economy is the least affected by this recent financial crisis and is expected to be one of the countries amongst the first few to recover very soon.

The Board has confidence in the Group's sustainability during the anticipated depressed economy in year ahead.

FINANCIAL REVIEW

Exchange Exposure

At the balance sheet date, the Group had a USD denominated convertible note in the amount of USD52.5 million (equivalent to HK\$409.5 million). This convertible note has been early redeemed in full after the balance sheet date at a 5% discounted price. The Group does not have material USD denominated assets and liabilities as at the date of this report. In this regard, exchange exposure in respect of USD is limited.

Except for the above, the Group's principal assets, liabilities, revenue and payments are denominated in HKD and RMB. The RMB exchange rate has been appreciating continuously in the past few years and became stabilized in 2008. The directors expect that the RMB exchange rate will fluctuate slightly at the current level and the exchange exposure in respect of RMB will not have material adverse effect on the Group's results. In addition, the directors do not anticipate that there is any material exchange exposure in respect of other currencies.

發展策略

在決定不再透過利用中基作為平台投資於基礎建設項目後，本集團調整了其三大核心業務為物業投資、工業投資及金融投資。董事將有效率地調配資源於各個核心業務。

二零零九年的環球經濟展望仍然悲觀，而香港的經濟亦將會受到進一步的影響。本集團勢將無可避免地受到整體投資環境的影響。幸運的是，中國內地的經濟是近期於金融危機下受到最少影響的，並且被視為少有能先行復原的國家之一。

董事會對本集團在未來一年可預期的低迷經濟中可持續發展有信心。

財務回顧

匯兌風險

於結算日，本集團有一項以美元為計價單位的可換股票據，金額為52,500,000美元(相當於409,500,000港元)。該可換股票據已於結算日後以5%折讓價格被全數提早贖回。本集團於本報告日並無以美元為計價單位的重大的資產及負債。因此，就美元而言的匯兌風險僅為有限。

除上文所述外，本集團的主要資產、負債、收入及支出都是以港元及人民幣為計算單位。人民幣匯率於過去幾年持續上升並於二零零八年年內穩定下來。董事預期人民幣匯率在現水平只會輕微波動，故此，就人民幣匯率而言的匯兌風險將不會對本集團之業績構成重大不利的影響。此外，就其他貨幣而言，董事並無預期會出現任何重大的匯兌風險。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

FINANCIAL REVIEW *(Continued)*

Working Capital & Borrowings

The Group's total borrowings excluding the convertible note at the balance sheet date amounted to HK\$385.1 million of which HK\$336.8 million was short-term bank loan. The remaining was long-term bank loan. Over 90% of the short-term bank loan was represented by the working capital loan utilized by Beijing East Gate and United East Petrochemical and the remaining were the current portion of long-term mortgage loan and bank loan.

Interest rate for the bank loans was charged at fixed rate ranging from 6.2% to 7.47% per annum and floating rate with reference to the interest rate quoted by the People's Bank of China. The interest rate for the mortgage loan was charged at floating rate and the prevailing applicable interest rate was ranging from 2.3% to 2.625% per annum. After the balance sheet date, the Group has early redeemed the convertible note in March 2009.

The cash and bank balances at the balance sheet date

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

FINANCIAL REVIEW *(Continued)*

Working Capital & Borrowings *(Continued)*

Cash and bank balances as at 31 December 2008 decreased significantly. It was mainly attributable to the payment of dividend as to HK\$145.7 million and the payment of HK\$222.2 million funding to Cinda Jianrun during the year.

As at the balance sheet date, short-term liabilities

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

FINANCIAL REVIEW (Continued)

Human Resources

As at 31 December 2008, the Group employed approximately 1,620 (2007: 1,400) employees in Hong Kong and in the PRC. The Group offers its employees competitive remuneration packages, which are consistent with the prevailing market practice. The Group's remuneration policies remain unchanged during the current year. Total staff costs for the current year increased by 20% to HK\$87.0 million (2007: HK\$72.2 million). The increase in both the number of employees and the staff costs was due to the acquisition of the petrochemical projects during the year.

Appreciation

On behalf of the Board, I would like to express my appreciation and gratitude to our shareholders for their supports and all the Group's employees for their hard working and dedication in carrying out their duties and in achieving the Group's business goal.

By order of the Board of
Silver Grant International Industries Limited

Gao Jian Min
Managing Director

Hong Kong, 22 April, 2009

財務回顧(續)

人力資源

於二零零八年十二月三十一日，本集團於香港及中國僱用約1,620(二零零七年：1,400)名僱員。本集團為其僱員提供一套符合市場慣例且具有競爭性的薪酬制度。本集團的薪酬政策於年內維持不變。年內之員工支出總額增加20%至87,000,000港元(二零零七年：72,200,000港元)。員工總數以及員工支出總額增加，是由於年內購入石油化工項目所致。

致謝

本集團有賴各股東的鼎力支持和全體員工努力不懈的竭誠服務以達至本集團的目標，本人謹代表董事會向彼等致以深切謝意。

承董事會命
銀建國際實業有限公司

董事總經理
高建民

香港，二零零九年四月二十二日

PROFILE OF DIRECTORS 董事簡介

Executive Directors

Gao Jian Min *Managing Director*

Mr. Gao, aged 49, was appointed as an executive director and served as the Managing Director of the Company on 22 June 1993. He is also appointed as directors of various companies of the Group. Mr. Gao is also an executive director of Jiangxi Copper Co., Ltd (Stock Code: 358) and Qingling Motors. Co. Ltd. (Stock Code: 1122), the H shares of both companies are listed on the Stock Exchange. Mr. Gao graduated from the Qing Hua University with a Bachelor Degree in engineering. He has over 20 years of experience in finance, industrial investment and property investment and development.

Liu Tianni *Deputy Managing Director*

Mr. Liu, aged 45, was appointed as an executive director of the Company on 26 May 2001. Mr. Liu is the Deputy Managing Director of the Company. Mr. Liu is also a director of various companies of the Group. He graduated from the Beijing Normal University with a Master Degree in Science. He has over 15 years of experience in corporate administration and trading businesses.

Gu Jianguo

Mr. Gu, aged 46, was appointed as an executive director of the Company on 25 May 1999. Mr. Gu is currently a director and general manager of Well Kent International Holdings Company Limited ("Well Kent"). He is also an executive director of Cinda International Holdings Limited ("Cinda International") (Stock code: 111), whose shares are listed on the Stock Exchange. Mr. Gu obtained a Master Degree in 1991 and a Ph. D Degree in 1994. He has over 20 years of experience in commercial and investment banking, business management and financial accounting and management.

執行董事

高建民 *董事總經理*

高先生現年49歲，於一九九三年六月二十二日獲委任為本公司之執行董事並且出任本公司之董事總經理職務。彼亦兼任本集團若干公司之董事職務。高先生同時亦為江西銅業股份有限公司(股份代號：358)及慶鈴汽車股份有限公司(股份代號：1122)的執行董事，該兩間公司之H股股份均於聯交所上市。高先生於清華大學畢業，持有工程學士學位。彼於金融、工業投資以及物業投資及發展方面擁有逾二十年經驗。

劉天倪 *董事副總經理*

劉先生現年45歲，於二零零一年五月二十六日獲委任為本公司之執行董事。劉先生為本公司董事副總經理。劉先生同時兼任本集團若干公司之董事職務。彼於北京師範大學畢業，持有理學碩士學位。彼於行政管理及貿易方面有逾十五年經驗。

顧建國

顧先生現年46歲，於一九九九年五月二十五日獲委任為本公司之執行董事。顧先生目前為華建國際集團有限公司(「華建集團」)董事並兼任總經理。彼同時亦為信達國際控股有限公司(「信達國際」)(股份代號：111)的執行董事，該公司之股份於聯交所上市。顧先生於一九九一年取得碩士學位及於一九九四年取得博士學位。彼於商業銀行、投資銀行、工商管理、財務會計及管理方面積累逾二十年經驗。

PROFILE OF DIRECTORS 董事簡介

Executive Directors (Continued)

Tang Baoqi

Mr. Tang, aged 49, was appointed as an executive director of the Company on 14 March 2008. Mr. Tang is a Senior Economist. He obtained his Bachelor Degree in Economics from the Hubei School of Finance and Economics in 1983. From 1983 to 1999, he worked in the head quarter of China Construction Bank and was responsible for credit administration. From 1999 to 2000, he worked in China Cinda Asset Management Corporation ("China Cinda"), a substantial shareholder of the Company and was responsible for the management of debt assets. At present, Mr. Tang is the Financial Controller of Well Kent which is a wholly owned subsidiary of China Cinda and is in charge of the management of debt assets and financial management. Mr. Tang has over 13 years of experience in banking and finance.

Chow Kwok Wai

Mr. Chow, aged 42, is one of the Deputy General Managers and is the Qualified Accountant of the Company. He is responsible for the finance and accounting matters of the Group. Mr. Chow joined the Company in October 1993 and was appointed as an executive director of the Company on 20 April 2004. Mr. Chow has worked in Price Waterhouse, which is now known as PriceWaterhouseCoopers and has accumulated valuable audit experience there. Mr. Chow received his Bachelor Degree in Social Sciences from the University of Hong Kong in 1990. Mr. Chow is a Fellow Member of the Association of Chartered Certified Accountants and a Fellow CPA of the Hong Kong Institute of Certified Public Accountants. Mr. Chow has over 15 years of experience in accounting, financial management and corporate finance. Mr. Chow is also an independent non-executive director of Lijun International Pharmaceutical (Holding) Co., Ltd. (Stock Code: 2005) which H shares are listed on the Stock Exchange. He is also a non-executive director of Cinda International (Stock code: 111), whose shares are listed on the Stock Exchange.

執行董事(續)

唐保祺

唐先生現年49歲，於二零零八年三月十四日獲委任為本公司執行董事。唐先生為高級經濟師。彼一九八三年畢業於湖北財經學院，獲經濟學學士學位。從一九八三年至一九九九年，彼在中國建設銀行總行工作，從事信貸管理工作。從一九九九年至二零零零年，彼在一間本公司之主要股東，中復鈞

PROFILE OF DIRECTORS 董事簡介

Non-executive Directors

Chen Xiaozhou *Chairman*

Mr. Chen, aged 47, was appointed as an executive director and was elected the Chairman of the Board on 13 February 2006. He was redesignated as a non-executive director on 1 September 2006. Mr. Chen is currently the Chairman of Well Kent. He is also the Chairman and executive director of Cinda International (Stock Code: 111), whose shares are listed on the Stock Exchange and a non-executive director of China National Materials Company Limited (Stock Code: 1893), the H-shares of which are listed on the Stock Exchange. Mr. Chen obtained a Master Degree in Economics from the Research Institute of the People's Bank of China in 1988 and obtained a Master Degree in Commerce from the University of New South Wales, Australia in 2003. Mr. Chen has over 18 years of experience in the banking and finance industry.

Hui Xiao Bing *Vice-chairman*

Mr. Hui, aged 55, was appointed as an executive director of the Company and Vice-chairman of the Board on 22 June 1993. He was redesignated as a non-executive director of the Company on 1 September, 2006. Mr. Hui was the ex-Deputy Managing Director of China Everbright Financial Holdings Limited. Mr. Hui was also the ex-president of China Construction Bank, Shenzhen Branch. He previously worked for the Research Centre for Economic Development of the State Council of the PRC and China Investment Consultancy Company. He has over 20 years of experience in banking and finance. Mr. Hui graduated from the Inner Mongolia Industrial University with a Bachelor Degree in Engineering.

Yuen Wing Shing

Mr. Yuen, aged 62, was appointed as an executive director of the Company on 22 June 1993 and was redesignated as

PROFILE OF DIRECTORS 董事簡介

Independent Non-executive Directors

Kang Dian

Mr. Kang, aged 60, was appointed as an independent non-executive director of the Company on 8 May 1998. He is presently a director of Springridge Investment Management Limited, which is principally engaged in the provision of consulting and management services and is the Chairman of the Supervisory Board of Shenzhen Development Bank Company Limited. Mr. Kang graduated from the University of Science & Technology Beijing in the PRC, with a Bachelor Degree majoring in Engineering in 1982. In 1984, he graduated from the Graduate School of The Chinese Academy of Social Sciences in the PRC and obtained a Master Degree in Economics. Mr. Kang was the director and Vice President of Guangdong Enterprises (Holdings) Limited, a holding company of a conglomerate group, from 1994 to 2000. From 1990 to 1994, Mr. Kang was the Vice President of China National Packaging Company. From 1987 to 1990, Mr. Kang was the Vice President of China Agribusiness Trust & Investment Corporation.

Zhang Lu

Mr. Zhang, aged 56, was appointed as an independent non-executive director of the Company on 4 May 2000. Mr. Zhang was the ex-executive Vice President and Treasurer of Citic Ka Wah Bank Limited and was responsible for both the Treasury and International Business. He previously worked for Bank of China, Beijing and Citic Industrial Bank, Beijing. Mr. Zhang graduated from the Szechuan Institute of Foreign Languages. He has engaged in the banking business for over 30 years.

Hung Muk Ming

Mr. Hung, aged 44, was appointed as an independent non-executive director of the Company on 23 December 2004. Mr. Hung is a Certified Public Accountant (Practicing) and is a Fellow CPA of the Hong Kong Institute of Certified Public Accountants. He is also a Fellow Member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Directors and an associate of The Hong Kong Institute

PROFILE OF SENIOR MANAGEMENT 高級管理人員簡介

Kwok Chung Lun

Mr. Kwok, aged 54, joined the Company in July 1995. Mr Kwok is the Managing Director of Beijing East Gate Development Co., Ltd. ("Beijing East Gate"), which is a wholly owned subsidiary of the Company. Mr. Kwok pursued study in the People's University. Mr. Kwok has over 20 years of experience in property investment and development.

Zhang Shuhua

Miss Zhang, aged 55, is the Deputy Managing Director of Beijing East Gate. Miss Zhang pursued study in the Beijing Radio and Television University. Miss Zhang has over 20 years of experience in finance and accounting.

郭鐘麟

郭先生現年54歲，於一九九五年七月加盟本公司。郭先生現為本公司全資附屬公司北京東環置業有限公司(「北京東環」)之董事總經理。郭先生於中國人民大學畢業，彼於物業投資及發展方面擁有逾二十年經驗。

張淑華

張女士現年55歲，現為北京東環之董事副總經理。張女士於北京廣播電視大學畢業。彼於財務及會計方面擁有逾二十年經驗。

CORPORATE GOVERNANCE REPORT 公司管治報告

Corporate Governance Practices

The Company is committed to maintaining and ensuring a standard of corporate governance that is consistent with market practices. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (“Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (“Listing Rules”) on Stock Exchange for the year ended 31 December 2008 except for Code provision E.1.2. Code provision E.1.2 stipulates that the Chairman of the board should attend the annual general meeting. The Chairman of the board was out of town and did not attend the annual general meeting of the Company held on 23 May 2008. The Chairman will endeavor to attend all future annual general meetings of the Company unless unexpected or special circumstances preventing him from doing so.

The Company will continuously review and improve its corporate governance practices to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

The following summarizes the Company’s key corporate governance practices.

Board of Directors

The Board, led by the Chairman, steers the Group’s business direction. The management, led by the Managing Director, which is also the Chief Executive Officer of the Group, is responsible for the Group’s management and operations. The division of responsibilities between the Chairman and the Managing Director are clearly established and set out in writing. The role of the Chairman and the Managing Director are separated and are performed by different persons to avoid concentration of authorities to one single person.

公司管治常規

本公司致力維持及確保符合市場慣例之一套公司管治標準。截至二零零八年十二月三十一日止年度，除常規守則條文E.1.2外，本公司已採納聯交所證券上市規則「上市規則」附錄十四所載之企業管治常規守則（「常規守則」）的原則，及已遵從所有適用之常規守則條文。常規守則條文第E.1.2條要求董事會主席應出席股東週年大會。董事會主席因為身處海外緣故並無出席本公司於二零零八年五月二十三日召開之股東週年大會。主席將竭力出席本公司於未來召開的所有股東週年大會，除非出現不可預見或特殊情況導致其未克出席。

本公司將會不斷檢討及改善其公司管治措施及準則，確保業務活動及決策過程受到適當及審慎之規管。

下文概括說明本公司的主要公司管治措施。

董事會

董事會由董事會主席領導，負責帶領本集團的業務發展方向；管理層由董事總經理（彼同時亦為本集團的行政總裁）領導，負責本集團的管理及經營運作。董事會主席和董事總經理有明確的分工並已在董事會的職責約章中作出明文規定；此外，董事會主席及董事總經理兩項功能已分離並分別由兩人擔任，以避免權力集中於單一人士。

CORPORATE GOVERNANCE REPORT 公司管治報告

Board of Directors (Continued)

The Board considers that each independent non-executive director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. In addition, the independent non-executive directors are explicitly identified in all corporate communications.

All directors are regularly updated on governance and regulatory matters. There is an established procedure for directors to obtain independent professional advice, which expenditure will be borne by the Company, in the furtherance of their duties.

The full board will meet regularly and at least four times throughout a year to review the overall strategy and to monitor the operation as well as the financial performance of the Group. Notice of at least 14 days will be given to all directors for all full board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and the accompanying board papers in respect of full board meetings are sent out in full to all directors no less than three days before the meeting. Minutes of full board meetings and meetings of board committee are properly kept and all directors have access to board papers and the related materials.

董事會(續)

董事會認為每位獨立非執行董事均具有獨立的個性及判斷能力並且他們都符合上市規則所定明有關獨立性的特定標準。本公司已接獲每名獨立非執行董事根據上市規則第3.13條有關其獨立身分的年度確認函。此外，在所有公司通訊內，獨立非執行董事經已被明確識別。

全體董事均定期獲得有關管治及監管等事宜的更新資訊。董事可按照既定程序，尋求獨立專業意見以協助履行其職責，相關費用由本公司承擔。

全體董事將定期並最少每年召開四次全體董事會議，檢討整體策略與監察本集團的經營與財務表現。就所有全體董事會議，所有董事均獲發最少十四天的會議通知，如有需要，董事可加入討論事項於有關議程。全體董事會議的議程及附連之會議文件將在會議前的最少三天派發予所有董事。全體董事會議及董事會委員會會議之會議記錄均適當保存，所有董事均有權查閱董事會會議文件及相關資料。

CORPORATE GOVERNANCE REPORT 公司管治報告

Board of Directors (Continued)

董事會(續)

During 2008, four full board meetings were held and the attendance of each director is set out below:

於二零零八年年內共召開四次全體董事會議，每位董事的出席率載列如下：

Name of director 董事姓名	Number of meetings attended 出席會議次數	Attendance rate 出席率
Chen Xiaozhou 陳孝周	3 out of 4 四次中出席三次	75%
Hui Xiao Bing 惠小兵	3 out of 4 四次中出席三次	75%
Gao Jian Min 高建民	4 out of 4 四次中出席四次	100%
Liu Tianni 劉天倪	3 out of 4 四次中出席三次	75%
Gu Jianguo 顧建國	4 out of 4 四次中出席四次	100%
Tang Baoqi 唐保祺	4 out of 4 四次中出席四次	100%
Chen Yongcun (Note) 陳永存(附註)	N/A 不適用	N/A 不適用
Yuen Wing Shing 袁永誠	3 out of 4 四次中出席三次	75%
Chow Kwok Wai 周國偉	4 out of 4 四次中出席四次	100%
Kang Dian 康典	3 out of 4 四次中出席三次	75%
Zhang Lu 張璐	4 out of 4 四次中出席四次	100%
Hung Muk Ming 洪木明	4 out of 4 四次中出席四次	100%

Note: Mr. Chen Yongcun was resigned on 27 February 2008. There was no full board meeting held up to Mr. Chen's date of resignation.

附註：陳永存先生已於二零零八年二月二十七日辭職。直至陳先生辭職當日，並無召開全體董事會議。

CORPORATE GOVERNANCE REPORT 公司管治報告

Audit Committee (Continued)

The current Audit Committee comprises three independent non-executive directors, namely Mr. Kang Dian (committee chairman), Mr. Zhang Lu and Mr. Hung Muk Ming. The principal duties of the Audit Committee includes the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditors and the Company.

The Audit Committee meets at least two times each year to review the reporting of financial and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectivity of the audit process. The Audit Committee also provides an important link between the Board and the Company's external auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the external auditors.

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

The Audit Committee together with the Board has reviewed the internal control system of the Group and were satisfied that it is operating effectively and is appropriate for the Group for the time being.

During the year, two Audit Committee meetings were held and the attendance of each member is set out below:

Name of director 董事姓名	Number of meetings attended 出席會議次數	Attendance rate 出席率
Kang Dian 康典	2 out of 2 兩次中出席兩次	100%
Zhang Lu 張璐	2 out of 2 兩次中出席兩次	100%
Hung Muk Ming 洪木明	2 out of 2 兩次中出席兩次	100%

審核委員會(續)

現任審核委員會由三位獨立非執行董事，康典先生(委員會主席)、張璐先生及洪木明先生組成。審核委員會的主要責任包括審閱及監察本集團的財務匯報程序及內部監控程序、審閱本集團的財務資料，以及檢討本公司與外聘核數師的關係。

審核委員會每年最少召開兩次會議，檢討向股東匯報的財務及其他資料、內部監控系統、風險管理及核數程序的效力及客觀性。審核委員會亦會在其職權範圍內所涉及的事宜上擔當董事會與本公司外部核數師之間的重要聯繫，並對外部核數師的獨立性及客觀性做出檢討。

本集團截至二零零八年十二月三十一日止之年度業績，經已由審核委員會審閱。

審核委員會聯同董事會已檢討了本集團的內部監控系統並且認為其運作有效並且就本集團而言，目前是合適的。

審核委員會年內共召開兩次會議，各成員之出席率載列如下：

CORPORATE GOVERNANCE REPORT 公司管治報告

Remuneration Committee

The Company established a remuneration committee (the “Remuneration Committee”) in 2005 and adopted a written terms of reference which conform to the provisions of the Code. The current Remuneration Committee comprises two independent non-executive directors namely, Mr. Kang Dian

CORPORATE GOVERNANCE REPORT 公司管治報告

Remuneration Committee (Continued)

2. Incentive bonus

Incentive bonus is linked to individual and corporate performance. The incentive bonus for each employee is determined with reference to his position and his performance during the year.

3 Share option

Share options to purchase shares in the Company are granted to employees from time to time at the discretion of the Board, in order to retain valuable employees and to motivate future performance of the employees.

Share options granted to individual employee are determined with reference to his position, his performance and his ability to contribute to the overall success of the Group.

4. Other benefits

The Group offers other customary and/or mandatory benefits to employees, such as statutory retirement scheme, employee compensation and medical insurance, paid annual leaves and child education allowance, with reference to the prevailing practices in relevant jurisdictions.

The remuneration committee meets regularly to review the Company's human resources matters and remuneration policies. During the year, two Remuneration Committee meetings were held and the attendance of each member is set out below:

Name of director 董事姓名	Number of meetings attended 出席會議次數	Attendance rate 出席率
Kang Dian 康典	2 out of 2 兩次中出席兩次	100%
Zhang Lu 張璐	2 out of 2 兩次中出席兩次	100%

薪酬委員會(續)

二. 獎勵性花紅

獎勵性花紅與個別僱員及公司表現掛鉤。每名僱員所得的獎勵性花紅會按其職位及其於年內的表現而釐定。

三. 購股權

董事會可不時酌情向僱員授出購股權，以認購本公司股份，以挽留有貢獻的員工並激勵員工繼續努力工作。

個別員工獲授的購股權數目會按其職位、表現及對公司整體成就所作的貢獻而釐定。

四. 其他福利

本集團亦會參考有關司法管轄權區當前的慣例向僱員提供慣常的及／或強制性的福利，如法定退休金計劃、勞工及醫療保險、有薪年假及子女教育津貼。

薪酬委員會定期召開會議審閱本公司的人力資源事宜及薪酬政策。薪酬委員會年內共召開兩次會議，各成員之出席率載列如下：

CORPORATE GOVERNANCE REPORT 公司管治報告

Remuneration Committee (Continued)

The Remuneration Committee has reviewed and approved the annual salary adjustments for the year 2009 and the payment of discretionary performance bonus and director fees for the year ended 31 December 2008 after taking into consideration the results of the Group, the performance of the directors, the senior management and the employees and the prevailing market practices.

No director has ever forfeited any director fee during the year.

Details of the emoluments paid to all directors are set out in note 9 to the consolidated financial statements.

Nomination of directors

Currently, the Company does not set up any nomination committee. The Company will consider establishing a nomination committee at appropriate time.

The Board shall have the collective responsibility to consider and assess the candidates for directorships based on their characters, qualifications and experience appropriate for the Group's businesses, and nominate candidates for directorships accordingly.

On 27 February 2008, Mr. Chen Yongcun resigned as director of the Company due to personal commitments. Mr. Tang Baoqi was nominated and appointed by the Board as an executive director of the Company on 14 March 2008.

Auditor's Remuneration

The Group's consolidated financial statements for the year ended 31 December 2008 were audited by Deloitte Touche Tohmatsu ("Deloitte") at a total fees of approximately HK\$2.2 million. The said audit fee was approved by the Audit Committee and endorsed by the Board. In addition, the Group also paid fees of not more than HK\$0.2 million in aggregate to Deloitte Touche Tohmatsu for the provision of taxation services during the year 2008.

薪酬委員會(續)

薪酬委員會已審閱並經已考慮本集團的業績、董事、高級管理層及僱員的表現以及當前的市場狀況後，批准了二零零九年之年度薪金調整以及按表現酌情發放。截至二零零八年十二月三十一日止年度之花紅及董事酬金。

年內並無董事放棄收取其董事袍金。

支付予所有董事的報酬之詳情載列於綜合財務報表附註9。

董事提名

本公司目前並無設立任何提名委員會，本公司將考慮於適當時候設立提名委員會。

董事會集體負責審議及評估候選董事品格、資歷及是否適用於本集團業務的經驗，並據此提名候選人出任董事職務。

於二零零八年二月二十七日，陳永存先生因私人事務而辭任本公司執行董事職務。於二零零八年三月十四日，唐保祺先生獲董事會提名及委任為本公司執行董事。

核數師酬金

本集團截至二零零八年十二月三十一日止年度綜合財務報表由德勤關黃陳方會計師行(「德勤」)審核，核數費用總額約為2,200,000港元。該項核數費用已獲得審核委員會批准並得到董事會背書認可。此外，本集團於二零零八年內亦有向德勤支付總額不多於200,000港元的稅務服務費用。

CORPORATE GOVERNANCE REPORT 公司管治報告

Auditors' Remuneration (Continued)

The Audit Committee considers that the taxation services did not (in terms of the nature of the services and the amount of fees paid in relation to the audit fees) affect the independence of Deloitte.

Directors' Responsibility Statement

The directors are responsible for the preparation of the financial statements for each financial period, which give a true and fair view of the state of the affairs of the Group and of the results and cash flow for that period. In preparing the financial statements for the year ended 31 December 2008, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the consolidated financial statements on the going concern basis. Up to the date of this report, the directors are not aware of any material uncertainties that will seriously affect the going concern assumption of the Group.

The directors are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company. The directors also have general responsibilities for setting up an appropriate internal control system, which is mainly to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The directors have reviewed the internal control system of the Group and are satisfied that the internal control system of the Group is functioning properly.

核數師酬金(續)

審核委員會認為該等稅務服務費用(就服務性質及相對於核數費用的總額而言)並沒有對德勤的獨立性構成影響。

董事關於賬目的責任聲明

董事負責編制各個會計期間的財務報表，該等財務報表真確地反映本集團於該期間的事務、業績及現金流量。在編制截至二零零八年十二月三十一日止年度之綜合財務報表時，董事已選取適用的會計政策，並貫徹應用；採用適當的香港財務報告準則及香港會計準則；作出審慎及合理的調整估計；及按持續經營基準編制財務報表。截至本報告日止，董事並不獲悉任何將會嚴重地影響本集團持續經營基準的重大不確定因素。

董事亦負責保存適當的會計紀錄，使於任何時間能合理準確地反映本集團的財務狀況。董事亦有一般責任設立適當的內部監控系統，其主要目的為保障本集團資產與防止及揭發舞弊以及其他不當的行為。董事已檢討過本集團的內部監控系統並認為本集團的內部監控系統行之有效。

CORPORATE GOVERNANCE REPORT 公司管治報告

Communication with Shareholders

The Company endeavours to maintain a high level of transparency in communicating with shareholders and investors at large. In order to enhance the transparency of shareholders' voting in general meeting, separate resolutions are proposed at general meeting on each substantially separate issue, including the election of individual director and those resolutions were voted on by poll. The Company will engage external scrutineer to count the vote. The poll voting results will be published on the Stock Exchange's website and on the Company's website on the next following business day. In addition, procedures for demanding a voting by poll are laid down in the circular or annual report to be despatched to shareholders. Moreover, at general meeting but before voting, the

DIRECTORS' REPORT 董事會報告

The Board present their annual report and the audited consolidated financial statements for the year ended 31 December 2008.

Principal Activities

The Company is an investment holding company and engaged in property investment and securities trading. The Company and its subsidiaries are principally engaged in property investment, other investments, distressed assets business and production and trading of petrochemical products. Details of the principal activities of the Company's subsidiaries and the Group's associates, jointly controlled entities are set out in note 60 and details of principal activities of the special purpose vehicle which hold the Group's investment in distressed assets are set out in note 61 to the consolidated financial statements.

Results and Appropriations

The results of the Group and appropriations of the Company for the year ended 31 December 2008 are set out in the consolidated income statement on page 50.

The Board recommend the payment of a final dividend of HK\$0.09 per share to the shareholders on the register of members on 3 June 2009, amounting to approximately HK\$163,864,000.

Fixed Assets

The Group's leasehold land and buildings were revalued at 31 December 2008. Net deficit on revaluation of the leasehold land and buildings amounted to approximately HK\$12,134,000 of which an amount of approximately HK\$19,141,000 has been charged to the consolidated income statement as revaluation deficit and an amount of approximately HK\$7,007,000 has been credited to the asset revaluation reserve.

董事會謹提呈截至二零零八年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司並從事物業投資及證券買賣業務。本公司及其附屬公司的主要業務為從事物業投資、其他投資，不良資產業務及石油化工產品生產及銷售。本公司各附屬公司及本集團各聯營公司、各共同控制公司及特殊目的載體的主要業務詳情載列於綜合財務報表附註60及本集團通過特殊目的載體投資不良資產的業務詳情載列於附註61。

業績及分配

截至二零零八年十二月三十一日止年度，本集團的業績及本公司的分配載於第50頁之綜合收益表。

董事會建議派發末期股息，每股0.09港元予於二零零九年六月三日名列股東名冊之股東，合共約163,864,000港元。

固定資產

本集團的租賃土地及樓宇於二零零八年十二月三十一日之價值經已作出重估。租賃土地及樓宇重估虧損淨額約12,134,000港元其中約19,141,000港元已計入綜合收益表作為重估虧損及金額約7,007,000港元已計入資產重估儲備。

DIRECTORS' REPORT 董事會報告

Fixed Assets (Continued)

During the year, the Group and the Company revalued all of its investment properties at 31 December 2008. The net decrease in fair value of investment properties, which has been debited directly to the consolidated income statement, amounted to approximately HK\$20,130,000.

Details of the valuation and movements of the investment properties and property, plant and equipment of the Group and of the Company during the year are set out in notes 15 and 16 to the consolidated financial statements respectively.

Details of the major investment properties of the Group at 31 December 2008 are set out in the section under "Summary of Investment Properties" of this Annual Report.

Share Capital

Details of movements during the year in the share capital of the Company are set out in note 39 to the consolidated financial statements.

Distributable Reserves of the Company

The Company's reserves available for distribution to shareholders as at 31 December 2008 comprised the retained profits of approximately HK\$350,429,000.

Directors

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

Executive directors

Gao Jian Min (*Managing Director*)
 Liu Tianni (*Deputy Managing Director*)
 Gu Jianguo
 Chen Yongcun (*resigned on 27 February 2008*)
 Tang Baoqi (*appointed on 14 March 2008*)
 Chow Kwok Wai

固定資產(續)

於年內，本集團及本公司經已重估其所有投資物業於二零零八年十二月三十一日之價值。投資物業公平值減少之淨額約為20,130,000港元，並經已直接於綜合收益表扣除。

有關本集團及本公司的投資物業及物業、廠房及設備於年內之估值及變動，經已分別載於綜合財務報表附註15及16。

有關本集團主要投資物業於二零零八年十二月三十一日之詳情，已載於本年報之「投資物業概要」部分。

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39。

本公司的可供分派儲備

本公司於二零零八年十二月三十一日的可供分派予股東之儲備包括保留溢利約350,429,000港元。

董事

年內及截至本報告刊發日期當日之本公司董事如下：

執行董事

高建民(董事總經理)
 劉天倪(副董事總經理)
 顧建國
 陳永存(於二零零八年二月二十七日辭任)
 唐保祺(於二零零八年三月十四日委任)
 周國偉

DIRECTORS 'REPORT 董事會報告

Directors (Continued)

Non-executive directors

Chen Xiaozhou (*Chairman*)
Hui Xiao Bing (*Vice Chairman*)
Yuen Wing Shing

Independent non-executive directors

Kang Dian
Zhang Lu
Hung Muk Ming

The term of office of each director, including the non-executive directors and independent non-executive directors, is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

In accordance with the provisions of the Company's Articles of Association, Messrs. Chen Xiaozhou, Liu Tianni, Chow Kwok Wai and Zhang Lu retire at the forthcoming annual general meeting, and they, being eligible, offer themselves for re-election. The remaining directors shall remain in office.

Directors' Service Contracts

Other than as disclosed in the section headed "Connected Transaction" below, no director proposed for re-election at the forthcoming annual general meeting has a service contract, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事(續)

非執行董事

陳孝周(主席)
惠小兵(副主席)
袁永誠

獨立非執行董事

康典
張璐
洪木明

每位董事包括非執行董事及獨立非執行董事的任期為直至其根據本公司的組織章程細則輪值告退當日為止之期間。

按照本公司章程細則之條文，陳孝周先生、劉天倪先生、周國偉先生及張璐先生均須於應屆股東週年大會告退，而彼等均符合資格並尋求膺選連任。其餘董事將會繼續留任。

董事之服務合約

除下文「關連交易」部份所披露者外，於即將舉行之股東週年大會膺選連任之董事概無與本集團訂立於一年之內不作出賠償(法定賠償除外)則不可終止之服務合約。

DIRECTORS' REPORT 董事會報告

Directors' Interest in Shares

As at 31 December 2008, none of the directors and the chief executive of the Company nor any of its associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register as required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers. None of the directors or their spouses or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporation, or had exercised any such right during the year.

Share Options

Details of the share option scheme adopted by the Company on 27 May 2002 (the "Option Scheme") are set out in note 56 to the consolidated financial statements.

During the year, no share options were granted to the directors and other employees under the Option Scheme.

Arrangements to Purchase Shares or Debentures

At no time during the year was the Company or any of its 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 debenture of, the Company or any other body corporate, and neither the directors nor the chief executive nor any of their spouse or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

董事之股份權益

於二零零八年十二月三十一日，本公司的董事及行政總裁及其任何關聯人士概無於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須存置於本公司的登記冊或根據上市發行人董事進行證券交易的標準守則須以其他方式知會本公司及聯交所的權益或淡倉。概無董事或彼等的配偶或十八歲以下的子女獲授任何權利以認購本公司或其任何相聯法團的股本或債券，或於年內已行使任何上述權利。

購股權

本公司於二零零二年五月二十七日採納的購股權計劃(「購股權計劃」)之詳情載列於綜合財務報表附註56。

年內，並無根據購股權計劃項下授出任何購股權予董事及其他僱員。

購買股份或債權證的安排

本公司或其任何附屬公司概無於年內的任何時間以訂約一方身分訂立任何安排以促使本公司的董事可籍購入本公司或任何其他法人實體的股份或債權證以得益，及亦無董事或行政總裁或任何彼等配偶或十八歲以下子女，擁有任何權利可認購本公司證券或曾行使任何該等權利。

DIRECTORS' REPORT 董事會報告

Directors' Interests in Contracts of Significance

Other than as disclosed in the section headed "Connected Transaction" below, no contracts of significance to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Substantial Shareholders

As at 31 December 2008, persons other than a director or chief executive of the Company having interest in 5% or more of the issued share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Long positions in shares and underlying shares of the Company as at 31 December 2008 are set out below:

Name of substantial shareholder 主要股東名稱	Capacity 身份	Number of ordinary shares 普通股股份數目	Underlying shares 相關股份	Total interests 權益總額	Percentage of the issued share capital 佔全部已發行股本百分比
Silver Grant Group Limited 銀建集團有限公司	Beneficial owner 實益擁有人	153,586,022	—	153,586,022 (note i) (附註i)	8.44%
China Cinda Asset Management Corporation 中國信達資產管理公司	Interest of controlled corporation 受控制法團權益	402,064,000	—	402,064,000 (note ii) (附註ii)	22.08%
Citigroup Inc.	6,068,000 shares as interest of controlled corporation, 36,034,230 shares as approved lending agent and 138,813,559 underlying shares as interest of controlled corporation 6,068,000股屬受控制法團權益, 36,034,230股屬核准借出代理人及 138,813,559相關股份屬受控制法團權益	42,102,230	138,813,559 (note iii) (附註iii)	180,915,789	9.94%

董事於重大合約的權益

除於下文「關連交易」部分所披露者外，本公司或其附屬公司於年結日或於年內任何時間，概無以訂約一方身分訂立任何本公司董事於其中擁有(不論是直接或間接的)重大利益的重大合約。

主要股東

於二零零八年十二月三十一日，於本公司根據證券及期貨條例第336條規定須予存置的登記冊記錄所顯示，除本公司董事或最高行政人員以外，擁有佔本公司已發行股本5%或以上權益的人士如下：

於二零零八年十二月三十一日，於本公司股份及相關股份的好倉載列如下：

DIRECTORS' REPORT 董事會報告

Substantial Shareholders (Continued)

Notes:

- (i) Messrs. Gao Jian Min and Liu Tianni, both of whom are directors of the Company, each has a 30% interest in Silver Grant Group Limited as at 31 December 2008.
- (ii) The following is a breakdown of the interests in shares of the Company held by China Cinda Asset Management Corporation:

Name of controlled corporation 受控法團名稱	Name of controlling shareholder 控權股東名稱	Percentage of control 控制百分率	Total interest in shares 股份權益總數	
			Direct interest 直接權益	Indirect interest 間接權益
Well Kent International Investment Company Limited 華建國際投資有限公司	China Cinda Asset Management Corporation 中國信達資產管理公司	100%	—	402,064,000
Catic Limited	Well Kent International Investment Company Limited 華建國際投資有限公司	100%	2,064,000	—
Regent Star International Limited 星耀國際有限公司	Well Kent International Investment Company Limited 華建國際投資有限公司	100%	400,000,000	—

- (iii) This represents the interest in convertible note in the principal amount of USD52,500,000 pursuant to which a total number of 138,813,559 new shares will be issued upon full exercise of the conversion rights attaching thereto at the initial conversion price of HK\$2.95 per share.

Other than as disclosed above, the register required to be kept under Section 336 of the SFO showed that the Company had not been notified of any other interest or short position in the shares and underlying shares of the Company as at 31 December 2008.

主要股東(續)

附註：

- (i) 高建民先生及劉天倪先生，彼等均為本公司董事，於二零零八年十二月三十一日各自擁有銀建集團有限公司30%權益。
- (ii) 以下為中國信達資產管理公司所持有本公司之股份權益細節：

- (iii) 此為本金總額52,500,000美元之可換股票據項下的權益，據此按每股2.95港元之初步換股價全面行使可換股票據所附帶之換股權後，將會發行合共138,813,559股新股份。

除上文所披露者外，根據證券及期貨條例第336條規定須予存置的登記冊所顯示，本公司並無接獲有關於二零零八年十二月三十一日在本公司股份及相關股份中擁有任何其他權益或短倉的申報。

DIRECTORS' REPORT 董事會報告

Appointment of Independent Non-executive Directors

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

Connected Transaction

A service agreement dated 28 December 2004 was entered into between Mr. Gao Jian Min ("Mr. Gao") and the Company. Pursuant to the terms and conditions set out therein, the Company agreed to employ and Mr. Gao agreed to serve the Company as a Managing Director by providing the Company with the services as described in the service agreement for a term of three years from 28 December 2004 to 27 December 2007, which term shall continue thereafter until determined by either party giving to the other not less than 3-months prior written notice.

Purchase, Sales or Redemption of the Company's Listed Securities

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

Emolument Policy

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

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

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 56 to the consolidated financial statements.

委任獨立非執行董事

本公司已取得各獨立非執行董事根據聯交所證券上市規則(「上市規則」)第3.13條項下就其獨立性所作出的年度確認函。本公司認為所有獨立非執行董事均為獨立的。

關連交易

於二零零四年十二月二十八日，高建民先生(「高先生」)與本公司簽訂一份服務協議。根據該協議所載之條款及條件，本公司同意聘請高先生，而高先生同意受聘出任本公司董事總經理職務，為本公司提供服務協議內所羅列之服務，任期三年，由二零零四年十二月二十八日至二零零七年十二月二十七日止。該任期將維持有效直至任何一方給予對方不少於三個月之書面事前通知終止為止。

購回、出售或贖回本公司之上市證券

年內，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

酬金政策

本集團僱員的酬金政策乃由薪酬委員會按僱員的功績、資歷及能力制定。

本公司董事的酬金乃由薪酬委員會經考慮本公司的經營業績、個人表現及可供比較的市場慣例後釐定。

本公司經已採納一項購股權計劃作為董事及合資格僱員的一項鼓勵，該計劃之詳情載列於綜合財務報表附註56。

DIRECTORS' REPORT 董事會報告

Annual General Meeting

The annual general meeting of the Company will be held at Concord Room III, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 3 June 2009 at 10:00 a.m..

Sufficiency of Public Float

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

Major Customers and Suppliers

The Group's revenue comprises rental income from leasing of properties, dividend income from listed securities, net gain on disposal of held-for-trading investments, income from property management, income from sales of properties, interest income from interest in distressed assets and income from production and trading of petrochemical products.

The aggregate amount of purchases and revenue attributable to the Group's five largest suppliers and customers were less than 30% of the Group's total purchases and revenue for the year.

股東週年大會

本公司將於二零零九年六月三日(星期三)上午十時正假座香港灣仔港灣道一號香港萬麗海景酒店八樓海景廳III舉行股東週年大會。

公眾持股量的足夠性

根據本公司取得的公開資料及就董事所知悉，於年內及截至本報告日，本公司的已發行股份有足夠並不少於上市規則項下規定之25%公眾持股量。

主要客戶及供應商

本集團的收入包含租賃物業之租金收入、上市證券之股息收入、出售持作買賣投資之淨收益、物業管理收入、物業銷售收入、不良資產權益利息收入及石油化工產品生產及銷售收入。

年內，本集團於五大供應商及客戶的累積採購額及收入分別佔本集團的採購總額及收入總額不足30%。

DIRECTORS 'REPORT 董事會報告

Closure of Register of Members

The register of members will be closed from Friday, 29 May 2009 to Wednesday, 3 June 2009, both days inclusive, during which period no transfers of shares of the company will be effected. In order to qualify for the proposed final dividend and to determine the identity of the shareholders who are entitled to attend and vote at the forthcoming annual general meeting, all duly completed transfer form accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 27 May 2009.

Post Balance Sheet Events

Details of significant events occurring after the balance sheet date are set out in note 59 to the consolidated financial statements.

Financial Assistance Given to Affiliated Companies Amounting to More Than 8% of the Assets Ratio

As at 31 December 2008, the aggregate amount of

DIRECTORS 'REPORT 董事會報告

Financial Assistance Given to Affiliated Companies

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

eloitte.

德勤

To the members of
Silver Grant International Industries Limited
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Silver Grant International Industries Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 50 to 176, which comprise the consolidated and the Company's balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the Hong Kong Companies Ordinance. The 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.

致
銀建國際實業有限公司列位股東
(在香港註冊成立的有限責任公司)

本核數師(以下簡稱「我們」)已審核列載於第50頁至第176頁銀建國際實業有限公司(以下簡稱「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於2008年12月31日的 貴公司資產負債表及綜合資產負債表與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表,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的責任

貴公司董事須負責根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則及香港公司條例編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表的相關內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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, in accordance with section 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility toward 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 HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 of the Company, 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.

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。我們的報告僅按照香港公司條例第141條，為股東(作為一個團體)而編製，並不為其他任何目的。我們並不就本報告的內容對任何其他人士承擔任何義務或接受任何責任。我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報表是否不存在重大錯誤陳述。

審核涉及執执行程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關的內部控制，以設計適當的審核程序，但並非為對 貴公司的內部控制的效能發表意見。審核亦包括評價 貴公司董事所採用的會計政策的合適性及作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Opinion

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's 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 Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
22, April 2009

意見

我們認為，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 貴公司及 貴集團於2008年12月31日的事務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例妥為編製。

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 31 December 2008

截至二零零八年十二月三十一日止年度

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Sales of properties	物業銷售	6	—	148,600
Property management fee income	物業管理費收入	6	147,068	105,226
Rental income	租金收入	6	54,431	67,387
Sales of petrochemical products	石油化工產品銷售	6	45,662	—
			247,161	321,213
Cost of sales	銷售成本		(147,938)	(220,251)
			99,223	100,962
Interest income from interest in distressed assets	不良資產權益利息收入	6	—	18,307
Income from investment in distressed assets through establishment of a special purpose vehicle	通過成立特殊目的載體投資不良資產之收入	6	39,993	100,220
Dividend income from listed securities	上市證券股息收入	6	1,132	—
Other income, gains and losses	其他收入, 收益及虧損	7	195,545	249,502
Change in fair value of held-for-trading investments	持作買賣投資公平值變動		(35,351)	(4,401)
Administrative expenses	行政費用		(117,776)	(119,729)
Gain on disposal of available-for-sale investments	出售可供出售投資收益		—	38,643
(Revaluation deficit) reversal of revaluation deficit of leasehold properties	租賃物業(重估虧損)重估虧損回撥	16	(19,141)	8,121
Change in fair value of investment properties	投資物業公平值變動	15	(20,130)	(44,254)
(Loss) gain on convertible note classified as liabilities at fair value through profit or loss	於損益表按公平值處理歸類為負債的可換股票據(虧損)收益	42	(6,289)	19,376
Change in fair value of structured finance securities	結構性金融證券之公平值變動		1,715	(10,294)
Impairment loss on interest in distressed assets	不良資產權益減值虧損	29	—	(80,248)
Impairment loss on goodwill	商譽減值虧損	18	—	(26,524)
Impairment loss on available-for-sale investments	可供出售投資減值虧損		(25,390)	—
Impairment loss on deposits, prepayments and other receivables	按金、預付款及其他應收款減值虧損	34	(21,115)	—
Finance costs	財務費用	8	(25,520)	(39,121)
Gain on disposal of subsidiaries	出售附屬公司的收益	51	—	48,499
Share of results of associates	攤佔聯營公司業績		22,472	48,786
Share of results of jointly controlled entities	攤佔共同控制公司業績		(2,426)	(19,073)
Profit before taxation	除稅前溢利		86,942	288,772
Taxation (charge) credit	稅項(支出)收入	11	(5,190)	35,059
Profit for the year	年內溢利	12	81,752	323,831
Attributable to:	應佔:			
Equity holders of the Company	本公司股本持有人		87,057	322,869
Minority interests	少數股東權益		(5,305)	962
			81,752	323,831
Earnings per share (in HK dollar)	每股盈利(以每港元列示)	13		
— Basic	— 基本		0.048	0.177
— Diluted	— 攤薄		—	0.158

CONSOLIDATED BALANCE SHEET AND BALANCE SHEET 綜合資產負債表及資產負債表

As at 31 December 2008

於二零零八年十二月三十一日

		Notes 附註	The Group 本集團		The Company 本公司	
			2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
ASSETS	資產					
Non-current assets	非流動資產					
Investment properties	投資物業	15	2,188,262	2,126,216	16,798	16,745
Property, plant and equipment	物業、廠房及設備	16	462,444	156,346	65,674	69,483
Land use rights	土地使用權	17	26,842	—	—	—
Goodwill	商譽	18	11,392	7,001	—	—
Interest in subsidiaries	附屬公司權益	19	—	—	965,930	56,011
Interest in associates	聯營公司權益	20	783,991	1,110,780	20,000	20,000
Interest in jointly controlled entities	共同控制公司權益	21	66,717	13,587	12,973	13,587
Structured finance securities	結構性金融證券	24	12,216	12,046	12,216	12,046
Available-for-sale investments	可供出售投資	25	314,019	167,755	2,140	2,140
Investment in distressed assets through establishment of a special purpose vehicle	通過成立特殊目的載體投資不良資產	30	—	9,745	—	—
Deposit paid for establishment of an associate	已付成立一間聯營公司之按金	26	—	64,171	—	—
Other asset	其他資產	28	—	1,371	—	—
			3,865,883	3,669,018	1,095,731	190,012
Current assets	流動資產					
Inventories, at cost	存貨 — 按成本	31	66,597	183	—	—
Investment in distressed assets through establishment of a special purpose vehicle	通過成立特殊目的載體投資不良資產	30	148,247	97,446	—	—
Held-for-trading investments	持作買賣投資	32	70,027	63,130	15,368	61,918
Trade receivables	應收賬款	33	11,794	4,897	—	—
Deposits, prepayments and other receivables	按金、預付款及其他應收款	34	207,323	302,262	166,963	167,066
Amounts due from subsidiaries	應收附屬公司款	19	—	—	2,300,536	2,958,547
Amounts due from associates	應收聯營公司款	22	982,626	781,802	—	87,000
Amount due from a jointly controlled entity	應收一間共同控制公司款	23	63,074	122,630	63,074	122,630
Loan receivables	應收貸款	27	79,790	—	—	—
Available-for-sale investments	可供出售投資	25	121,277	—	63,500	—
Tax recoverable	可收回稅項		1,128	—	—	—
Restricted bank balance	監管戶口結餘	35	—	163,677	—	—
Bank balances and cash	銀行結餘及現金	36	792,376	1,171,064	40,503	356,733
			2,544,259	2,707,091	2,649,944	3,753,894
Assets classified as held-for-sale	列作持作出售之資產	37	—	5,000	—	—
			2,544,259	2,712,091	2,649,944	3,753,894
TOTAL ASSETS	資產總值		6,410,142	6,381,109	3,745,675	3,943,906

CONSOLIDATED BALANCE SHEET AND BALANCE SHEET 綜合資產負債表及資產負債表

As at 31 December 2008

於二零零八年十二月三十一日

		Notes 附註	The Group 本集團		The Company 本公司	
			2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
EQUITY	股本					
Capital and reserves	資本及儲備					
Share capital	股本	39	364,142	364,142	364,142	364,142
Reserves	儲備		4,505,489	4,641,885	2,575,355	2,642,423
Equity attributable to equity holders of the Company	本公司股本持有人應佔股本		4,869,631	5,006,027	2,939,497	3,006,565
Minority interests	少數股東權益		202,420	12,658	—	—
Total equity	股本總值		5,072,051	5,018,685	2,939,497	3,006,565
LIABILITIES	負債					
Non-current liabilities	非流動負債					
Borrowings	借貸	41	48,260	4,600	3,450	4,600
Convertible note	可換股票據	42	—	382,736	—	382,736
Deferred tax liabilities	遞延稅項負債	43	87,954	91,928	3,951	4,737
			136,214	479,264	7,401	392,073
Current liabilities	流動負債					
Trade payables	應付賬款	44	113,833	76,725	—	—
Accrued charges, rental deposits and other payables	應計費用、租務按金及 其它應付款	45	207,741	177,850	9,279	19,399
Amounts due to associates	應付聯營公司款	46	13,500	162,002	13,500	—
Amounts due to subsidiaries	應付附屬公司款	48	—	—	385,823	524,719
Amount due to holding company of a shareholder	應付一名股東的控股公司款	47	—	96,676	—	—
Borrowings	借貸	41	336,839	233,278	1,150	1,150
Convertible note	可換股票據	42	389,025	—	389,025	—
Taxation payable	應付稅項		140,939	136,629	—	—
			1,201,877	883,160	798,777	545,268
Total liabilities	負債總值		1,338,091	1,362,424	806,178	937,341
TOTAL EQUITY AND LIABILITIES	股本及負債總值		6,410,142	6,381,109	3,745,675	3,943,906
Net current assets	淨流動資產		1,342,382	1,828,931	1,851,167	3,208,626
Total assets less current liabilities	資產總值減流動負債		5,208,265	5,497,949	2,946,898	3,398,638

The consolidated financial statements on pages 50 to 176 were approved and authorized for issue by the board of directors on 22 April 2009 and are signed on its behalf by:

第50頁至第176頁之綜合財務報表已獲董事會於二零零九年四月二十二日認可及授權發行，並經下列授權代表簽署確認：

Chen Xiaozhou 陳孝周
Director 董事

Gao Jian Min 高建民
Director 董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動報表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股本持有人應佔股本									
		Share capital 股本	Share premium 股份溢價	Asset revaluation reserve 資產重估儲備	Capital redemption reserve 資本贖回儲備	Other reserve 其他儲備	Translation reserve 匯兌儲備	Retained profits 保留盈利	Total 合計	Minority interests 少數股東權益	Total equity 股本總額
		HK\$ '000 千港元	HK\$ '000 千港元	HK\$ '000 千港元	HK\$ '000 千港元	HK\$ '000 千港元	HK\$ '000 千港元	HK\$ '000 千港元	HK\$ '000 千港元	HK\$ '000 千港元	HK\$ '000 千港元
At 1 January 2007	於2007年1月1日	364,142	2,177,287	24,854	13,992	605	142,560	1,867,201	4,590,641	16,261	4,606,902
Exchange difference arising on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	-	-	86,133	-	86,133	152	86,285
Fair value change of available-for-sale investments	可供出售投資公平值變動	-	-	-	-	112,583	-	-	112,583	-	112,583
Gain on revaluation of leasehold properties	重估租賃物業收益	-	-	22,007	-	-	-	-	22,007	-	22,007
Deferred tax liability arising on revaluation of leasehold properties	重估租賃物業之遞延稅項負債	-	-	(3,356)	-	-	-	-	(3,356)	-	(3,356)
Share of reserve of associates	攤佔聯營公司儲備	-	-	-	-	-	38,249	-	38,249	-	38,249
Share of reserve of a jointly controlled entity	攤佔一間共同控制公司儲備	-	-	-	-	-	572	-	572	-	572
Net income recognised directly in equity	直接於股本確認的收入淨額	-	-	18,651	-	112,583	124,954	-	256,188	152	256,340
Profit for the year	年內溢利	-	-	-	-	-	-	322,869	322,869	962	323,831
Transfer to profit or loss on disposal of available-for-sale investments	出售可供出售投資時劃轉損益表	-	-	-	-	(26,518)	-	-	(26,518)	-	(26,518)
Transfer to profit or loss on disposal of subsidiaries	出售附屬公司時劃轉損益表	-	-	-	-	-	(9,703)	-	(9,703)	-	(9,703)
Total recognised income and expenses for the year	年內確認的收入及支出總額	-	-	18,651	-	86,065	115,251	322,869	542,836	1,114	543,950
Deemed acquisition of subsidiaries (note 50)	視同收購附屬公司(附註50)	-	-	-	-	-	-	-	-	10,328	10,328
Disposal of subsidiaries (note 51)	出售附屬公司(附註51)	-	-	-	-	-	-	-	-	(15,045)	(15,045)
Dividend	股息	-	-	-	-	-	-	(127,450)	(127,450)	-	(127,450)
At 31 December 2007	於2007年12月31日	364,142	2,177,287	43,505	13,992	86,670	257,811	2,062,620	5,006,027	12,658	5,018,685
At 1 January 2008	於2008年1月1日	364,142	2,177,287	43,505	13,992	86,670	257,811	2,062,620	5,006,027	12,658	5,018,685
Exchange difference arising on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	-	-	58,815	-	58,815	(6,113)	52,702
Fair value change of available-for-sale investments	可供出售投資公平值變動	-	-	-	-	(111,455)	-	-	(111,455)	-	(111,455)
Gain on revaluation of leasehold properties	重估租賃物業收益	-	-	7,007	-	-	-	-	7,007	-	7,007
Deferred tax liability arising on revaluation of leasehold properties	重估租賃物業之遞延稅項負債	-	-	(1,301)	-	-	-	-	(1,301)	-	(1,301)
Share of reserve of associates	攤佔聯營公司儲備	-	-	-	-	-	(56,252)	-	(56,252)	-	(56,252)
Net income recognised directly in equity	直接於股本確認的收入淨額	-	-	5,706	-	(111,455)	2,563	-	(103,186)	(6,113)	(109,299)
Profit for the year	年內溢利	-	-	-	-	-	-	87,057	87,057	(5,305)	81,752
Impairment loss on available-for-sale investments	可供出售投資虧損	-	-	-	-	-	-	-	-	-	-
Transfer on disposal of leasehold properties	出售租賃物業時劃轉	-	-	(2,154)	-	-	-	2,154	-	-	-
Total recognised income and expenses for the year	年內確認的收入及支出總額	-	-	3,552	-	(86,065)	2,563	89,211	9,261	(11,418)	(2,157)
Dividend	股息	-	-	-	-	-	-	(145,657)	(145,657)	-	(145,657)
Acquisition of subsidiaries (note 49)	收購附屬公司(附註49)	-	-	-	-	-	-	-	-	198,958	198,958
Incorporation of a non-wholly owned subsidiary	成立一間非全資擁有附屬公司	-	-	-	-	-	-	-	-	2,222	2,222
At 31 December 2008	於2008年12月31日	364,142	2,177,287	47,057	13,992	605	260,374	2,006,174	4,869,631	202,420	5,072,051

Note:

Fair value change of available-for-sale investment measured at fair value is recognised directly in other reserve, until the available-for-sale investment is derecognised and impaired, at which time the cumulative gain or loss previously recognised in other reserve shall be recognised in profit or loss.

附註:

按公平值計量可供出售投資之公平值變動直接於其他儲備確認，直至該可供出售投資終止確認及減值時，之前於其他儲備確認的累計收益或虧損將會於損益表確認。

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量報表

For the year ended 31 December 2008

截至二零零八年十二月三十一日年度

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Operating activities	經營業務			

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量報表

For the year ended 31 December 2008

截至二零零八年十二月三十一日年度

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
	Notes 附註		
Operating cash flows before movements in working capital	營運資金變動前的經營業務現金流	41,685	136,191
Decrease in interest in distressed assets	不良資產權益減少	—	95,209
Decrease (increase) in inventories	存貨減少(增加)	7,611	(11)
Decrease in stock of properties	物業存貨減少	—	108,104
Increase in held-for-trading investments	持作買賣投資增加	(6,897)	(47,948)
Decrease (increase) in trade receivables	應收賬款減少(增加)	1,454	(1,469)
Decrease (increase) in deposits, prepayments and other receivables	按金、預付款及其他應收款減少(增加)	17,910	(44,824)
Decrease in restricted bank balance	監管戶口結餘減少	163,677	369,194
Increase (decrease) in trade payables	應付賬款增加(減少)	2,798	(11,170)
(Decrease) increase in amount due to holding company of a shareholder	應付一名股東的控股公司款(減少)增加	(96,676)	81,385
Increase (decrease) in accrued charges, rental deposits and other payables	應計費用、租務按金及其他應付款增加(減少)	919	(59,700)
Cash generated from operations	經營業務產生現金	132,481	624,961
Interest paid	已付利息	(25,520)	(39,121)
Tax paid	已付稅款	(9,319)	(22,449)
Net cash from operating activities	經營業務產生之淨現金	97,642	563,391

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量報表

For the year ended 31 December 2008

截至二零零八年十二月三十一日年度

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
	Notes 附註		
Investing activities	投資業務		
Purchase of distressed assets through establishment of a special purpose vehicle	通過成立特殊目的載體購入不良資產	—	(321,701)
Receipt of income and principal repayment from recovery of distressed assets purchased through establishment of a special purpose vehicle	收取通過成立特殊目的載體購入不良資產回收產生的收入及本金還款	—	314,730
Proceeds on disposal of investment properties	出售投資物業所得款項	1,061	167,917
Receipt of consideration receivable from disposal of investment properties	收取出售投資物業所得款項	89,519	—
Purchase of property, plant and equipment	購入物業、廠房及設備	(61,979)	(4,773)
Purchase of investment properties	購入投資物業	(1,202)	(3,928)
Purchase of land use rights	購買土地使用權	(797)	—
Dividend received from associates	已收聯營公司股息	318,600	2,000
Dividend received from listed securities	上市證券股息收入	1,132	—
Interest received	已收利息	113,150	91,764
Deposit paid for establishment of an associate	已付成立一間聯營公司之按金	—	(64,171)
Advance to associates	墊支聯營公司款項	(198,804)	(159,788)
Repayment from a jointly controlled entity	收取一間共同控制公司還款	59,556	135,781
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	667	253
Proceeds on disposal of assets classified as held-for-sale	出售列作持作出售之資產	5,000	—
Proceeds on disposal of available-for-sale investments	出售可供出售投資所得款項	13,333	212,980
Purchase of available-for-sale investments	購入可供出售投資	(392,122)	(5,348)
Receipt of principal repayment of structured finance securities	收取結構性金融證券本金還款	1,545	2,083
Proceeds on deregistration of an associate	註銷一間聯營公司所得款項	44,445	—
Acquisition of investment in a jointly controlled entity	收購一間共同控制公司投資	(55,556)	(42,781)
Deemed acquisition of subsidiaries	視同收購附屬公司	50	5,989
Acquisition of subsidiaries	收購附屬公司	49	—
Increase in loan receivables	增加應收貸款	(79,790)	—
Disposal of subsidiaries	出售附屬公司	51	(2,321)
Net cash (used in) from investing activities	投資業務(所用)所得淨現金	(91,562)	328,686

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量報表

For the year ended 31 December 2008

截至二零零八年十二月三十一日年度

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
	Notes 附註		
Financing activities	融資業務		
Capital injection from minority shareholder	少數股東資本投入	2,222	—
Repayment of loan from a shareholder	償還一名股東之貸款	—	(220,000)
Repayment of bank loans	償還銀行貸款	(228,926)	(642,861)
Dividend paid	已付股息	(145,657)	(127,450)
Bank loans raised	銀行貸款融資	248,122	213,904
Repayment of (advance) from associates	償還(收)聯營公司墊款	(264,630)	302,229
Net cash used in financing activities	融資業務所用淨現金	(388,869)	(474,178)
Net (decrease) increase in cash and cash equivalents	現金及現金等值(減少)增加淨額	(382,789)	417,899
Cash and cash equivalents at the beginning of the year	現金及現金等值年初數額	1,152,840	724,995
Effect of foreign currency rate changes	匯率變動之影響	22,325	9,946
Cash and cash equivalents at the end of the year	現金及現金等值年末數額	792,376	1,152,840
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值結餘分析		
Bank balances and cash	銀行結餘及現金	792,376	1,171,064
Bank overdrafts	銀行透支	—	(18,224)
		792,376	1,152,840

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

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

1. General

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” in the annual report.

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

The Company is an investment holding company and is engaged in property investment and securities

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

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2. Application of new and 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

The adoption of the New HKFRSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior year 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.

2. 採納新訂及經修訂的香港財務報告準則

於本年度，本集團已採用了下列由香港會計師公會（「香港會計師公會」）頒佈的修訂及詮釋（「新香港財務報告準則」），該等準則現正或經已生效。

香港會計準則第39號及香港財務報告準則第7號（修訂）	重新分類財務資產
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— 界定福利資產限額、最低資金規定及其相互關係

採納新香港財務報告準則，對本會計期間或過往會計期間之業績及財務狀況編製及呈列並無重大影響。因此，毋須就過往年度作出調整。

本集團並無提早應用下列已頒佈但尚未生效的新訂及經修訂準則、修訂或詮釋。

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2. Application of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

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 (Amendments)	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	Distribution of non-cash assets to owners ³
HK(IFRIC) – INT 18	Transfer of assets from customers ⁷

2. 採納新訂及經修訂的香港財務報告準則(續)

香港財務報告準則(修訂)	香港財務報告準則之改進 ¹
香港會計準則第1號(經修訂)	財務報表呈報 ²
香港會計準則第23號(經修訂)	借貸成本 ²
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ³
香港會計準則第32號及第1號(修訂)	可沽售財務工具及清盤所產生責任 ²
香港會計準則第39號(修訂)	合資格對沖項目 ³
香港財務報告準則第1號及香港會計準則第27號(修訂)	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)	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)	改進財務工具之披露 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)	內含衍生工具 ⁴
香港(國際財務報告詮釋委員會)– 詮釋第13號	客戶長期支持計劃 ⁵
香港(國際財務報告詮釋委員會)– 詮釋第15號	房地產建造協議 ²
香港(國際財務報告詮釋委員會)– 詮釋第16號	對沖海外業務投資淨額 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

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2. Application of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

- ¹ Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.
- ² Effective for annual periods beginning on or after 1 January 2009.
- ³ Effective for annual periods beginning on or after 1 July 2009.
- ⁴ Effective for annual periods ending on or after 30 June 2009.
- ⁵ Effective for annual periods beginning on or after 1 July 2008.
- ⁶ Effective for annual periods beginning on or after 1 October 2008.
- ⁷ Effective for transfers on or after 1 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 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group’s ownership interest in a subsidiary. HKAS 23 (Revised) will affect the accounting treatment for borrowing costs, which eliminates the option to expense borrowing costs in relation to acquisition of qualifying assets when incurred. The directors of the Company anticipate that the application of the other new and 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 in accordance with HKFRSs 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 and by the Hong Kong Companies Ordinance.

2. 採納新訂及經修訂的香港財務報告準則(續)

- ¹ 於二零零九年一月一日或之後開始的年度期間生效，惟於二零零九年七月一日或其後開始之年度期間生效之香港財務報告準則第5號(修訂)除外。
- ² 從二零零九年一月一日或之後開始之年度期間生效。
- ³ 從二零零九年七月一日或之後開始之年度期間生效。
- ⁴ 從二零零九年六月三十日或之後完結之年度期間生效。
- ⁵ 從二零零八年七月一日或之後開始之年度期間生效。
- ⁶ 於二零零八年十月一日或之後開始之年度期間生效。
- ⁷ 於二零零九年七月一日或之後開始之年度期間生效。

採納香港財務報告準則第3號(經修訂)可能影響本集團收購日期定在二零一零年一月一日或以後開始的呈報期間的商業合併的會計處理。香港會計準則第27號(經修訂)將會影響本集團於一間附屬公司的擁有權發生變化的會計帳目處理方法。香港會計準則第23號(經修訂)將會刪除有關於收購合資格資產的費用化借貸成本之選擇的會計處理方法。本公司董事預料，應用該其他新及經修訂準則、修訂或詮釋將不會對本集團業績及財務狀況產生重大影響。

3. 主要會計政策

本綜合財務報表是根據香港會計師公會頒佈的香港財務報告準則而編製。此外，本綜合財務報表亦按聯交所證券上市規則及香港公司條例規定的要求作出相關披露。

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3. Significant accounting policies (Continued)

The consolidated financial statements have been prepared on the historical cost basis, except for properties and certain financial instruments, which are measured at revalued amounts or fair values. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose 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 or 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.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

3. 主要會計政策(續)

除物業及若干金融工具是以重估值或公平值計量外，本綜合財務報表是按歷史成本為基準編製。所採納之主要會計政策如下：

綜合賬目基準

本綜合財務報表包括本公司及本公司控制的各公司(其附屬公司)包括特殊目的載體)的財務報表。倘若本公司有權力監制一間公司的財務及經營政策以致從其業務獲得利益，即表示取得控制權。

於本年度收購或出售的附屬公司之業績，已由收購生效日起或截至出售生效日止(視情況而定)計入綜合收益表內。

若有需要，附屬公司的財務報表須作出調整，以與本集團其他成員公司所採用的會計政策一致。

所有在本集團內各公司之間的交易、結餘、收入及支出，已於編製綜合賬目時抵銷。

少數股東於附屬公司應佔權益的淨資產與本集團的股本權益分開呈列。少數股東權益應佔淨資產包括原業務合併日期准花或跪耶1‡莒花羸菴禰銑康蠟緯

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

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

3. Significant accounting policies (Continued)

Basis of consolidation (Continued)

For business combination that involves more than one exchange transaction through successive share purchases, each exchange transaction is treated separately, using the cost of the transaction and fair value information at the date of each exchange transaction, to determine the amount of any goodwill associated with that transaction. The acquiree's net assets are stated at fair value at the date of acquisition when control is achieved. Any adjustment to those fair values relating to previously held interests of the Group is a revaluation and is credited to other reserve.

Acquisition of additional interests in subsidiaries is recorded at the book value of the net assets attributable to the interests. The excess of the carrying amounts of net assets attributable to the interests over the cost of acquisition is recognised as discount on acquisition.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group shall account for the combination using those provisional values. The Group shall recognise any adjustments to those provisional values as a result of completing the initial accounting within twelve months of the acquisition date.

3. 主要會計政策(續)

綜合賬目基準(續)

對於涉及透過連續購入股份權益的多過一次交易的業務合併，每一次交換交易均分開處理，使用交易成本與交換交易當日的公平值資訊，釐定該項交易的可能產生的任何商譽。被購入者的淨資產乃按當取得控制權之收購當日公平值列賬。任何與本集團於以往年度已經持有的權益相關的公平值調整視為重估並計入其他儲備。

收購附屬公司的額外權益是以歸屬該權

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

For the year ended 31 December 2008

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3. Significant accounting policies (Continued)

Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

Goodwill arising on an acquisition of net assets and operations of another entity or a jointly controlled entity for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant acquiree at the date of acquisition.

For previously capitalised goodwill arising on acquisition of net assets and operations of another entity or a jointly controlled entity after 1 January 2001, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

Goodwill arising on acquisitions on or after 1 January 2005

Goodwill arising on an acquisition of a business for which the agreement date is on or after 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a business is presented separately in the consolidated balance sheet.

3. 主要會計政策(續)

商譽

二零零五年一月一日前因收購所產生之商譽

於收購其他公司或一間共同控制公司之淨資產及營運業務而有關協議日期為二零零五年一月一日以前的收購所產生之商譽是指收購成本超過本集團應佔該被收購方於收購當日之可識別資產及負債之公平值之數額。

就於二零零一年一月一日後因收購其他公司或一間共同控制公司的淨資產及業務所產生並且已資本化的商譽，本集團從二零零五年一月一日開始終止攤銷該商譽，而該商譽將每年及每當有跡象顯示該商譽相關的現金產生單位可能出現減值時，進行減值檢測(見下文之會計政策)。

於二零零五年一月一日或之後收購時所產生之商譽

合同日期於二零零五年一月一日或以後收購業務所產生之商譽指收購成本超過本集團於有關業務之可辨認資產、負債及或然負債於收購日期按公平值之權益的金額。有關商譽按成本值減任何累計減值虧損列值。

因收購業務而產生之資本化商譽會於綜合資產負債表內獨立呈列。

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

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截至二零零八年十二月三十一日止年度

3. Significant accounting policies (Continued)

Goodwill (Continued)

Goodwill arising on acquisitions on or after 1 January 2005 (Continued)

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an

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

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3. Significant accounting policies (Continued)

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in joint venture.

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

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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

Joint ventures

Jointly controlled entities

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

3. 主要會計政策(續)

聯營公司投資

聯營公司指投資方對其行使重大影響力而非附屬公司或合營公司權益的公司。

聯營公司之業績、資產及負債是採用權益法計入綜合財務報表內。根據權益法，於聯營公司的投資是按成本及於收購後本集團應佔該聯營公司淨資產值變動作出調整，並扣除任何已識別減值虧損列賬於綜合資產負債表內。倘本集團所佔聯營公司的虧損相等於或超越本集團於該聯營公司應佔的權益(包括實質上構成本集團對聯營公司淨投資的任何長期權益)，本集團將不再確認額外應佔虧損。僅於本集團具有法定或約束性責任或代表該聯營公司付款時，方會就額外應佔虧損撥備及確認負債。

經重估本集團所佔可識別資產、負債及或然負債公平淨值超過收購成本的任何差額，即使於損益表內確認。

當集團公司與本集團的聯營公司進行交易，損益會按本集團所佔有關聯營公司的權益進行抵銷。

合營企業

共同控制公司

倘合營安排涉及成立獨立實體而合營方對該實體之經濟活動擁有共同控制權，則該實體被歸類為共同控制公司。

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3. Significant accounting policies (Continued)

Joint ventures (Continued)

Jointly controlled entities (Continued)

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

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition after reassessment is recognised, immediately in profit or loss.

When a group entity transacts with a jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

3. 主要會計政策(續)

合營企業(續)

共同控制公司(續)

共同控制公司之業績及資產與負債採用權益會計法載入綜合財務報表。根據權益法，於共同控制公司的投資乃按成本(已就本集團分佔資產淨值於收購後的變動作出調整)減任何已辨識減值虧損載入綜合資產負債表。倘本集團應佔共同控制公司之虧損相等於或高於其在該共同控制公司的權益(包括實際構成本集團於共同控制公司投資淨額部份之任何長期權益)時，本集團不再確認其分佔之進一步虧損。本集團只會在本身產生法律或推定責任或代表該共同控制公司付款時，方會就額外應佔虧損計提撥備並確認負債。

經重新評估後，任何本集團攤佔可識別資產、負債及或然負債公平值淨額超過收購成本之部份即時於損益表確認。

倘集團公司與本集團共同控制實體進行交易，未變現溢利或虧損乃根據本集團於該共同控制實體之權益為限予以撤銷。

投資物業

投資物業是指持作賺取租金及／或資本增值的物業。

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3. Significant accounting policies (Continued)

Investment properties (Continued)

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. 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 asset) is included in the consolidated income statement in the year in which the item is derecognised.

Property, plant and equipment

Property, plant and equipment including leasehold land and buildings held for use in production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated at cost or fair value less subsequent accumulated depreciation and accumulated impairment loss.

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.

3. 主要會計政策(續)

投資物業(續)

投資物業於首次確認時按成本(包括任何相關直接支出)計量。於首次確認後,投資物業是採用公平值模式以其公平值計量。投資物業的公平值變動所產生的收益或虧損於產生期間直接確認為收益或虧損。

當投資物業被出售或該投資物業永久不再被使用,或預期出售該物業不會產生未來經濟利益時,該項投資物業不再被確認。因不再確認為資產而產生的任何收益或虧損(按出售所得款項淨額與資產的賬面值之差額計算)於不再確認年度的綜合收益表內入賬。

物業、廠房及設備

物業、廠房及設備包括持有作為生產、提供貨品或服務或行政管理用途(在建工程除外)的租賃土地及樓宇乃按成本或公平值減去其後累計折舊及累計減值虧損入賬。

在建工程指正在建造以供生產或自用之物業、廠房及設備。在建工程以成本減累計減值虧損列賬。在建工程於完成後可供用於擬定用途時重新分類為物業、廠房及設備之適當類別。此等資產之折舊基準與其他物業資產相同,乃於資產可供於擬定用途時開始計提。

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3. Significant accounting policies (Continued)

Property, plant and equipment (Continued)

Leasehold land and building originally classified as investment properties carried at fair value is transferred to property, plant and equipment at a deemed cost equal to its fair value at the date of change in use as evidence by commencement of owner occupation.

Leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated impairment losses and subsequent accumulated depreciation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on revaluation of leasehold land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case this increase is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is charged to the consolidated income statement to the extent that it exceeds the balance, if any, on the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

3. 主要會計政策(續)

物業、廠房及設備(續)

原先以公平值列賬、分類為投資物業之租賃土地及樓宇乃按以開始自用作證明用途改變當日的公平值視同為成本劃轉物業、廠房及設備。

持有用作生產或提供貨品或服務用途，或用作行政管理用途的租賃土地及樓宇，乃按其重估值於綜合資產負債表內列賬，而重估值即指重估當日之公平值減去任何其後之累積減值虧損及其後之累積折舊。由於定期進行重估，賬面值與於結算日所釐定之公平值沒有重大差距。

重估租賃土地及樓宇所產生的任何重估盈餘是撥入資產重估儲備，惟倘有關盈餘用作沖回該項資產於過往已確認為支出的重估值減，在該情況下則盈餘是計入綜合收益表，但限於過往已確認為支出的金額。因重估資產而減少的賬面淨值是當作開支處理，若有因過往重估該項資產而產生的重估儲備結餘，則以該結餘扣減後之餘額作開支處理。於隨後出售或報廢經重估資產時，相關重估盈餘將劃轉至保留溢利。

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3. Significant accounting policies (Continued)

Property, plant and equipment (Continued)

Depreciation is provided to write off the cost or fair value of property, plant and equipment over their estimated useful lives, using the straight line method on the following basis:

Leasehold land and buildings	50 years
Leasehold improvements	3 years
Furniture and fixtures	10 years
Office equipment	5 years
Plant and machinery	10-15 years
Motor vehicles	6-10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are exps

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3. Significant accounting policies (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services

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3. Significant accounting policies (Continued)

Revenue recognition (Continued)

Dividend income from investments is recognised when the shareholders' rights to receive the payment have been established.

Revenue from sale of properties in the ordinary course of business (including revenue from pre-completion contracts for the sale of development properties) is recognised when all of the following criteria are met:

- the significant risks and rewards of ownership of the properties are transferred to buyers;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The above criteria are met when the construction of relevant properties has been completed, the title of the properties has been transferred or the properties have been delivered to the purchasers pursuant to the sales agreement whichever is earlier and the collectibility of related receivables is reasonably assumed. Deposits received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheets under current liabilities.

3. 主要會計政策(續)

收益的確認(續)

投資所得股息收入乃於股東收取該項付款之權利獲確立時確認。

日常業務過程中銷售物業之收益(包括銷售發展物業之完成前合約之收益)與達成以下所有條件時確認入賬:

- 物業所有權上之重要風險及報酬已轉移予買方;
- 不再保留對物業施加如同擁有權之不間斷管理參與程度及實際控制權;
- 收益金額可以可靠地計量;
- 與交易相關的經濟利益將會流入本集團;及
- 有關交易所產生或將予產生的成本可以可靠地計量。

當相關物業的建築工程已完成、根據銷售協議轉讓物業所有權或將物業交付予買家(以較早發生者為準),且收取有關應收款項的可能性乃基於合理假設,則上述標準即告達成。銷售物業時收取的按金於收入確認當日列入綜合資產負債表中流動負債項下。

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3. Significant accounting policies (Continued)

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.

Financial assets

The Group's financial assets are classified into one of three categories: financial assets at fair value through profit or loss; loans and receivables; and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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.

3. 主要會計政策(續)

金融工具

金融資產及金融負債於集團實體成為該工具合約條文之訂約方後，於資產負債表中確認。金融資產及金融負債初步按公平值計量。因收購或發行金融資產及金融負債(於損益表按公平值處理的金融資產及金融負債除外)而直接產生之交易費用於初次確認時加入金融資產及金融負債(如適用)之公平值或自金融資產及金融負債(如適用)之公平值扣除。因收購於損益表按公平值處理的金融資產或金融負債而直接產生之交易費用即時於損益表確認。

金融資產

本集團之金融資產分類為以下三個類別之一：於損益表按公平值處理的金融資產、貸款及應收款項及可供出售的金融資產。所有日常買賣之金融資產於交易日確認及終止確認。日常買賣指須根據市場規則或慣例訂立之時限交收資產之金融資產買賣。

實際利率法

實際利率法是計算金融資產的攤銷成本及於相關期間攤分利息收入的方法。實際利率是指於金融資產預期有效期或較短期間(如適用)確實地折現估計未來收取現金(包括構成整體部分的實際利率、交易成本及其他溢價或折扣所付或所收的所有費用)之利率。

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3. Significant accounting policies (Continued)

Financial assets (Continued)

Effective interest method (Continued)

Income is recognised on an effective interest basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories: financial assets held-for-trading; and those designated at fair value through profit or loss on initial recognition.

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.

A financial asset other than a financial asset held-for-trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

3. 主要會計政策(續)

金融資產(續)

實際利率法(續)

收入以實際利率基準確認。

於損益表按公平值處理的金融資產

於損益表按公平值處理的金融資產有兩個次分類：持作買賣之金融資產及於首次確認時被指定為於損益表按公平值處理的金融資產。

一項金融資產於以下情況下界定為持作買賣：

- 購入之目的主要為於短期內出售；或
- 屬於由本集團統一管理的一項可識別金融工具組合的一部分並且於最近期間確實存在短期套利紀錄；或
- 屬於未有指定類型的衍生工具並實際是一項對沖工具。

除持作買賣用途之金融資產外，其他金融資產於首次確認時在下屬情況下可能被指定為於損益表按公平值處理：

- 此分類能抵銷或大幅減少計量或減少引起確認的不一致性；或
- 此金融資產是屬於一組金融資產或一組金融負債或兩者之一部份，該組金融資產或金融負債是根據本集團成文的風險管理及投資策略來管理並按公平值衡量其表現，且內部使用作分類資料亦建基於此；或

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3. Significant accounting policies (Continued)

Financial assets (Continued)

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

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss 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 excludes 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 receivables and other receivables, amounts due from associates/ a jointly controlled entity/subsidiaries, restricted

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3. Significant accounting policies (Continued)

Financial assets (Continued)

Available-for-sale financial assets (Continued)

At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss (see accounting policy on impairment loss on financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. Such impairment losses will not be reversed in subsequent periods.

Loans and receivables – investment in distressed assets through establishment of a special purpose vehicle

Investment in distressed assets through establishment of a special purpose vehicle is stated at amortised cost using effective interest method less impairment allowance. The impairment allowances are made on the interest in distressed assets when there is objective evidence of impairment as a result of the occurrence of certain loss events that will impact on the estimated future cash flows, and are measured as the difference between the carrying amount of the investment in distressed assets through establishment of a special purpose vehicle and the present value of the estimated future cash flows discounted at the original effective interest rate. The adjustment is recognised as impairment loss in the consolidated income statement. Where the actual future net cash flows are more than expected, the revised cash flow will be discounted using the original effective interest rate. The difference between the carrying amount will be adjusted and credited to the

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3. Significant accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, 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 impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, 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, 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 average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策(續)

金融資產之減值

除了於損益表按公平值處理的金融資產外，金融資產於各結算日評估減值指標。倘若有各關佐證顯示，因一項或多項事故於首次確認金融資產後出現而導致該金融資產減值，其估計未來現金流量已受影響。

就可供出售之股本投資而言，相關投資的公平值出現重大或長期下跌並低於該項投資的成本，則被視為減值的客觀佐證。

就所有其他金融資產而言，減值之客觀佐證可以包括：

- 發行人或交易方出現重大財政困難；或
- 拖欠或逾期支付利息或本金；或
- 可能出現借貸人將陷入破產或財務重組。

若干類別的金融資產如應收賬款，不會就減值作單獨考核而是在其後以整體性基準進行減值考核。一組應收款項的減值之客觀性佐證可以包括本集團以往收款的經驗、組合內逾期付款次數的增加並超逾平均的信用期、能察覺的國家性或地區性經濟狀況引致應收款項無法收回。

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3. Significant accounting policies *(Continued)*

Impairment of financial assets *(Continued)*

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

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3. Significant accounting policies (Continued)

Impairment of financial assets (Continued)

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 losses 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.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

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

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

3. 主要會計政策(續)

金融資產之減值(續)

就按攤銷成本列賬之金融資產而言，倘若於後期減值虧損之金額減少及該減少能客觀地與確認減值後發生的事項相關，則以前已確認之減值虧損可於損益表內撥回，惟減值撥回當日之資產賬面值不得超過如無確認減值時之攤銷成本。

可供出售之股本投資之減值虧損將不會於繼後期間撥回。減值虧損後的任何公平值增幅直接於股本權益確認。就可供出售債務投資而言，倘若該投資之公平值增幅能客觀地與確認減值虧損後發生的事項相關，則相關減值虧損會於其後撥回。

金融負債及股本

由集團公司發行之金融負債及股本權益工具，按所訂立之合約安排性質，及金融負債及股本權益工具之定義而分類。

股本權益工具為帶有集團資產剩餘權益(經扣除其所有負債後)之任何合約。本集團之金融負債一般分類為於損益表按公平值處理之金融負債及其他金融負債。

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3. Significant accounting policies (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

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3. Significant accounting policies (Continued)

Financial liabilities and equity (Continued)

Effective interest method (Continued)

Convertible note at fair value through profit or loss (Continued)

The convertible note with embedded derivatives whose economic risks and characteristics are not closely related to those of the host contract (the liability component) as a whole is designated as financial liabilities at fair value through profit or loss on initial recognition.

Transaction costs that are directly attributable to the issue of the convertible notes designated as financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

At each balance sheet date subsequent to initial recognition, the entire convertible note with embedded derivatives 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 borrowings, bank overdrafts, trade payables and other payables, amount due to holding company of a shareholder, loan from a shareholder, amounts due to subsidiaries and amounts due to associates 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.

3. 主要會計政策(續)

金融負債及股本(續)

實際利率法(續)

於損益表按公平值處理的可換股票據(續)

內含衍生工具之可換股票據其經濟風險及特色整體上與其從屬合約的(負債部份)整體上並無密切關連者,於初步確認時界定為於損益表按公平值處理的金融負債。

發行可換股票據直接應佔之交易成本指定為於損益表按公平值處理的金融負債,乃即時於損益表內確認。

於初步確認後每一結算日,內含衍生工具之全部可換股票據均以公平值計量,公平值變動直接於其產生期間之損益表內確認。

其他金融負債

其他金融負債(包括借款、銀行透支、應付賬款、應計費用、租務按金及其他應付款項、應付一名股東之控股公司款、應付一名股東之貸款、應付附屬公司款及應付聯營公司款),於其後採用實際利率法按攤銷成本計量。

股本工具

由本公司發行之股本工具乃按已收取所得款項減直接發行費用記錄。

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3. Significant accounting policies (Continued)

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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Borrowing costs

All borrowing costs are recognised as and include in finance costs in the consolidated income statement in the period in which they are incurred.

3. 主要會計政策(續)

終止確認

若從資產收取現金流量之權利已屆滿，或金融資產已轉讓及本集團已轉讓其金融資產擁有權之絕大部分風險及回報，則金融資產將被終止確認。於終止確認金融資產時，資產賬面值與已收及應收代價及已直接於股本權益被確認之累計損益的總差額，將於損益表內確認。

若於相關合約之特定責任獲解除、取消或屆滿時，金融負債將被終止確認。終止確認之金融負債賬面值與已付及應付代價的差額，乃於損益表內確認。

存貨

存貨按成本與可變現淨值之較低者入賬。成本採用加權平均法計算。

借貸費用

所有借貸成本於產生期間在綜合收益表內確認為財務費用。

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3. Significant accounting policies (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, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the assets 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

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For the year ended 31 December 2008

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3. Significant accounting policies (Continued)

Taxation (Continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases 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 goodwill or from the initial recognition (other than in a business combination) 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 investment in subsidiaries, associates and a jointly controlled entity, 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 profit will be available to allow all or part of the asset to be recovered.

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 the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3. 主要會計政策(續)

稅項(續)

遞延稅項乃就綜合財務報表內資產及負債的賬面值與計算應課稅溢利所採用的相應稅基之差額，以資產負債表負債法計算，預期應付或可收回的稅項。遞延稅項負債一般就所有應課稅暫時差異確認，遞延稅項資產則於可扣減暫時差異有可能用以抵銷應課稅溢利時確認。如暫時差異由商譽或由初次確認一項不影響應課稅溢利或會計溢利之交易之其他資產及負債(業務合併除外)所產生，相關資產及負債不予確認。

遞延稅項負債須就投資於附屬公司、聯營公司及一間共同控制公司所產生的應課稅暫時差異予以確認，除非本集團可控制暫時差異的回撥時間，而此暫時差異在可預見的將來很可能不會回撥。

遞延稅項資產的賬面值於各結算日進行檢討，並於沒可能會有足夠應課稅溢利恢復全部或部份資產價值時作出調減。

遞延稅項是按預期適用於負債獲清償或資產獲變現期間之稅率計算。遞延稅項於綜合收益表內扣除或計入，除非遞延稅項關乎直接從權益扣除或計入之項目，在該情況下遞延稅項亦於權益中處理。

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3. Significant accounting policies (Continued)

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

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. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

3. 主要會計政策(續)

外幣

於編製各個別集團公司的財務報表時，以該公司功能貨幣以外貨幣(外幣)進行之交易乃按其功能貨幣(即該公司主要經營的經濟環境之貨幣)於交易日起當時之匯率記錄。於各結算日，以外幣列值的貨幣項目以結算日的匯率重新換算。按公平值列賬而以外幣為單位之非貨幣項目按釐定公平值當日適用之匯率再次換算。以外幣公平值列賬之非貨幣項目則以釐定該公平值當日的匯率重新換算。以外幣歷史成本列賬之非貨幣項目則不予重新換算。

結算貨幣項目及換算貨幣項目所產生的匯兌差額於產生期間計入損益。由於重新換算按公平值列賬之非貨幣項目所產生的匯兌差額計入產生期間的損益，惟重新換算非貨幣項目產生的相關的匯兌差額相關的收益或虧損並已直接於股本權益確認者除外，在該情況下，匯兌差額亦直接於股本權益確認。

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3. Significant accounting policies (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the 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 the foreign operation is disposed of.

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease.

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. Land use rights represent the prepaid lease payments of leasehold interests in land under operating lease arrangements which is classified as medium-term lease, except for those held to earn rentals and/or for capital appreciation purpose and classified as investment properties is carried at fair value.

3. 主要會計政策(續)

外幣(續)

就呈列綜合財務報表而言，本集團海外的業務的資產及負債均按結算日的匯率換算為本集團之呈列貨幣(即港元)，而相關的收入及開支項目則按年內平均匯率換算，除非期內匯率出現重大波幅，則在此情況下，將採用交易當日之匯率。所產生的匯兌差額(如有)均確認為股本權益的獨立部分(匯兌儲備)。該等匯兌差額於該項海外業務被出售期間之損益確認。

租賃

融資租賃指租賃條款將擁有資產的風險及回報絕大部份轉移至承租人之租賃。所有其他租賃均分類為營運租賃。

本集團作為出租人

營運租賃之租金收入乃按有關租約年期以直線基準於綜合收益表內確認。

本集團作為承租人

根據營運租賃應繳付之租金乃於有關租約年期內以直線基準於損益表內扣除。作為促使訂立營運租賃的已收及應收獎勵之利益於租約年期內以直線基準確於租金開支中扣減。土地使用權(除賺取租金及/或資本增值用途則為投資物業以公平值表示)為營運租約之預付租賃款之租賃利益及以中期租賃年期表示。

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3. Significant accounting policies (Continued)

Leasing (Continued)

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, leasehold land which title is not expected to pass to the lessee by the end of the lease term is classified as an operating lease unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire contract is classified as a finance lease. To the extent the allocation of the lease

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4. Key sources of estimation uncertainty (Continued)

Determination of fair value of structured finance securities

The Group's investment in structured finance securities represent a security with interest payments based on United States Treasury Bond and distribution from preference shares in a private company which invests in a portfolio of asset-backed securities. The fair value of the structured finance securities is determined by the directors with reference to the valuation provided by the counterparty financial institution. Details of assumptions used to determine the fair value provided by the counterparty financial institution are set out in note 24.

During the year ended 31 December 2008, the Group had gain of HK\$1,715,000 (2007: loss of HK\$10,294,000) from the change in fair value of this structured finance securities.

4. 估計不確定之主要來源(續)

釐定結構性金融證券之公平值

本集團於結構性金融證券之投資為一項附帶利息的的證券。該利息是基於美國國庫債券及於一間投資於資產抵押證券組合之私人公司之優先股的分配計算。該結構性金融證券之公平值是董事基於一間金融機構交易對手的評估計算所得。用以計算公平值之假設之詳情載列於附註24。

於截至二零零八年十二月三十一日止年度，由於該結構性金融證券之公平值變動而導致本集團錄得1,715,000港元收益(二零零七年：10,294,000港元虧損)。



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5. Financial instruments and capital disclosures

(Continued)

5. 金融工具及資本披露(續)

Categories of financial instruments

金融工具之類別

		The Group		The Company	
		本集團		本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Financial assets	金融資產				
Fair value through profit or loss	於損益表按公平值處理				
— Held-for-trading	— 持有作買賣	70,027	63,130	15,368	61,918
— Designated as fair value through profit or loss	— 指定為於損益表按公平值處理	12,216	12,046	12,216	12,046
Loans and receivables	貸款及應收款項	2,283,802	2,652,376	3,366,916	3,691,613
Available-for-sale financial assets	可供出售金融資產	435,296	167,755	65,640	2,140
Financial liabilities	金融負債				
Fair value through profit or loss	於損益表按公平值處理				
— Designated as fair value through profit or loss	— 指定為於損益表按公平處理	389,025	382,736	389,025	382,736
Amortised cost	攤銷成本	704,596	701,909	405,131	531,626

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5. Financial instruments and capital disclosures

(Continued)

Financial risk management objectives and policies

The Group's and the Company's major financial instruments include structured finance securities, available-for-sale investments, interests in distressed assets, investment in distressed asset through establishment of a special purpose vehicle, held-for-trading investments, amounts due from associates and a jointly controlled entity, amounts due from/to subsidiaries, trade receivables and other receivables, loan receivables, restricted bank balance, bank balances and cash, trade and other payables, amounts due to associates, amount due to holding company of a shareholder, loan from a shareholder, borrowings, convertible note at fair value through profit or loss. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the Group's and the Company's exposure to market risks or the manner in which it manages and measures the risk from prior year.

5. 金融工具及資本披露(續)

金融風險管理目標及政策

本集團及本公司之主要金融工具包括結構性金融證券、可供出售投資、不良資產權益、通過成立特殊目的載體投資不良資產、持作買賣投資、應收聯營公司及一間共同控制公司款應收 應付附屬公司款、應收賬款及其他應收款項、應收貸款、銀行監管賬戶結餘、銀行結餘及現金、應付賬款及其他應付款項、租務按金及其他應付款、應付聯營公司款、應付一名股東之控股公司款項、股東貸款、借貸、可換股票據及於損益表按公平值處理的可換股票據。與該等金融工具相關之風險及如何減低該等風險之政策載於下文。管理層會管理及監察該等風險，以確保及時與有效地採取適當措施。

本集團及本公司所面對的市場風險或管理及計量市場風險的方法與以往年度維持一致。

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5. Financial instruments and capital disclosures (Continued)

Market risks

Interest rate risk management

The Group's fair value interest rate risk relates primarily to its fixed-rate PRC government bond, fixed-rate amounts due from associates and a jointly controlled entity, fixed-rate loan receivables, fixed-rate borrowings and convertible note as at 31 December 2008. The Group's fair value interest rate risk related primarily to its fixed-rate amounts due from associates and a jointly controlled entity, fixed-rate borrowings, convertible note and loan from a shareholder as at 31 December 2007. The Company's fair value interest rate risk relates primarily to its amounts due from subsidiaries and a jointly controlled entity and convertible note as at 31 December 2007 and 2008.

The Group's cash flow interest rate risk primarily relates to its bank balances carried at prevailing market rate, floating-rate borrowings and other payable to minority shareholder of a subsidiary as at 31 December 2008. The Group's cash flow interest rate risk primarily related to its bank balances and restricted bank balance carried at prevailing market rate and floating-rate borrowings as at 31 December 2007. The Company's cash flow interest rate risk primarily relates to its bank balances, amounts due from subsidiaries and floating-rate borrowings as at 31 December 2008 and 2007. The Group and the Company has not used any interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated. In addition, the Group has concentration of interest rate risk on its floating rate bank balances and borrowings which expose the Group significantly towards the change in the People's Bank of China interest rate.

The Group and the Company has not used any derivative contracts to hedge its exposure to interest rate risk, however, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

5. 金融工具及資本披露(續)

市場風險

利率風險管理

本集團之公平值利率風險基本上是與於二零零八年十二月三十一日之其按中國政府債券固定利率，固定利率計息是應收聯營公司及一間共同控制公司款項、按固定利率計息的應收借貸固定利率之借貸及可換股票據。本集團利率風險公平值基本來自其於二零零七年十二月三十一日以固定利率計息的應收聯營公司款及一間共同控制公司款、固定利率借貸、可換股票據及一名股東的借款。本公司於二零零七年及二零零八年十二月三十一日的利率風險公平值基本來自應收附屬公司款及一間共同控制公司款及可換股票據。

本集團之現金流利率風險基本上是基於其當前市場利率的銀行結餘、按浮動利率計息的借貸及其他應付予於二零零七年十二月三十日附屬公司少數股東。本集團之現金流利率風險基本上是基於於二零零七年十二月三十一日按當前的市場利率計息的銀行結餘及監管戶口結餘及按浮動利率計息的借貸。本集團之現金流利率風險基本是於二零零八年及二零零七年銀行結餘。應收附屬公司款及按浮動利率計算的借貸。本集團及本公司並無運用任何利率調期合約減少其源自與利息現金流相關之波動。然而，管理層對利率風險進行監察並在預期面臨重大利率風險時考慮是否需採取其他必要的對應行動。另外，本集團已集中利率風險於其按浮動利率計息之銀其此鈞

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5. Financial instruments and capital disclosures (Continued)

Market risks (Continued)

Interest rate risk management (Continued)

The sensitivity analyses below have been determined based on the exposure to the floating-rate borrowings and other payable to minority shareholder of a subsidiary, floating-rate amounts due from subsidiaries and variable-rate bank balances at the balance sheet date and the reasonably possible change taking place at the beginning of each year and held constant throughout the year. The sensitivity rate represents the director's assessment of the reasonably possible change in interest rate. The directors adjusted the sensitivity rate from 50 basis points to 150 basis points for assessing interest rate risk on the above balances (except for bank balances) after considering the impact of the volatile financial market conditions after the third quarter of 2008. The directors continued to use 50 basis points for assessing interest rate risk on bank balances because they considered that the fluctuations on the interest rate on bank balances would be less significant. If interest rates had been 150 basis points (2007: 50 basis points) higher/lower for the above balances (except for bank balances) and 50 basis points (2007: 50 basis points) higher/lower for bank balances and all other variables were held constant, the potential effect on post-tax profit for the year is as follows:

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Increase (decrease) in post-tax profit for the year	增加(減少)年度除稅溢利	613	8,162	2,689	3,008

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

5. 金融工具及資本披露(續)

市場風險(續)

利率風險管理(續)

以下的敏感性分析乃基於按浮動利率計息的借貸及其他應付款予一間附屬公司之少數股東、按浮動利率計息的應收附屬公司款項及按變動利率計息的銀行結餘於結算日的風險以及每年年初發生的合理可能變化並且其於整個年度內維持不變的假設計算所得。敏感率代表董事對於合理地可能改變之利率而作出之評估。董事考慮到二零零八年第三季金融市場環境反覆變化的影響而調整敏感率由50基點至150基點以作評核以上結餘(銀行結餘除外)的利率風險。董事繼續以50基點作評核利率風險，因為考慮到利率於銀行結餘的波動較次要，倘若利率於上述結餘(銀行結餘除外)出現150(二零零七年：50)基點的上升/下降並且假設於銀行結餘的其他一切不變對年內溢利的潛在影響如下：

董事意見認為敏感度分析並無對固有的利率風險有代表性，因年末顯示並不反映年內所顯示。

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5. Financial instruments and capital disclosures (Continued)

Market risks (Continued)

Foreign currency risk management

The directors considered that the Group's and the Company's exposure to foreign currency risk is significant primarily arisen from the amounts due from subsidiaries of HK\$1,980,307,000 (2007: HK\$1,752,906,000) which were not denominated in the functional currency of the Company.

Other than the amounts due from subsidiaries, the directors considered that the Group's exposure to foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity.

As at the balance sheet date, the major financial assets and liabilities of the Group denominated in currencies other than the functional currency of the respective group entities are amount due from a jointly controlled entity, bank balances and cash and convertible note. The major financial assets and liabilities of the Company denominated in currencies other than the Company's functional currency are amounts due from subsidiaries, a jointly controlled entity, bank balances and cash and convertible note. The equivalent amount of Hong Kong dollars are set out below:

5. 金融工具及資本披露(續)

市場風險(續)

外幣風險管理

董事認為本集團及本公司所面臨之本公司外幣匯率風險是重大的，主要是由應收附屬公司款(以非功能貨幣為主要單位)1,980,307,000港元(二零零七年：1,752,906,000港元)引致的。

除應收附屬公司款外，董事認為本集團所面臨的外幣匯率風險並不顯著，因本集團的主要交易是以各獨立集團公司的功能貨幣為交易單位。

於結算日，以集團公司功能貨幣以外貨幣為計價單位的本集團主要金融資產及金融負債為應收共同控制公司款、銀行結餘及現金以及可換股票據。以本公司的功能貨幣以外貨幣列值的本公司主要金融資產及負債為應收附屬公司款、一間共同控制公司、銀行結餘及現金及可換股票據。其等值之港元數額列載如下：

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5. Financial instruments and capital disclosures

(Continued)

Market risks (Continued)

Foreign currency risk management (Continued)

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Amounts due from subsidiaries	應收附屬公司款項				
— Renminbi (“RMB”)	— 人民幣	—	—	1,980,307	1,752,906
Amount due in Renminbi (“RMB”)	—				

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For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

5. Financial instruments and capital disclosures (Continued)

Market risks (Continued)

Foreign currency risk management (Continued)

The directors considered that, as Hong Kong dollars is pegged to United States dollars, the Group is not subject to significant foreign currency risk from change in foreign exchange rate of Hong Kong dollars against United States dollars and hence only consider the sensitivity of the change in foreign exchange rate of Hong Kong dollars against currencies other than United States dollars. The sensitivity analysis for relevant subsidiaries with functional currencies not denominated in Hong Kong dollars but having bank balances deposited in Hong Kong Dollars are also excluded as the amount is insignificant. 10% (2007: 5%) sensitivity rate represents the directors' assessment of the reasonably possible change in foreign exchange rate. As a result of the volatile financial market in 2008, the directors adjusted the sensitivity rate from 5% to 10% for the purpose of assessing foreign currency risk. The sensitivity analysis below demonstrated the effect of the foreign exchange differences by 10% (2007: 5%) change in exchange rate of Hong Kong dollars against the relevant foreign currencies other than United States dollars, assuming all other variables were held constant. A positive number below indicates an increase in post-tax profit where Hong Kong dollars weaken 10% (2007: 5%) against the relevant foreign currencies other than United States dollars. For a 10% (2007: 5%) strengthening of Hong Kong dollars, there would be an equal and opposite impact on the post-tax profit for the year.

5. 金融工具及資本披露(續)

市場風險(續)

外幣風險管理(續)

董事認為由於港元與美元掛鈎，就港元兌美元的匯率變動而言，本集團並無面臨重大的外幣兌換風險，因此只就港元兌除美元外的其他外幣的匯率變動進行敏感性分析。對於有關附屬公司並非以港元作功能貨幣但有港元銀行結餘的敏感度分析亦不除外，因有關數值並不重要。10%(二零零七年：5%)敏感率為董事判斷為外幣兌換率可能出現的合理變動。由於二零零八年金融市場波動，董事調節敏感率由5%至10%以達至評估外幣風險目的。下述的敏感度分析揭示外幣對港元匯率改變10%，假設其他可變因素維持不變，對匯兌收益可引致之影響。以下之正數表示當港幣相對其他貨幣(除美元外)弱10%時稅後利潤之增加。當港幣相對強10%，會引致對本年除稅利潤有相同及反方向的影響。

	The Group 本集團		The Company 本公司	
	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit or loss 溢利或虧損	199,978	105,110	199,767	104,969

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截至二零零八年十二月三十一日止年度

5. Financial instruments and capital disclosures

(Continued)

Market risks *(Continued)*

Foreign currency risk management *(Continued)*

In the directors' 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.

Price risk management

Equity securities

The Group is exposed to equity securities price risk through its available-for-sale equity investments and held-for-trading investments. For convertible note at fair value through profit or loss, in addition to fair value interest rate risk, the Group is also exposed to security price risk in respect of the conversion option embedded in the convertible note which allows the

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5. Financial instruments and capital disclosures

(Continued)

Market risks *(Continued)*

Price risk management *(Continued)*

Equity securities (Continued)

The sensitivity analysis below has been determined based on the exposure to equity price risks at

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5. Financial instruments and capital disclosures

(Continued)

Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalent to fulfill the normal liquidity needs and to keep banking facilities available to the Group to prevent temporary liquidity shortfall. The directors monitor the utilisation of borrowings and ensure compliance with loan covenants.

Liquidity tables

The following tables detail the Group's and the Company's remaining contractual maturity for its 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 and the Company can be required to pay. The table includes both interest and principal cash flows.

5. 金融工具及資本披露(續)

流動資金風險

為管理流動資金風險，本集團監察並維持一定水平的現金及現金等值結餘以滿足正常的資金需求及維持授予本集團的銀行授信額度以防止臨時性的資金短缺。董事監察貸款的使用情況並保障遵守貸款條款。

流動資金列表

下述列表詳列本集團及本公司金融負債之剩餘合同到期日。該列表是基於金融負債之不折現現金流及基於本集團及本公司可被要求於最早日期還款的日期製作。列表包括利息及本金的現金流。

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5. Financial instruments and capital disclosures

(Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

The Group

5. 金融工具及資本披露(續)

流動資金風險(續)

流動資金列表(續)

本集團

		Less than 6 months 少於六個月 HK\$'000 千港元	6 months to 1 year 六個月至一年 HK\$'000 千港元	1-2 years 一至兩年 HK\$'000 千港元	2-5 years 二至五年 HK\$'000 千港元	More than 5 years 超過五年 HK\$'000 千港元	Total contractual undiscounted cashflow 按合約未折現之 現金流總額 HK\$'000 千港元	Carrying value 賬面值 HK\$'000 千港元
As at 31 December 2008	於二零零八年十二月 三十一日							
Trade payables	應付賬款	113,833	—	—	—	—	113,833	113,833
Other payables	其他應付款	192,164	—	—	—	—	192,164	192,164
Amount due to an associate	應付一間聯營公司款	13,500	—	—	—	—	13,500	13,500
Borrowings	借貸	36,049	318,356	28,088	11,337	13,430	407,260	385,099
Convertible note (note)	可換股票據(附註)	389,025	—	—	—	—	389,025	389,025
		744,571	318,356	28,088	11,337	13,430	1,115,782	1,093,621
As at 31 December 2007	於二零零七年十二月 三十一日							
Trade payables	應付賬款	76,725	—	—	—	—	76,725	76,725
Other payables	其他應付款	130,999	—	—	—	—	130,999	128,628
Amounts due to associates	應付聯營公司款	162,002	—	—	—	—	162,002	162,002
Amount due to holding company of a shareholder	應付一名股東之控股 公司款項	96,676	—	—	—	—	96,676	96,676
Borrowings	借貸	26,144	217,031	1,397	4,006	—	248,578	237,878
Convertible note (note)	可換股票據(附註)	3,071	3,071	415,643	—	—	421,785	382,736
		495,617	220,102	417,040	4,006	—	1,136,765	1,084,645

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5. Financial instruments and capital disclosures

(Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

The Company

		Less than 6 months 少於六個月 HK\$'000 千港元	6 months to 1 year 六個月至一年 HK\$'000 千港元	1-2 years 一至兩年 HK\$'000 千港元	2-5 years 二至五年 HK\$'000 千港元	Total undiscounted cashflow 未折現之現 金流總額 HK\$'000 千港元	Carrying value 賬面值 HK\$'000 千港元
As at 31 December 2008	於二零零八年十二月三十一日						
Other payables	其他應付款	1,208	—	—	—	1,208	1,208
Amounts due to an associate	應付聯營公司款	13,500	—	—	—	13,500	13,500
Amounts due to subsidiaries	應付附屬公司款	385,823	—	—	—	385,823	385,823
Borrowings	借貸	699	699	1,335	2,547	5,280	4,600
Convertible note							

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5. Financial instruments and capital disclosures

(Continued)

Credit risk

The Group's and Company's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at the balance sheet date in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet and Company's balance sheet respectively. The Group has significant concentration of credit risk in respect to other receivables, especially for amount due from buyer of the disposed subsidiaries of HK\$165,620,000 (2007: HK\$165,620,000), amounts due from two associates of HK\$982,626,000 (2007: HK\$781,802,000), amount due from a jointly controlled entity of HK\$63,074,000 (2007: HK\$122,630,000), loan receivables from an independent third party of total HK\$79,790,000 (2007: nil) and the cash collected from distressed asset but not yet distributed (as detailed in note 30) of HK\$144,299,000 (2007: HK\$27,327,000). The Company has concentration of credit risk with respect to its amounts due from subsidiaries of HK\$3,096,753,000 (2007: HK\$2,958,547,000) which are mainly due from ten subsidiaries. In order to minimise the credit risk, the Group and the Company review the recoverable amount of each individual trade debt and each major counterparty noted in other receivables, associates and jointly controlled entity loan receivables and the cash collected from distressed asset but not yet distributed throughout the year to ensure that adequate impairment losses are made for irrecoverable amounts as at the balance sheet date. In this regard, the Group and the Company consider that the Group's and the Company's credit risk are significantly reduced.

5. 金融工具及資本披露(續)

信貸風險

於結算日，就交易對手未能履行其責任而導致本集團及本公司已確認的各種金融資產需要面對之最大信貸風險，為該等資產分別於綜合資產負債表及本公司之資產負債表列載之賬面值。就其他應收款項而言，本集團面臨重大的信貸過度集中風險，尤其是應收該出售附屬公司買家的款項165,620,000港元(二零零七年：165,620,000港元)、應收二間聯營公司款982,626,000港元(二零零七年：781,802,000港元)、應收共同控制公司款63,074,000港元(二零零七年：122,630,000港元)。由應收一位獨立第三方的貸款總數79,790,000港元(二零零七年：無)及不良資產現金收回但未予分配(見附註30)的144,299,000港元(二零零七年：27,327,000港元)。本公司有集中信貸風險於應收附屬公司款為3,096,753,000港元(二零零七年：2,958,547,000港元)當中主要為應收附屬公司款。為達至減低信貸風險，本集團及本公司檢測各獨立的應收賬項、各聯營公司及共同控制公司，應收貸款及未予分配的不良資產現金回收於結算日的可回收金額以確保已就不可回收金額提撥足夠的減值虧損。故此，本集團及本公司認為，本集團及本公司之信貸風險已大幅減少。

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5. Financial instruments and capital disclosures (Continued)

Credit risk (Continued)

The Group has a concentration of credit risk on liquid funds deposited with a few major banks, the credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has exposure to credit risk in respect to its investment in distressed assets through establishment of a special purpose vehicle. The underlying assets of the distressed assets are debts that are either already in default, under bankruptcy protection, or in distress and heading toward such a condition. The collectivity of these debts might affect the amount recoverable from the investment in distressed assets through establishment of a special purpose vehicle.

Fair value

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

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices;
- the fair value of structured finance securities is determined with reference to the valuation provided by the counterparty financial institution. Major assumptions are stated in note 24;
- 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 from observable current market transactions; and

5. 金融工具及資本披露(續)

信貸風險(續)

本集團因資金存放於幾間主要銀行而存在信貸風險過度集中，然而流動資金之信貸風險僅為有限，因為交易對手均為擁有由國際評級機構評定的高信貸評級的銀行。

本集團於通過成立特殊目的載體投資存在信貸風險。不良資產的相關資產為於破產保障下，或在不良處理情況下之不履行的債務。這些債務的收回進度將影響通過成立特殊目的載體投資的可收回金額。

公平價值

金融資產及金融負債之公平值的計量如下：

- 擁有標準條款及條件並且於一活躍及流動性強的市場買賣之金融資產之公平值是參考市場報價而釐定；
- 結構性金融證券的公平值取決於金融機構交易對手的評估。主要假設於附註24列示；
- 其他金融資產及金融負債(不包括衍生工具)是根據通行的計價模型以當時公開的市場交易之價格資料計算的折現現金流分析之而釐定；及

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5. Financial instruments and capital disclosures

(Continued)

Fair value (Continued)

- the fair value of option-based derivative instruments (as included in convertible note), is estimated using option pricing model (the binomial model).

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

6. Revenue and Segment Information

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Revenue is analysed as follows:		
Sales of properties	—	
	收入分析如下：	
	物業銷售	

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6. Revenue and segment information (Continued)

(A) Business segments (Continued)

	Year ended 31 December 2007 截至二零零七年十二月三十一日止				
	Distressed assets business 不良資產業務	Investments 投資	Sales of properties 物業銷售	Property leasing 物業租賃	Property management 物業管理 Production and trading of

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

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

6. Revenue and segment information (Continued)

(A) Business segments (Continued)

(iii) An analysis of the Group's consolidated balance sheet by principal activities is as follows:

		Distressed assets business	Investments	Sales of properties	Property leasing	Property management	Production and trading of petrochemical products	Others	Consolidated
		不良資產業務	投資	物業銷售	物業租賃	物業管理	石油化工產品 生產及銷售	其他	綜合
		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
As at 31 December 2008	於二零零八年十二月三十一日								
Assets	資產								
Segment assets	分類資產	151,861	597,374	659	2,212,483	34,873	380,978	—	3,378,228
Interest in associates	聯營公司權益								783,991
Interest in jointly controlled entities	共同控制公司權益	12,973	—	—	—	—	—	53,744	66,717
Amount due from associates	應收聯營公司款								982,626
Amount due from a jointly controlled entity	應收一間共同控制公司款	63,074	—	—	—	—	—	—	63,074
Unallocated corporate assets	未予分配公司資產								1,135,506
Consolidated total assets	綜合資產總值								6,410,142
Liabilities	負債								
Segment liabilities	分類負債	—	(10,927)	(694)	(104)				

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6. Revenue and segment information (Continued)

6. 收入及分類資料(續)

(B) Geographical segments

(B) 地域分類

- (i) An analysis of the Group's revenue by geographical location of customers is as follows:

- (i) 本集團收入按照客戶的地域位置劃分的分析如下：

		Revenue 收入	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Hong Kong	香港	1,508	306
The PRC	中國	286,778	439,434
		288,286	439,740

- (ii) An analysis of the carrying amount of segment assets analysed by geographical location in which the assets are located is as follows:

- (ii) 按資產所在的地域位置劃分的分類資產賬面值分析如下：

		Segment assets 分類資產		Capital additions 資本添置	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Hong Kong	香港	133,240	242,977	51,756	681
The PRC	中國	3,244,988	2,560,687	12,222	8,020
		3,378,228	2,803,664	63,978	8,701

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7. Other income, gains and losses

7. 其他收入, 收益及虧損

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interest income	利息收入		
— bank deposits	— 銀行存款	9,951	10,788
— structured finance securities	— 結構性金融證券	1,320	2,158
— jointly controlled entity	— 共同控制公司	2,717	7,489
— associates	— 聯營公司	90,708	76,732
— loan receivables	— 應收貸款	7,567	—
— others	— 其他	887	2,086
Commission income	佣金收入	4,368	2,467
Net foreign exchange gain	匯兌收益淨額	75,962	147,380
Net (loss) gain on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損) 收益淨額	(163)	70
Others	其他	2,228	332
		195,545	249,502

8. Finance costs

8. 財務費用

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interest on bank borrowings	銀行借貸利息		
— wholly repayable within five years	— 須於五年內悉數償還	15,246	18,968
— not wholly repayable within five years	— 無須於五年內悉數償還	348	—
Interest on other loans wholly repayable within five years	須於五年內悉數償還的其他貸款 利息	3,698	10,008
Interest on loan from a shareholder wholly repayable within five years	須於五年內悉數償還一名股東的 貸款利息	—	3,906
Interest on convertible note classified as liabilities at fair value through profit or loss	於損益表按公平值處理歸類為 負債之可換股票據利息	6,228	6,239
		25,520	39,121

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9. Directors' remuneration

The emoluments paid or payable to each of the directors were as follows:

9. 董事酬金

已付或須付予各董事的酬金如下：

Name of director	董事姓名	2008 二零零八年				Total 總額	2007 二零零七年 Total 總額
		Fees 袍金	Salaries and other benefits 薪金及其他福利	MPF contribution 強積金 供款	Performance bonus (note iv) 表現花紅 (附註 iv)		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Chen Xiaozhou	陳孝周	500	—	—	—	500	500
Hui Xiao Bing	惠小兵	500	—	—	—	500	500
Gao Jian Min	高建民	500	2,579 (note iii) (附註 iii)	12	900	3,991	3,978
Liu Tianni	劉天倪	400	—	—	—	400	400
Gu Jianguo	顧建國	400	—	—	—	400	400
Chen Yongcun (note i)	陳永存(附註 i)	—	—	—	—	—	400
Yuen Wing Shing	袁永誠	300	—	—	—	300	300
Chow Kwok Wai	周國偉	400	1,091	12	900	2,403	2,442
Kang Dian	康典	400	—	—	—	400	400
Zhang Lu	張璐	400	—	—	—	400	400
Hung Muk Ming	洪木明	300	—	—	—	300	300
Tang Baoqi (note ii)	唐保祺(附註 ii)	400	—	—	—	400	—
Total	總額	4,500	3,670	24	1,800	9,994	10,020

Notes:

- (i) Mr. Chen Yongcun resigned as director of the Company on 27 February 2008.
- (ii) Mr. Tang Baoqi was appointed as director of the Company on 14 March 2008.
- (iii) The amount includes the estimated value of quarter provided amounting to approximately HK\$891,000 (2007: HK\$779,000).
- (iv) The performance related incentive payments are determined having regard to the performance of individuals and market trends.

附註：

- (i) 陳永存先生於二零零八年二月二十七日辭任本公司董事。
- (ii) 唐保祺先生於二零零八年三月十四日獲委任為本公司董事。
- (iii) 金額包括提供宿舍的估計價值約891,000港元(二零零七年：779,000港元)。
- (iv) 按表現發放之花紅乃經參考個人表現及市場趨勢後釐定。

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11. Taxation

11. 稅項

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Taxation charge (credit) comprises:	稅項支出(收入)包括:		
Hong Kong Profits Tax	香港利得稅		
— overprovision in prior year	— 以前年度多提準備	—	(20)
PRC Enterprise Income Tax	中國企業所得稅	12,177	134,028
		12,177	134,008
Deferred taxation (note 43)	遞延稅項(附註43)		
— current year	— 本年度	(7,073)	(137,439)
— attributable to change in tax rate	— 因稅率變動引致	86	(31,628)
		(6,987)	(169,067)
Taxation charge (credit) attributable to the Company and its subsidiaries	本公司及附屬公司所屬稅項支出(收入)	5,190	(35,059)

On 26 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%) on the assessable profits for the year. The deferred tax balance has been adjusted to reflect the tax rate that is expected to apply to the respective periods when the asset is realised or the liability is settled. No tax was payable for the year, as tax losses were incurred for the subsidiaries with operations in Hong Kong. For the year ended 31 December 2007, the charge for the year to Hong Kong Profits Tax has been relieved by approximately HK\$103,000 as a result of tax losses brought forward from previous years.

於二零零八年六月二十六日，香港立法會通過2008財政預算案，將由2008/2009課稅年度開始之公司利得稅稅率由17.5%下調至16.5%。因此，本年度之香港利得稅乃以年內應課稅盈利按16.5%計提(二零零七年：17.5%)。遞延稅項結餘已調整以反映當資產變賣或負債已清還時於當期時之可適用之稅率。年內並無提撥任何稅項支出，原因是於香港營運之附屬公司錄得稅務虧損。截至二零零七年十二月三十一日止年度，年內香港利得稅的稅項支出已就以往年度滾存的稅務虧損獲寬減103,000港元。

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11. Taxation (Continued)

The taxation charge of the PRC Enterprise Income Tax for the year has been made based on the Group's estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the subsidiaries in the PRC.

On 16 March 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% for certain subsidiaries from 1 January 2008. The deferred tax balance has been 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.

11. 稅項(續)

年內之中國企業所得稅乃本集團於中國之附屬公司以估計的應課稅溢利按適用的所得稅法例計算所得之稅項支出。

於二零零七年三月十六日，中國政府推行中華人民共和國企業所得稅稅法(「新稅法」)第63號。於二零零七年十二月六日，中國國務院發出新稅法的執行法規。新稅法及執行法規改變了若干附屬公司適用的稅率，由33%減少至25%，二零零八年一月一日起生效。遞延稅項結餘因此作出調整以反映預期將相關期間變現資產或支付負債適用的稅率。

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11. Taxation (Continued)

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

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit before taxation	除稅前溢利	86,942	288,772
Taxation at the PRC Enterprise Income Tax rate of 25% (2007: the Hong Kong Profits Tax rate of 17.5%) (note i)	按中國企業所得稅稅率25% (二零零七年：香港利得稅稅率17.5%)計算之稅項 (附註i)	21,736	50,535
Tax effect of expenses not deductible for tax purpose	就稅務用途不得扣減開支的稅務影響	11,033	14,324
Tax effect of income not taxable for tax purpose	就稅務用途無須課稅收入的稅務影響	(21,509)	(62,295)
Tax effect of share of 11.3(e ye.2268 36430c03d72.28.)-11.3(e t)16535			

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14. Dividend

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Dividend recognised as distribution during the year:	年內確認分派的股息：		
Final dividend of 2007, paid – HK\$0.08 (2006: HK\$0.07) per share	二零零七年之已付末期股息每股 0.08港元(二零零六年:0.07港元)	145,657	127,450

The final dividend of HK\$0.09 (2007: HK\$0.08)

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15. Investment properties (Continued)

At 31 December 2008, the legal titles of the Group's and the Company's investment properties at carrying value of approximately HK\$16,798,000 (2007: HK\$16,745,000) situated in the PRC have not been passed to the Group.

At the balance sheet date, the carrying value of the investment properties comprises:

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Held under long term leases/land use rights:	以長期租約 土地使用權方式持有:				
– situated in the PRC	– 位於中國	70,353	73,108	—	—
Held under medium term leases/land use rights:	以中期租約 土地使用權方式持有:				
– situated in the PRC	– 位於中國	2,117,909	2,053,108	16,798	16,745
		2,188,262	2,126,216	16,798	16,745

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15. Investment properties (Continued)

The fair value of the investment properties of the Group and the Company at 31 December 2007 and 31 December 2008 have been arrived at on the basis of a valuation carried out on that date by Vigers Appraisal & Consulting Limited ("Vigers"), an independent qualified professional valuer not connected with the Group. Vigers are members of the Institute of Valuers and have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation of the Group's and the Company's investment properties was arrived at using direct comparison method by reference to sales evidence as available on the market where appropriate.

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

15. 投資物業(續)

本集團及本公司的投資物業於二零零七年及二零零八年十二月三十一日之公平值乃基於威格斯資產評估顧問有限公司(「威格斯」)為一間與本集團並無關連的獨立合資格專業估值師就該日的價值進行評估所得。威格斯是估值師學會成員，並擁有適當資格及於近期對相關地點之類似物業進行估值的經驗。本集團及本公司之投資物業賬面值之評估乃使用直接比較法經參照於合適的市場可取得的買賣證據而釐定。

所有本集團及本公司以營運租約方式持有作收租或資本增值用途的物業權益均以公平值模式計量，並分類及列賬為投資物業。

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16. Property, plant and equipment

Leasehold land and buildings 租賃土地 及樓宇	Leasehold improvements 租賃物業裝修	Furniture and fixtures 傢俬及設備	Office equipment 辦公室設備
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16. Property, plant and equipment (Continued)

16. 物業、廠房及設備(續)

		Leasehold land and buildings 租賃土地 及樓宇 HK\$ '000 千港元	Leasehold improvements 租賃物業裝修 HK\$ '000 千港元	Furniture and fixtures 傢俬及設備 HK\$ '000 千港元	Office equipment 辦公室設備 HK\$ '000 千港元	Motor vehicles 汽車 HK\$ '000 千港元	Total 合計 HK\$ '000 千港元
The Company	本公司						
COST OR VALUATION	成本值或估值						
At 1 January 2007	於二零零七年一月一日	54,944	3,988	2,121	751	2,502	64,306
Additions	添置	—	—	—	160	521	681
Revaluation	重估	12,339	—	—	—	—	12,339
At 31 December 2007	於二零零七年十二月 三十一日	67,283	3,988	2,121	911	3,023	77,326
Additions	添置	—	—	—	12	—	12
Revaluation	重估	(3,225)	—	—	—	—	(3,225)
At 31 December 2008	於二零零八年十二月 三十一日	64,058	3,988	2,121	923	3,023	74,113
Comprising:	包括:						
At cost	按成本值	—	3,988	2,121	923	3,023	10,055
At professional valuation — 2008	按二零零八年之專業 估值	64,058	—	—	—	—	64,058
		64,058	3,988	2,121	923	3,023	74,113
DEPRECIATION	折舊						
At 1 January 2007	於二零零七年一月一日	—	3,231	2,121	600	1,164	7,116
Provided for the year	年度準備	1,890	454	—	64	209	2,617
Eliminated on revaluation	重估時撇銷	(1,890)	—	—	—	—	(1,890)
At 31 December 2007	於二零零七年十二月 三十一日	—	3,685	2,121	664	1,373	7,843
Provided for the year	年度準備	2,310	303	—	81	212	2,906
Eliminated on revaluation	重估時撇銷	(2,310)	—	—	—	—	(2,310)
At 31 December 2008	於二零零八年十二月 三十一日	—	3,988	2,121	745	1,585	8,439
CARRYING VALUES	賬面值						
At 31 December 2008	於二零零八年十二月 三十一日	64,058	—	—	178	1,438	65,674
At 31 December 2007	於二零零七年十二月 三十一日	67,283	303	—	247	1,650	69,483

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16. Property, plant and equipment (Continued)

At 31 December 2008, the legal titles of the Group's and the Company's properties with carrying value of approximately HK\$38,284,000 (2007: HK\$23,683,000) and approximately HK\$23,758,000 (2007: HK\$23,683,000) situated in the PRC have not been passed to the Group and the Company respectively.

The carrying value of the leasehold properties comprises:

16. 物業、廠房及設備(續)

於二零零八年十二月三十一日，本集團及本公司位於中國賬面值分別約為38,284,000港元(二零零七年：23,683,000港元)及約為23,758,000港元(二零零七年：23,683,000港元)的物業之業權仍未過戶至本集團及本公

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Long term leasehold properties situated in Hong Kong	在香港的長期租賃物業	141,250	106,400	40,300	43,600
Properties under medium term land use rights situated in the PRC	在中國以中期土地使用權持有的物業	48,806	34,400	23,758	23,683
		190,056	140,800	64,058	67,283



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16. Property, plant and equipment *(Continued)*

If leasehold properties had not been revalued, they

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18. Goodwill

		The Group 本集團 HK\$'000 千港元
<hr/>		
COST	成本	
At 1 January 2007 and 31 December 2007	於二零零七年一月一日及 二零零七年十二月三十一日	33,525
Acquisition of subsidiaries (note 49)	收購附屬公司(附註 49)	4,391
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At 31 December 2008	於二零零八年十二月三十一日	37,916
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IMPAIRMENT	減值	
At 1 January 2007	於二零零七年一月一日	—
Impairment loss recognised in the year 2007	二零零七年內確認減值虧損	26,524
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At 31 December 2007 and 2008	於二零零七年及二零零八年十二月三十一日	26,524
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CARRYING VALUE	賬面值	
At 31 December 2008	於二零零八年十二月三十一日	11,392
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At 31 December 2007	於二零零七年十二月三十一日	7,001
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The directors of the Company considered that the subsidiaries acquired represents a separate cash generating unit ("CGU") for the purpose of goodwill

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18. Goodwill (Continued)

The basis of the recoverable amounts of the above Unit A and Unit B and the major underlying assumptions are summarised below:

Unit A

The recoverable amount of Unit A has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period based on estimated growth rate of 3% (2007: 3%) with a discount rate of 5% (2007: 5.75%). Cash flows for further five years are extrapolated at zero growth rate. Another key assumption for the value in use calculations is the budgeted revenue and gross margin, which is determined based on the unit's past performance and management's expectations for the market development. During the year ended 31 December 2007, the management expected that the property

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19. Interest in subsidiaries/amounts due from subsidiaries

19. 附屬公司權益 應收附屬公司款

Interest in Subsidiaries

附屬公司權益

		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份, 按成本值	169,713	56,011
Amounts due from subsidiaries (note)	應收附屬公司款(附註)	796,217	—
		965,930	56,011

Particulars of the Company's subsidiaries at 31 December 2008 are set out in note 60(a).

本公司的附屬公司於二零零八年十二月三十一日之詳情載列於附註60(a)。

Note: The principal amount of the amounts due from subsidiaries is approximately HK\$825,095,000 (2007: nil), which are unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of directors, the amount will not be repaid in the next 12 months from the balance sheet date and is discounted using an effective interest rate of 3.5% per annum.

附註：應收附屬公司款的本金金額中約825,095,000港元(二零零七年：無)為無抵押、免息及沒有固定還款期。董事意見認為該金額於結算日後的十二個月並不會歸還及按實際年利率3.5%貼現。

Amounts Due from Subsidiaries

應收附屬公司款

		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Non-interest bearing amount	毋須計息金額	339,043	2,786,246
Amount bearing interest at prevailing Hong Kong prime lending rate minus 1.5%	按香港當前最優惠利率減1.5%計息金額	64,874	128,374
Amount bearing interest at prevailing Hong Kong prime lending rate	按香港當前最優惠利率計息金額	25,633	43,927
Amount bearing fixed interest at 3.8% per annum	按固定年利率3.8%計息金額	1,870,986	—
		2,300,536	2,958,547

The amounts are unsecured and expected to realise in the next 12 months from the balance sheet date.

金額為無抵押及預期於結算日後十二個月歸還。

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20. Interest in associates

20. 聯營公司權益

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cost of investments in associates – unlisted	聯營公司投資 成本值 — 非上市	632,246	606,654	20,000	20,000
Share of post acquisition profits, reserves and net of dividend received	攤佔收購後盈利、儲備 及扣除已收股息	151,745	504,126	—	—
		783,991	1,110,780	20,000	20,000

Particulars of the significant associates of the Group and the Company as at 31 December 2008 are set out in note 60(b).

本公司的主要聯營公司於二零零八年十二月三十一日之詳情載列於附註60(b)。

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20. Interest in associates (Continued)

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

		CII Limited		信達建潤房地產有限公司		北京君合百年房地產開發有限公司		貴州同濟堂新天投資 管理有限公司 (note) (附註)	
		中基建設投資有限公司							
		2008	2007	2008	2007	2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
		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	
Consolidated balance sheet	綜合資產負債表								
Non-current assets	非流動資產	502,980	794,681	115,755	—	700	1,073	—	104,278
Current assets	流動資產	849,398	1,342,420	333,810	—	1,114,884	928,433	93804	†*

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21. Interest in jointly controlled entities

21. 共同控制公司權益

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cost of investments in jointly controlled entities – unlisted	於共同控制公司投資成本 — 非上市	81,874	23,729	26,318	26,318
Share of post-acquisition loss and reserves	攤佔收購後虧損及儲備	(15,157)	(10,142)	—	—
Impairment loss recognised	已確認減值虧損	—	—	(13,345)	(12,731)
		66,717	13,587	12,973	13,587

Particulars of the jointly controlled entities as at 31 December 2008 are set out in note 60(c).

共同控制公司於二零零八年十二月三十一日之詳情載列於附註60(c)。

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22. Amounts due from associates

22. 應收聯營公司款

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Current (note i)	即期(附註 i)	742,537	694,802	—	—
Current (note ii)	即期(附註 ii)	240,089	87,000	—	87,000
		982,626	781,802	—	87,000

Notes:

- (i) The amount is unsecured, bears fixed interest at 12.5% (2007: ranging from 7.2% to 15.58%) per annum and is expected to realise in the next 12 months from the balance sheet date.
- (ii) The amount is unsecured, interest-free and is expected to realise in the next 12 months from the balance sheet date.

附註：

- (i) 該金額為無抵押、以12.5%(二零零七年：介乎7.2%至15.58%)固定年利率計息及預期於結算日後十二個月會償還。
- (ii) 該金額為無抵押、免息及預期於結算日後十二個月會償還。

23. Amount due from a jointly controlled entity

23. 應收一間共同控制公司款

The Group and the Company

本集團及本公司

The amount is unsecured, bears interest at 4% (2007: 4%) per annum and is expected to realise in the next 12 months from the balance sheet date.

該金額為無抵押、以4%(二零零七年：4%)年利率計息及預期於結算日後十二個月會償還。

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24. Structured finance securities

The Group and the Company

The structured finance securities represent a security with interest payments based on United States Treasury bond and distribution from preference shares in a private company which invests in a portfolio of asset-backed securities. The structured finance securities contain an embedded early redemption option and the distribution from the private company is dependent on the annual default rate of its underlying asset-backed securities. The Group designated the entire structured finance securities as financial assets at fair value through profit or loss at initial recognition.

At the balance sheet date, the fair value of the structured finance securities is determined by the directors with reference to the valuation provided by the counterparty financial institution. This valuation provided by the counterparty is determined by reference to the value of a comparable new issue of the similar structured finance securities under the market situation as at 31 December 2008. The major assumptions adopted for the valuation of the structured finance securities are as follows:

- (1) The estimation of risk free rate by reference to the yield of United States Treasury Bond with same remaining duration as the structured finance securities adjusted by the issuer's credit rating; and
- (2) The estimation of the default rate of the underlying asset-backed securities by reference to the historical default rate of asset-backed securities with similar characteristics.

24. 結構性金融證券

本集團及本公司

結構性金融證券指證券，其利息款項乃根據美國國庫債券及來自一家私人公司優先股份之分派計算，該私人公司投資於一組資產擔保證券。由於結構性金融證券嵌入提早贖回權並且來自該私人公司之分派取決於其相關資產擔保證券之年違約率，本集團將整份結構性金融證券指定為於損益表以原計入之公平值處理的金融資產。

於結算日，結構性金融證券的公平值乃由董事參照交易對手金融機構的評估而釐定。該交易對手提供的評估乃通過根據於二零零八年十二月三十一日的市場狀況下可供比較的類似結構性金融證券之價值估計得出。結構性金融證券的估值採用以下主要假設而釐定：

- (1) 有關無風險年利率乃參照與發行人之信貸評級經調整結構性金融證券相同剩餘年期之美國國庫債券之收益率作出估算；及
- (2) 有關資產擔保證券之年違約率乃參照具有類似特性之資產擔保證券之過往年違約率作出估算。

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25. Available-for-sale investments

Available-for-sale investments as at the balance sheet date comprise:

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Listed equity securities, at fair value (note i)	上市股本證券, 按公平值(附註 i)	48,812	160,267	—	—
PRC government bonds, at fair value	中國政府債券, 按公平值	5,556	5,348	—	—
Total investments, at fair value	總投資, 按公平值	54,368	165,615	—	—
Unlisted investments (note ii):	非上市投資(附註 ii):				
Unlisted equity securities, at cost	非上市股本證券, 按成本	380,858	2,070	65,570	2,070
Club debentur					

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25. Available-for-sale investments (Continued)

Notes:

- (i) Listed equity securities are not listed in Hong Kong.
- (ii) Unlisted investments represent investments in unlisted equity securities and debentures issued by private entities. The investee companies were registered in the PRC which have potential for separate listing. The business of these companies include, but not limited to, power, banking, financial services and information technology. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably.
- (iii) It comprises of the unlisted equity securities that the directors intended to dispose of within 12 months after the balance sheet date are classified as current assets.

During the year ended 31 December 2008, the Group disposed of certain unlisted investments with an aggregate carrying value of approximately HK\$13,333,000 to an independent third party (2007: HK\$151,570,000), which had been carried at cost less impairment before the disposal. No gain on disposal (2007: a gain of HK\$12,125,000) was recognised in the consolidated income statement for the year ended 31 December 2008.

25. 可供出售投資(續)

附註：

- (i) 該上市股本證券並不是於香港上市的。
- (ii) 非上市投資乃指投資於由私人實體發行之非上市股本證券及債券。被投資方於中國註冊並具有獨立上市潛力，該等企業之業務包括但不限於電力、銀行、金融服務及資訊科技行業。由於估計所得的合理公平值範圍太大，本公司董事意見認為其公平值無法可靠地計量，因此該等投資乃於各結算日以成本扣除減值計量。
- (iii) 包括董事打算於結算日後十二個月內出售而歸類為流動資產的非上市股本證券。

於二零零八年十二月三十一日之年內，本集團將若干賬面值總額約為13,333,000港元之非上市投資出售予一名獨立第三方(二零零七年：151,570,000港元)的若干非上市投資，於出售前已按成本扣除減值虧損列賬。於二零零八年十二月三十一日止年度的綜合收益表並沒有確認任何出售收益(二零零七年：收益12,125,000港元)。

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26. Deposit paid for establishment of an associate

On 17 December 2007, the Group entered into an agreement with three indirect wholly owned subsidiaries of China Cinda Asset Management Corporation (all together namely "Cinda Companies"). Pursuant to this agreement, the Group and Cinda Companies will establish a company in the PRC for the purpose of engaging in the business of property development and operation, property management and consultation in the PRC. The formation of this associate was approved by the company's independent shareholders' on 25 January 2008.

As at 31 December 2007, the amount contributed by the Group was treated as investment deposit and this deposit was transferred to interest in an associate upon the establishment of this associate during the year ended 31 December 2008.

27. Loan receivables

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Loan receivables	應收貸款	79,790	—

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28. Other asset

The Group

The other asset is a lump sum payment for repair and maintenance fund made for the future repair and maintenance of the general areas of one of the Group's investment properties in the PRC. The amount is amortised over its estimated useful life of 10 years.

29. Interest in distressed assets

Distressed assets represented non-performing loans (the "NPL") purchased by Silver Grant International Assets Management Limited ("SGIAM"), a wholly-owned subsidiary of the Company, from China Cinda Asset Management Corporation ("China Cinda"), a holding company of a shareholder of the Company, pursuant to an agreement dated 17 September 2004 entered into by both parties at consideration of approximately RMB853,500,000 (equivalent to approximately HK\$803,600,000). SGIAM entered into another agreement (the "NPL Management Agreement") with China Cinda to appoint China Cinda to manage the NPL.

During the year ended 31 December 2007, the Group did not renew the NPL Management Agreement with China Cinda. Upon the expiring of the NPL Management Agreement, the remaining unrecovered NPL was transferred back to China Cinda at a consideration of approximately RMB40,000,000 (equivalent to approximately HK\$42,800,000). The difference of approximately HK\$80,248,000 between the carrying value of the interest in the distressed assets at the date of transfer and the consideration to be paid by China Cinda was charged to the consolidated income statement as impairment loss during the year ended 31 December 2007.

28. 其他資產

本集團

其他資產是維修及保養基金之一次整筆付款，為本集團於中國其中一項投資物業作公用地方之將來維修及保養用途。有關款項依據估計可用年限分十年攤銷。

29. 不良資產權益

不良資產指本公司的全資附屬公司，銀建國際資產管理有限公司(「銀建資產管理」)從本公司一名股東的控股公司，中國信達資產管理公司(「中國信達」)根據雙方於二零零四年九月十七日簽訂的一項協議之條款以約人民幣853,500,000元(相當於約803,600,000港元)代價購入的不履約貸款(「不履約貸款」)。銀建資產管理與中國信達訂立另一項協議(「不履約貸款管理協議」)委任中國信達管理不履約貸款。

於二零零七年十二月三十一日止年度內，本集團並無與中國信達重訂不履約貸款管理協議。於不履約貸款管理協議終止時，不履約貸款管理協議項下未能回收之不良資產以人民幣約40,000,000元(相當於約42,800,000港元)退回中國信達。於二零零七年十二月三十一日止年度內，於劃轉日之不良資產權益之賬面值與中國信達處置不良資產收回數額之差額約為80,248,000港元以減值虧損計入綜合收益表。

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30. Investment in distressed assets through

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30. Investment in distressed assets through establishment of a special purpose vehicle (Continued)

The Group (Continued)

The investment in distressed assets through the establishment of a special purpose vehicle is measured at amortised cost less impairment, with income credited to consolidated income statement. The investment in distressed assets through the establishment of a special purpose vehicle is denominated in RMB which is also the functional currency of the group entity which holds the investment. The original effective interest rate is approximately 70.02% per annum. No significant change was noted in the expected cash flow from NPL portfolio.

As at 31 December 2008, included in the carrying amount of the investment in distressed assets through establishment of a special purpose vehicle, HK\$144,299,000 (2007: HK\$27,327,000) represented cash collected from distressed assets but not yet transferred to the Group and deposited in bank accounts held by Dongxin Union. The effective interest rate is approximately 0.7% per annum.

Particulars of Dongxin Union are set out in note 61.

31. Inventories

30. 通過成立特殊目的載體投資不良資產(續)

本集團(續)

通過成立特殊目的載體投資不良資產是以攤銷成本扣減減值虧損計量，其收入則計入綜合收益表。通過成立特殊目的載體投資不良資產的計價採用人民幣，亦為持有該投資的集團公司之功能貨幣，並且其原實際年利率約為70.02%。不良資產包之預期現金流並沒有重大變動。

於二零零八年十二月三十一日，包括在通過成立特殊目的載體投資不良資產結餘中，有144,299,000港元(二零零七年：27,327,000港元)為從不良資產已收回的現金但尚未劃轉至本集團並且存放於東信聯合持有的銀行帳戶。有關的實際存款年利率約0.7%。

有關東信聯合之摘要載列於附註61。

31. 存貨

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
COST	成本		
Consumables	消耗品	196	183
Raw materials	原材料	16,699	—
Finished goods	成品	49,702	—
		66,597	183

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32. Held-for-trading investments

	The Group 本集團		The Company 本公司	
	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Equity securities listed in Hong Kong, at fair value				
於香港上市的股本證券, 按公平值	70,027	63,130	15,368	61,918

33. Trade receivables

The Group allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables at the balance sheet date:

	The Group 本集團	
	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
0 to 30 days	2,322	1,440
31 to 90 days	3,172	1,937
91 to 180 days	3,069	1,520
181 to 360 days	3,231	—
	11,794	4,897

The Group's trade receivables that are neither past due nor impaired are those debtors with satisfactory credit quality under the management's assessment and with good past repayment records.

Included in the Group's trade receivable balance are debtors with a carrying amount of HK\$9,472,000 (2007: HK\$3,457,000) which are past due at the balance sheet date for which the Group has not

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33. Trade receivables (Continued)

Aging of trade receivables which are past due but not yet impaired:

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
31 to 90 days	三十一日至九十日	3,172	1,937
91 to 180 days	九十一日至一百八十日	3,069	1,520
181 to 360 days	一百八十一日至三百六十日	3,231	—
		9,472	3,457

The Group did not provide impairment loss for the trade receivables. In the opinion of the directors, there is no impairment loss for the trade receivables past due (over 30 days) at the balance sheet date.

應收賬款已到期但並未被減值之賬齡分析：

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
31 to 90 days	三十一日至九十日	3,172	1,937
91 to 180 days	九十一日至一百八十日	3,069	1,520
181 to 360 days	一百八十一日至三百六十日	3,231	—
		9,472	3,457

本集團並無就應收賬款提撥減值虧損。董事意見認為已逾期未歸還(超過三十日)的應收賬款於結算日並無任何減值虧損。

34. Deposits, prepayments and other receivables

34. 按金、預付款及其他應收款

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Amount due from the buyer of the disposed subsidiaries (note i)	應收已出售附屬公司買家款(附註 i)	165,620	165,620	165,620	165,620
Consideration receivable from disposal of investment properties	出售投資物業應收代價	—	89,519	—	—
Others	其他	62,818	47,123	1,343	1,446
		228,438	302,262	166,963	167,066
Less: Impairment loss recognised (note ii)	減：已確認減值虧損(附註 ii)	(21,115)	—	—	—
		207,323	302,262	166,963	167,066

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For the year ended 31 December 2008

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34. Deposits, prepayments and other receivables (Continued)

Notes:

- (i) During the year ended 31 December 2007, the Group disposed of subsidiaries to an independent third party for a consideration of HK\$83,020,000. Pursuant to the sale and purchase agreement, an amount due to the Group of HK\$82,600,000 was undertaken by the buyer of the disposed subsidiaries. The original settlement date was June 2008. Subsequent to the balance sheet date, HK\$111,111,000 was settled and the remaining HK\$54,509,000 is expected to be settled before December 2009.
- (ii) Impairment loss was recognised on certain non-refundable deposits paid to independent third parties for a property development project in the PRC. The property development project was temporarily suspended and the directors considered that the deposits paid would not be refunded by the counterparties, hence impairment loss was recognised in full with respect to these deposits.

Except for the impairment loss as discussed in the note (ii) above, the Group did not provide impairment loss for deposits, prepayments and other receivables. In the opinion of the directors, no impairment loss is considered necessary in respect of these balances.

35. Restricted bank balance

The Group

The amount represents the bank balance kept in a bank account under the name of China Cinda as custodian of the Group in the PRC for the purpose of dealing with the funds recovered from the distressed assets. The bank account was jointly controlled by SGIAM and China Cinda and a mutual consent had to be obtained from both parties for the withdrawal of fund from the bank account. As at 31 December 2007, the restricted bank balance carried interest at effective interest rate at 0.72% per annum and with original maturity of three months or less. The amount was fully withdrawn by the Group during the year ended 31 December 2008.

34. 按金、預付款及其他應收款(續)

附註：

- (i) 於二零零七年十二月三十一日止年度內，本集團以代價 83,020,000 港元出售附屬公司予獨立第三方。根據買賣協議，82,600,000 港元之應付本集團款由已售之附屬公司買家承諾支付。原本之支付日期為二零零八年六月。於結算日後金額 111,111,000 港元已收回，而餘額 54,509,000 港元預期將於二零零九年十二月以前收回。
- (ii) 某部份已付予獨立第三方作中國物業發展項目的不能退回之按金已作減值虧損。該物業發展項目已暫時停止，董事認為已付之按金將不會被對方退還，因此有關之按金已全數作減值虧損。

除上述附註(ii)之減值虧損外，本集團並無就按金、預付款及其他應收款提撥減值虧損。董事意見認為無須就該等結餘作出任何減值虧損。

35. 監管戶口結餘

本集團

金額代表作一個以中國信達名義作為本集團之保管人，於中國內地開設的銀行賬戶的銀行結餘，目的旨在存入處置不良資產回收所得資金。該銀行賬戶的資金提取由雙方共同監管並需要得到雙方同意。於二零零七年十二月三十一日，監管戶口結餘以實際利率 0.72% 計息，而原到期日為三個月或以下。所有金額已於二零零八年十二月三十一日之年內被本集團提取。

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36. Bank balances and cash

The Group and the Company

The Group's and the Company's bank balances and cash comprise cash and short-term bank deposits carrying effective interest rate at an average of 1.4% per annum (2007: 2%) with an original maturity of three months or less. Included in the Group's and the company's bank balances and cash at 31 December 2008 were an aggregate amount of approximately HK\$754,128,000 (2007: approximately HK\$1,150,519,000) and HK\$13,535,000 (2007: HK\$346,477,000) respectively which were denominated in RMB and is not freely convertible into other currencies.

37. Assets classified as held-for-sale

36. 銀行結餘及現金

本集團及本公司

本集團銀行結餘及現金包括現金及開首到期日為三個月或以內、以現行市場利率平均1.4%(二零零七年:2%)年利率之短期銀行存款。於二零零八年十二月三十一日本集團及本公司之銀行結餘及現金分別包括總額約754,128,000港元(二零零七年:約1,150,519,000港元)及13,535,000港元(二零零七年:346,477,000港元)為以人民幣為計價單位,並且不能自由兌換為其他貨幣。

37. 列作持作出售之資產

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Leasehold land and buildings held-for-sale (note)	列作持作出售之租賃土地及樓宇(附註)	—	5,000	—	—
		—	5,000	—	—

Note:

As at 31 December 2007, the Group has entered into a provisional sales and purchase agreement to sell the leasehold land and buildings at a consideration of HK\$5,000,000. The transaction was completed in February 2008.

附註:

本集團於二零零七年十二月三十一日訂立臨時買賣合約以5,000,000港元代價出售一項租賃土地及樓宇。該項交易已於二零零八年二月份完成。

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38. Pledge of assets

The Group

At 31 December 2008, the Group had pledged certain investment properties and leasehold land and buildings which have an aggregate carrying value of approximately HK\$2,101,111,000 (2007: HK\$2,036,364,000) and HK\$134,300,000 (2007: HK\$98,600,000) respectively to secure general banking facilities granted to the Group.

The Company

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截至二零零八年十二月三十一日止年度

40. Reserves of the Company

The distributable reserves of the Company as at 31 December 2008 amounted to approximately HK\$350,429,000 (2007: HK\$417,368,000), being its retained profits at that date.

40. 本公司的儲備

本公司於二零零八年十二月三十一日之可分派儲備，即其於該日的保留盈利，總額約為350,429,000港元(二零零七年：417,368,000港元)。

		Share premium 股份溢價 HK\$ '000 千港元	Asset revaluation reserve 資產重估 儲備 HK\$ '000 千港元	Capital redemption reserve 資本贖回儲備 HK\$ '000 千港元	Retained profits 保留盈利 HK\$ '000 千港元	Total 合計 HK\$ '000 千港元
The Company	本公司					
At 1 January 2007	於二零零七年一月一日	2,177,287	22,903	13,992	367,418	2,581,600
Gain on revaluation of leasehold land and buildings	重估租賃土地及樓宇產生之收益	—	14,229	—	—	14,229
Deferred tax liability arising on revaluation of leasehold land and buildings	重估租賃土地及樓宇產生之遞延稅項負債	—	(3,356)	—	—	(3,356)
Net income recognised directly in equity	直接於股本確認的收入淨額	—	10,873	—	—	10,873
Profit for the year	年內溢利	—	—	—	177,400	177,400
Total recognised income and expense for the year	年內確認的收入及支出總額	—	10,873	—	177,400	188,273
Dividend	股息	—	—	—	(127,450)	(127,450)
At 31 December 2007	於二零零七年十二月三十一日	2,177,287	33,776	13,992	417,368	2,642,423
Loss on revaluation of leasehold land and building	重估租賃土地及樓宇產生之虧損	—	(915)	—	—	(915)
Deferred tax assets arising on revaluation of leasehold land and buildings	重估租賃土地及樓宇產生之遞延稅項資產	—	786	—	—	786
Net income recognised directly in equity	直接於股本確認的收入淨額	—	(129)	—	—	(129)
Profit for the year	年內溢利	—	—	—	78,718	78,718
Total recognised income and expense for the year	年內確認的收入及支出總額	—	(129)	—	78,718	78,589
Dividend	股息	—	—	—	(145,657)	(145,657)
At 31 December 2008	於二零零八年十二月三十一日	2,177,287	33,647	13,992	350,429	2,575,355

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截至二零零八年十二月三十一日止年度

41. Borrowings

41. 借貸

	The Group 本集團		The Company 本公司	
	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Bank overdrafts — secured 銀行透支 — 有抵押	—	18,224	—	—
Bank loans — secured 銀行貸款 — 有抵押	385,099	219,654	4,600	5,750
	385,099	237,878	4,600	5,750
Carrying amount repayable: 應償還之賬面金額：				
Within one year 一年之內	336,839	233,278	1,150	1,150
More than one year, but not exceeding two years 一年以上但不超過兩年	25,780	1,150	1,150	1,150
More than two years, but not exceeding five years 兩年以上但不超過五年	9,865	3,450	2,300	3,450
More than five years 五年以上	12,615	—	—	—
	385,099	237,878	4,600	5,750
Less: Amounts due within one year shown under current liabilities 減：於一年之內到期並列為流動負債之金額				
— Bank loans 銀行貸款	(336,839)	(215,054)	(1,150)	(1,150)
— Bank overdrafts 銀行透支	—	(18,224)	—	—
	48,260	4,600	3,450	4,600

Borrowings are secured by certain investment properties and leasehold properties.

借貸由若干投資物業及租賃物業作抵押。

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41. Borrowings (Continued)

Bank overdrafts of the Group were denominated in Hong Kong dollars, foreign currency of the relevant group entity and carried floating interest at prevailing market rate. Bank loans of the Group and the Company of approximately HK\$29,543,000 (2007: HK\$5,750,000) and HK\$4,600,000 (2007: HK\$5,750,000) are denominated in Hong Kong Dollars, functional currency of the relevant group entities and the Company and carry a floating rate of prime rate minus 2.375% (2007: prime rate minus 2.375%) per annum or effective interest rate of 2.625% (2007: 4.625%) per annum respectively. The remaining bank loans of the Group are denominated in RMB, functional currency of the relevant group entities and carry floating interest rate at 92% of The People's Bank of China ("PBOC") interest rate or fixed interest rate ranging from 6.2% to 7.47% (2007: The People's Bank of China interest rate minus 2%) per annum, or effective interest rate of 4.89% (2007: 5.47%) per annum.

42. Convertible note

The Group and the Company

Convertible note classified as liabilities
at fair value through profit or loss

於損益表按公平值處理歸類為
負債的可換股票據

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
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389,025	382,736
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41. 借貸(續)

本集團之銀行透支以港幣(相關集團公司之外幣)為單位並且按當前的市場浮動利率計息。本集團及本公司分別約為29,543,000港元(二零零七年: 5,750,000港元)及4,600,000港元(二零零七年: 5,750,000港元)之銀行貸款以相關集團公司及本公司之功能貨幣港元為單位並且分別按最優惠利率減2.375%(二零零七年: 最優惠利率減2.375%)的浮動年利率計息或實際年利率2.625%(二零零七年: 4.625%)計息。本集團的其餘銀行貸款以相關的集團公司的功能貨幣人民幣為單位並且按中國人民銀行(「人民銀行」)基準利率下浮8%或固定利率由6.2%至7.47%(二零零七年: 按人民銀行利率減2%)之浮動年利率計息或實際年利率4.89%(二零零七年: 5.47%)。

42. 可換股票據

本集團及本公司

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42. Convertible note (Continued)

The Group and the Company (Continued)

On 24 November 2004, the Company issued a convertible note to Citigroup Global Markets Limited ("CGML") (subsequently transferred to Citigroup Global Markets Financial Products LLC ("CGMFP") which is a fellow subsidiary of CGML.) in the principal amount of US\$52,500,000 in accordance with a subscription agreement dated 5 November 2004 entered into between the Company and CGML. The interest rate is 1.5% per annum and payable semi-annually in arrears. The Company shall repay the principal amount outstanding under the convertible note to the noteholder together with all interest accrued on the fifth anniversary of the date of the issue of the convertible note (i.e. 24 November 2009). The conversion price is HK\$2.95 per share which is subject to adjustment for, among other matters, subdivision or consolidation of shares, bonus issues, capital reduction, rights issues and other events which have diluting effects on the issued share capital of the Company. The number of shares to be issued on conversion of this convertible note will be determined by dividing the principal amount by the conversion price translated at a fixed rate HK\$7.8 = US\$1. The noteholder will have the right to convert the whole or part of the principal amount of the convertible note into shares at any time and from time to time, from the date of issue of the convertible note up to the fifth anniversary of the date of issue of the convertible note in an amount of not less than US\$100,000 on each conversion, save that if at any time, the principal outstanding amount of the convertible note is less than US\$100,000, the whole (but not part only) of the principal amount of the convertible note may be converted. The shares to be issued upon conversion shall rank pari passu in all respects with all other existing shares outstanding at the date of the conversion.

42. 可換股票據(續)

本集團及本公司(續)

於二零零四年十一月二十四日，本公司根據本公司與 Citigroup Global Markets Limited(「花旗集團」)，其後轉讓至一間花旗集團的同級附屬公司，Citigroup Global Markets Financial Products LLC ("CGMFP")。票據利息以年利率1.5%計算並須每半年以下期形式支付。本公司須於可換股票據授出日期起計的第五個週年日(即二零零九年十一月二十四日)向票據持有人償還可換股票據項下未被贖回的本金額和所有的應計利息。換股價為每股2.95港元，並須受到(其中包括)股份拆細或合併、發行紅股、縮減股本、供股和其他對本公司已發行股本具有攤薄效應的事件的影響作出調整。於轉換時需予發行之股份數目將會以本金額除以按7.8港元 = 1美元的固定匯率換算所得的換股價計算。票據持有人有權於可換股票據授出日期起至可換股票據授出日期後的第五個週年日止期間內的任何時間及隨時將可換股票據之本金額全部或部分轉換成股份，惟每次轉換的金額不可少於100,000美元，此外，倘若如於任何時間可換股票據的未被贖回本金額少於100,000美元，則可換股票據的全部本金額(而並非部分)可予轉換股份。因轉換股份而發行的股份在各方面均與轉換當日所有現有股份享有相同權利。

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42. Convertible note (Continued)

The Group and the Company (Continued)

The Group designated the entire convertible note as financial liabilities at fair value through profit or loss is carried at fair value at the balance sheet date. During the year, a loss on increase in its fair value of approximately HK\$6,289,000 (2007: a gain on decrease in its fair value of approximately HK\$19,376,000) is recognised in the consolidated income statement.

The fair value of the liability component of the convertible note at fair value through profit or loss at 31 December 2008 and 2007 was determined based on the present value of the estimated future cash flows discounted at the prevailing market rate for an equivalent non-convertible loan at the balance sheet date. The discount rate is 11.81% (2007: 6.38%).

The fair value of the conversion option embedded was calculated using the Binomial model. The inputs into the model were as follows:

		31 December 2008 二零零八年 十二月三十一日	31 December 2007 二零零七年 十二月三十一日
Stock price per share	每股股價	HK\$0.71	HK\$1.70
Exercise price per share	每股行使價	HK\$2.95	HK\$2.95
Expected volatility	預期波幅	59%	33%
Expected life	預期年期	0.9 year	1.9 years
Risk-free rate	無風險利率	0.25%	2.58%
Expected dividend yield charged to income statement for the year	預期股息收益率年內於利潤表扣除	2.00%	2.00%

The stock price was the closing price at the respective balance sheet dates while the expected volatility was determined by calculating the historical volatility of the Company's share price over the previous year.

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43. Deferred taxation

The followings are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior years:

43. 遞延稅項

以下為於本年度及以往年度的主要已確認遞延稅項資產與負債及其於本期間及以往年度的變動：

		The Group 本集團				
		Accelerated tax depreciation	Revaluation of properties	Tax losses	Distressed assets	Total
		加速稅務折舊	物業重估	稅務虧損	不良資產	總額
		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
At 1 January 2007	於二零零七年一月一日	(55)	(146,193)	1,508	(112,899)	(257,639)
Credit to income for the year	於本年度收益計入	—	24,540	—	112,899	137,439
Charge to equity for the year	於本年度權益扣除	—	(3,356)	—	—	(3,356)
Effect of change in tax rate charged to income statement for the year	年內稅率變動之影響 於利潤表扣除	—	31,628	—	—	31,628
At 31 December 2007	於二零零七年十二月三十一日	(55)	(93,381)	1,508	—	(91,928)
Credit to income for the year	於本年度收益計入	—	7,073	—	—	7,073
Charge to equity for the year	於本年度權益扣除	—	(1,754)	—	—	(1,754)
Acquisition of subsidiaries (note 49)	收購附屬公司(附註49)	(1,712)	—	—	—	(1,712)
Effect of change in tax rate credited to equity for the year	年內稅率變動之影響 計入權益	—	453	—	—	453
Effect of change in tax rate charged to income statement for the year	年內稅率變動之影響 於利潤表扣除	—	—	(86)	—	(86)
At 31 December 2008	於二零零八年十二月三十一日	(1,767)	(87,609)	1,422	—	(87,954)

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43. Deferred taxation (Continued)

43. 遞延稅項(續)

		The Company 本公司		
		Accelerated tax depreciation 加速稅務折舊	Revaluation of properties 物業重估	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	(55)	(10,553)	(10,608)
Credit to income for the year	於本年度收益計入	—	9,227	9,227
Charge to equity for the year	於本年度權益扣除	—	(3,356)	(3,356)
At 31 December 2007	於二零零七年十二月三十一日	(55)	(4,682)	(4,737)
Effect of change in tax rate	稅率變動之影響	—	271	271
Credit to equity for the year	於本年度權益計入	—	515	515
At 31 December 2008	於二零零八年十二月三十一日	(55)	(3,896)	(3,951)

At the balance sheet date, the Group had unused tax losses of approximately HK\$88,302,000 (2007: HK\$52,890,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$8,617,000 (2007: HK\$8,617,000) of such losses. No deferred tax asset has been recognised in respect of the remaining balance of approximately HK\$79,685,000 (2007: HK\$44,273,000) due to unpredictability of future profit streams. Other tax losses may be carried forward indefinitely.

At the balance sheet date, the Company had unused tax losses of approximately HK\$32,075,000 (2007: HK\$32,075,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit stream.

Under the New Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$44,702,000 as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

於結算日，本集團有可扣減未來溢利的未動用稅務虧損約88,302,000港元(二零零七年：52,890,000港元)。該等虧損中的約8,617,000港元(二零零七年：8,617,000港元)已確認遞延稅項資產。鑒於未來收益的不可預測性，並無就其餘結餘約79,685,000港元(二零零七年：44,273,000港元)確認任何遞延稅項資產。其他稅務虧損可無限期地承上結轉。

於結算日，本公司有可扣減未來溢利的未動用稅務虧損約32,075,000港元(二零零七年：32,075,000港元)。鑒於未來收益的不可預測性，並無確認任何遞延稅項資產。

於中國新法律下，由二零零八年一月一日開始，中國附屬公司所得溢利而分派之股息需徵收預扣稅。由於本集團能夠控制撥回暫時差異的時間及於可見的將來暫時差異的時間將不會撥回。因此，於中國附屬公司的44,702,000港元累計溢利之暫時差異而產生的遞延稅項並未計入綜合財務報表內。

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44. Trade payables

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

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
0 to 30 days	零至三十日	33,401	37,603
31 to 90 days	三十一日至九十日	18,333	16,219
91 to 180 days	九十一日至一百八十日	14,563	11,336
181 to 360 days	一百八十一日至三百六十日	19,184	—
Over 360 days	超過三百六十日	28,352	11,567
		113,833	76,725

44. 應付賬款

下述是應付賬款於結算日之賬齡分析：

45. Accrued charges, rental deposits and other payables

The Group

The balance includes an amount of approximately HK\$41,889,000 (2007: HK\$40,321,000) payable to an independent third party in relation to purchase of land use rights in the PRC. The amount is secured by certain investment properties, bears interest at 5.88% per annum for both years and is repayable on demand.

The balance includes an amount of approximately HK\$20,889,000 (2007: nil) payable to a minority shareholder of a subsidiary in relation to a shareholder's loan granted to the subsidiary. The amount is unsecured, bears interest at 7.47% per annum (2007: nil) and is repayable on demand.

45. 應計費用、租務按金及其他應付款

本集團

結餘包括就於中國收購土地使用權而應付予獨立第三方的款項，金額約為41,889,000港元(二零零七年：40,321,000港元)。該金額由若干投資物業作抵押，兩個年度按年利率5.88%計息及應要求隨時需予歸還。

餘額包括一項金額約為20,889,000港元(二零零七年：無)之應付附屬公司少數股東款給予附屬公司的股東貸款。金額為無抵押，按年利率7.47%計息(二零零七年：無)及應要求隨時需予歸還。

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46. Amounts due to associates

The Group and the Company

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

47. Amount due to holding company of a

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49. Acquisition of subsidiaries (Continued)

49. 收購附屬公司(續)

The net assets acquired in the transaction, and the goodwill arising, are as follows:

此交易購入的淨資產及產生的商譽載列如下：

		Carrying amount and provisional fair value (note i) 賬面值及 暫定公平值 (附註i) HK\$'000 千港元
Net assets acquired:	收購淨資產：	
Land use rights	土地使用權	26,091
Property, plant and equipment	物業、機器及設備	267,966
Inventories	存貨	74,018
Trade receivables	應收賬款	8,161
Deposit, prepayments and other receivables	按金、預付款及其他應收款	61,882
Bank balances and cash	銀行結餘及現金	235,503
Trade payables	應付賬款	(21,326)
Accrued charges, rental deposits and other payables	應計費用、租務按金及其他應付款	(17,762)
Amount due to associates of the Group	應付本集團聯營公司款	(115,500)
Shareholder's loan due to the vendor (note ii)	應付賣方之股東貸款(附註ii)	(100,000)
Borrowings	借貸	(137,931)
Deferred tax liabilities	遞延稅項負債	(1,712)
		279,390
Minority interests	少數股東權益	(198,958)
Goodwill	商譽	4,391
		84,823
Total consideration satisfied by cash	總現金代價	84,823
Net cash inflow arising on acquisition:	收購引起的淨現金流入：	
Cash consideration paid for acquisition of subsidiaries	收購附屬公司已付之現金代價	(84,823)
Cash consideration paid for purchase of a shareholder's loan	購入股東貸款已付之現金代價	(100,000)
Bank balances and cash acquired	銀行結餘及現金所得	235,503
		50,680

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49. Acquisition of subsidiaries (Continued)

Note:

- (i) The fair values of the land use right and property, plant and equipment have been determined provisionally, awaiting the receipt of professional valuations.
- (ii) According to the sale and purchase agreement, the Group was required to purchase a shareholder's loan amounting to HK\$100,000,000 due to the vendor, CII Limited ("CII") for a consideration of HK\$100,000,000.

After the acquisition of Sun Steed and its subsidiaries from an associate of the Group, the Group obtained control over the operation of Sun Steed. Goodwill arising on the acquisition is attributable to the anticipated profitability brought about by the potential increase in demand for petrochemical products in the PRC and the faster decision making process from the control.

The subsidiaries acquired contributed approximately HK\$45,662,000 to the Group's revenue and loss of approximately HK\$1,528,000 from operating activities for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on 1 January 2008, total group revenue for the year would have been HK\$1,100,192,000, and profit for the year would have been HK\$103,932,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved if the acquisition been completed on 1 January 2008, nor is it intended to be a projection of future results.

49. 收購附屬公司(續)

附註：

- (i) 土地使用權及物業、廠房及設備之公平值的會計入賬法只屬暫時釐定，尚待收取專業之評估。
- (ii) 根據買賣協議，本集團需要向賣方，中基建設投資有限公司(「中基」)以代價100,000,000港元購入一項金額為100,000,000港元之股東貸款。

在從本集團的一間聯營公司收購日駿及其附屬公司後，本集團取得日駿營運的控制權，收購所得的商譽乃來自中國內地對石油化工產品需求增加的潛力及控制權帶來迅速決策過程帶來的預期盈利能力所產生。

收購所得之附屬公司在收購日至結算日期間為本集團貢獻約45,662,000港元收入及約1,528,000港元之經營業務虧損。

倘若收購於二零零八年一月一日已完成，集團本年度之總收入將為1,100,192,000港元。而本年度之溢利將為103,932,000港元。此等假設性資料僅列作供參考用途，並不全然作為展示即使本集團倘若已於二零零八年一月一日完成收購所能真正達到的收入及業績甚或作為對將來業績之展望。

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50. Deemed acquisition of subsidiaries

During the year ended 31 December 2007, an associate of the Group, SYJ Holding Limited (“SYJ Holding”) repurchased all its shares held by its shareholders other than the Group. The effective equity interest owned by the Group changed from 42.75% to 100%. Thereafter, SYJ Holding became a wholly owned subsidiary of the Group. This acquisition has been accounted for using purchase method.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

**Carrying
amount and
fair value
at the date
of share
repurchase**
 於回購股份當日
之賬面值及
公平值
 HK\$'000
 千港元

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51. Disposal of subsidiaries

During the year ended 31 December 2007, the Group disposed of East Gate Development (HK) Company Limited and its subsidiary to an independent third party at a consideration of HK\$83,020,000.

The net assets of the disposed subsidiaries at the date of disposal were as follows:

51. 出售附屬公司

於截止二零零七年十二月三十一日止年度內，本集團出售東環置業(香港)有限公司及其附屬公司予一名獨立第三方，代價為83,020,000港元。

該售出附屬公司於出售交易日之淨資產如下：

		2007 二零零七年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	712
Interests in associates	聯營公司權益	72
Stock of properties	物業存貨	149,345
Deposits, prepayments and other receivables	按金、預付款及其他應收款	11,675
Amount due from a fellow subsidiary	應收一同級附屬公司款	6,814
Bank balances and cash	銀行結餘及現金	2,321
Accrued charges, rental deposits and other payables	應計費用、租務按金及其他應付款	(14,738)
Taxation payable	應付稅項	(14,332)
		141,869
Minority interests	少數股東權益	(15,045)
Release of translation reserve	匯兌儲備撥回	(9,703)
		117,121
Gain on disposal of subsidiaries	出售附屬公司的收益	48,499
		165,620
Satisfied by:	以下列方式支付：	
Consideration receivable	應收代價	83,020
Amount due from the buyer of the disposed subsidiaries	應收已出售附屬公司買家款	82,600
		165,620
Net cash outflow arising on disposal:	出售引起的淨現金流出：	
Cash consideration	現金代價	—
Bank balances and cash disposed of	售出之銀行結餘及現金	(2,321)
		(2,321)

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52. Operating lease arrangements

The Group

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內屆滿	3,322	2,289
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年在內)	2,911	4,834
		6,233	7,123

The operating lease payments represent rental payable for certain of its office premises and staff quarters. Leases are generally negotiated for a lease term ranged from 1 year to 5 years and rentals are fixed.

The Group as lessor

Property rental income earned by the Group during the year was approximately HK\$54,431,000 (2007: HK\$67,387,000) respectively. The properties held have committed tenants for lease terms ranged from 1 year to 18 years.

52. 營運租約安排

本集團

本集團以承租人身分

於結算日，根據不可撤銷的營運租約項下，本集團就土地及樓宇需承擔之未來最低租賃付款及到期期間如下：

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內屆滿	3,322	2,289
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年在內)	2,911	4,834
		6,233	7,123

營運租約支出代表就若干辦公地點及員工宿舍應付之租金。租約一般商訂為一年至五年租期及固定租金。

本集團以出租人身分

本集團於年內賺取的租金收入約為54,431,000港元(二零零七年：67,387,000港元)。持有的物業有已簽約的租客，租期範圍由1年至18年不等。

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52. Operating lease arrangements (Continued)

The Group as lessee

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

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內屆滿	24,615	35,559
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年在內)	16,838	22,369
After five years	五年以後	2,234	2,192
		43,687	60,120

The Company

The Company has no operating lease arrangements at both balance sheet dates.

本公司

本公司於兩個結算日並沒有營運租約安排。

53. Capital commitments

53. 資本承擔

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Capital contribution in an investment in an associate contracted for but not provided in the consolidated financial statement (note)	投資於一間聯營公司的已予落實但未計提於綜合資產負債表內的資本投入(附註)	386,111	—
Capital contribution in an investment in an associate authorised but not contracted for (note)	投資於一間聯營公司的已獲授權但未予落實的資本投入(附註)	—	585,561
Capital contribution in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	購買物業, 廠房及設備已予落實但未計提於綜合資產負債表的資本投入	3,124	—

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53. Capital commitments (Continued)

Note:

The Group's total expected investment amount of the associate is RMB607,500,000 (equivalent to approximately HK\$675,000,000). This associate was established after obtaining the approval from independent shareholders of the Company on 25 January 2008. As at 31 December 2008, the Group contributed RMB260,000,000 equivalent to approximately HK\$288,889,000 (2007: RMB60,000,000 equivalent to approximately HK\$64,171,000) and the remaining RMB347,500,000 equivalent to approximately HK\$386,111,000 (2007: RMB547,500,000 equivalent to approximately HK\$585,561,000) was included as capital commitment.

The Company

The Company has no capital commitment at both balance sheet dates.

54. Contingent liabilities

The Company has provided a guarantee in respect of the disposal of Beijing East Gate Wangjing Real Estate Co., Ltd. ("Wangjing") in the year 2004, a former subsidiary of the Group, under a share transfer agreement, pursuant to which the Company is required to provide guarantee to the buyers of Wangjing (the "Buyers") in respect of any contingent liabilities arising from any guarantees and securities provided by Wangjing and any contracts entered into by Wangjing not disclosed to the Buyers as at the date of transfer of shares of Wangjing to Buyers. Such guarantee provided by the Company was ceased at 9 November 2007.

55. Retirement benefits plans

The Group operates a Mandatory Provident Fund Scheme (the "Scheme") for all qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group and are held, in funds under the control of trustees. The Group contributes the lower of HK\$1,000 per month or 5% of relevant payroll costs to the Scheme.

53. 資本承擔(續)

附註：

本集團於該聯營公司之總預期投資額為人民幣607,500,000元(相當於約675,000,000港元)。此聯營公司於二零零八年一月二十五日獲得獨立股東批准後成立。於二零零八年十二月三十一日，本集團投入人民幣260,000,000元(相當於約288,889,000港元)(二零零七年：人民幣60,000,000元相當於約64,171,000港元)及餘款人民幣347,500,000元(相當於約386,111,000港元)(二零零七年：人民幣547,500,000元相當於約585,561,000港元)為資本承擔。

本公司

本公司於兩個結算日並沒有資本承擔。

54. 或然負債

於二零零四年本公司就根據一項股權轉讓協議項下向若干買方出售北京東環望京房地產有限公司(「望京」)為本集團一間前附屬公司的交易提供擔保，據此本公司向買入望京的買家(「買方」)向買方轉讓份當天望京未有向買方作出披露而由望京提供之任何擔保及抵押與由望京訂立之任何合約引起的任何或然負債向買方提供擔保。於二零零七年十一月九日此項本公司提供之擔保已完結。

55. 退休福利計劃

本集團為所有於香港僱用的合資格員工推行一項強制性公積金計劃(「計劃」)。該計劃項下之資產與本集團資產被分開持有，並且是由信託人控制的基金持有。本集團向該計劃每月作出1,000港元或適用薪俸的5%兩者中較低的供款。

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55. Retirement benefits plans *(Continued)*

The employees of the subsidiaries in the PRC are members of retirement benefits schemes operated by the PRC government. The relevant PRC subsidiaries are required to make contributions to the state retirement scheme in the PRC based on 20% of the monthly salaries of their current employees to fund the benefits. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations. The PRC government is responsible for the pension liability to the retired staff.

The total cost charged to the consolidated income



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57. Related party transactions (Continued)

The Group (continued)

Details of balances with related companies and other transactions with related parties are set out in the balance sheet and in notes 22, 23, 29, 35, 45, 46, 47 and 50.

The Group and the Company

During the year, the Group and the Company purchased the entire equity interest of Sun Steed and a shareholder's loan from CII, an associate of the Group, at a consideration of approximately HK\$84,823,000 and HK\$100,000,000 respectively. Details of this transaction are set out in note 49.

During the year, the Group and the Company purchased available-for-sale investments from CII Limited, an associate of the Group, at a consideration of HK\$63,500,000. As at 31 December 2008, these available-for-sale investments were held on trust by a subsidiary of a shareholder of the Company.

The company

Details of balances with subsidiaries are set out in the balance sheet and in notes 19 and 48.

Except for the directors' remuneration as disclosed in note 9 during the year, there is no other remuneration of key management.

The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

57. 關聯方交易(續)

本集團(續)

與關聯公司結餘及與關聯方之其他交易詳情載列於資產負債表及附註22、23、29、35、45、46、47及50。

本集團及本公司

年內，本集團及本公司從本集團的一家聯營公司，中基分別以代價約84,823,000港元及100,000,000港元收購日駿的全部股份權益及股東貸款。此交易之詳情載列於附註49。

年內，本集團及本公司從本集團的一家聯營公司，中基以代價63,500,000港元購入可供出售投資。於二零零八年十二月三十一日，該可供出售投資由本公司一名股東的附屬公司以信託方式代為持有。

本公司

與附屬公司結餘詳情載列於附註19及48。

除附註9所披露年內支付予董事的薪酬外，並無其他主要管理人員的薪酬。

董事之薪酬乃由薪酬委員會經考慮個人表現及市場趨勢而釐定。

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

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

58. Major non-cash transactions

- (a) During the year ended 31 December 2008, the Group's deposit paid for establishment of an associate of HK\$64,171,000 was transferred to interest in an associate upon the formation of this associate.

- (b) During the year ended 31 December 2007, the consideration for the disposal of subsidiaries and investment properties of HK\$165,620,000 and HK\$89,519,000 respectively were not settled and were included in deposits,

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

For the year ended 31 December 2008

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59. Post balance sheet events

- (ii) During the year, the Group together with certain investors had agreed to make investment in a second portfolio of distressed assets owned by China Orient Asset Management Corporation. After netting off the cash recovered and included in the second portfolio of distressed assets, the acquisition cost of the second portfolio of distressed assets will be approximately RMB227,300,000 (equivalent to approximately HK\$252,600,000). The Group's participating interest in the second portfolio of distressed assets is approximately 46%, or equivalent to approximately HK\$115,900,000. The transaction is conditional upon approval being obtained from the relevant PRC authorities.

60. Particulars of subsidiaries, associates and jointly controlled entities

- (a) Particulars of the Company's major subsidiaries at 31 December 2008 are as follows:

Name of company 公司名稱	Country/ place of incorporation/ establishment 註冊成立 國家 / 所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股 股本 / 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有 已發行普通股股本 / 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Beijing East Gate Development Co., Ltd. ("Beijing East Gate") 北京東環置業有限公司(「北京東環」)	PRC 中國 (Note i) (附註 i)	US\$100,413,500 100,413,500 美元	—	100%	Property development and investment 物業發展及投資
Beijing Yinda Property Management Limited ("Yinda") 北京銀達物業管理有限責任公司 (「銀達」)	PRC 中國 (Note ii) (附註 ii)	RMB10,000,000 人民幣 10,000,000 元	—	90%	Property management 物業管理

59. 結算日後事項

- (ii) 年內，本集團聯同若干投資者同意投資一項由中國東方資產管理公司擁有的第二包不良資產。扣除已回收並包括在第二包不良資產的現金後，第二包不良資產的收購代價約為人民幣227,300,000元(相當於252,600,000港元)。本集團於第二包不良資產的參與權益約為46%，或相當於約115,900,000港元。惟落實該項交易須待取得中國的相關部門批准作為先決條件。

60. 附屬公司、聯營公司及共同控制公司摘要

- (a) 本公司的主要附屬公司於二零零八年十二月三十一日的詳情如下：

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

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

60. Particulars of subsidiaries, associates and jointly controlled entities (Continued)

60. 附屬公司、聯營公司及共同控制公司摘要(續)

(a) (continued)

(a) (續)

Name of company 公司名稱	Country/ place of incorporation/ establishment 註冊成立 國家 / 所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股 股本 / 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有 已發行普通股股本 / 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Beijing Ju Fu Real Estate Development Company Limited ("Beijing Ju Fu") 北京巨福房地產開發有限公司 (「北京巨福」)	PRC 中國 (Note iii) (附註iii)	RMB105,000,000 人民幣 105,000,000 元	—	90%	Property development and investment 物業發展及投資
Silver Grant International Assets Management Limited 銀建國際資產管理有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	100%	—	Distressed assets business 不良資產業務
Silver Grant International Assets Investment Limited 銀建國際資產投資有限公司	Hong Kong 香港	HK\$100 100 港元	100%	—	Distressed assets business 不良資產業務
Greenhill Property Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100%	—	Investment holding 投資控股
Ju Fu San Yan Jing Investment Company Limited 巨福三眼井投資有限公司	Hong Kong 香港	HK\$2 2 港元	—	100%	Investment holding 投資控股

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

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

60. Particulars of subsidiaries, associates and jointly controlled entities (Continued)

60. 附屬公司、聯營公司及共同控制公司摘要(續)

(a) (continued)

(a) (續)

Name of company 公司名稱	Country/ place of incorporation/ establishment 註冊成立 國家 / 所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股 股本 / 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有 已發行普通股股本 / 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Likesway Limited 利時威有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	Property holding and investment 持有物業及投資
Real China Development Limited 泰景發展有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	Property holding and investment 持有物業及投資
Silver Grant Department Store (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Silver Grant Hainan Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Inactive 暫無業務
Silver Grant Infra-structure Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Samtung Investment Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股

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

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

60. Particulars of subsidiaries, associates and jointly controlled entities (Continued)

(a) (continued)

Name of company 公司名稱	Country/ place of incorporation/ establishment 註冊成立 國家 / 所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股 股本 / 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有 已發行普通股股本 / 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Platinum Two Limited	Mauritius 毛里裘斯	US\$1 1 美元	100%	—	Inactive 暫無業務
Silver Grant International Department Store Limited 銀建國際百貨有限公司	Hong Kong 香港	HK\$10 10 港元	—	100%	Property investment 物業投資
Silver Grant International Infra- structure Investment Limited 銀建國際基建投資有限公司	Hong Kong 香港	HK\$2 2 港元	—	100%	Investment holding 投資控股
Silver Grant International Securities Investment Limited 銀建國際證券投資有限公司	Hong Kong 香港	HK\$2 2 港元	—	100%	Securities trading 證券買賣
Silver Grant Securities Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100%	—	Investment holding 投資控股
SYJ Holding Limited	British Virgin Islands 英屬處女群島	HK\$2,170 2,170 港元	100%	—	Investment holding 投資控股

60. 附屬公司、聯營公司及共同控制公司摘要(續)

(a) (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註*For the year ended 31 December 2008*

截至二零零八年十二月三十一日止年度

Name of company 公司名稱	Country/ place of incorporation/ establishment 註冊成立 國家 / 所在地	Nominal value of issued ordinary
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

60. Particulars of subsidiaries, associates and jointly controlled entities (Continued)

60. 附屬公司、聯營公司及共同控制公司摘要(續)

(a) (continued)

(a) (續)

Name of company 公司名稱	Country/ place of incorporation/ establishment 註冊成立 國家 / 所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股 股本 / 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有 已發行普通股股本 / 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
*Tai Zhou United East Petrochemical Company Limited ("United East Petrochemical") [#] 泰州東聯化工有限公司(「東聯化工」)	PRC 中國 (Note iii) (附註iii)	RMB165,600,000 人民幣165,600,000元	—	50%	Production and trading of petrochemical products 生產銷售石油化工產品
*Tai Zhou Dong Tai Petrochemical Company Limited ("Dong Tai Petrochemical") [#] 泰州東泰石化有限公司(「東泰石化」)	PRC 中國 (Note iii) (附註iii)	RMB230,000,000 人民幣230,000,000元	—	69.78%	Production and trading of petrochemical products 生產銷售石油化工產品

* For identification purpose only.

[#] Newly incorporated or acquired during the year ended 31 December 2008.

Five out of nine directors of the Company are appointed by the Group, the Group control 55.6% of the voting power in general meeting.

* 只供參考用途。

[#] 於二零零八年十二月三十一日止年度內成立或購入。

本集團已委任該公司董事中九位其中五位，本集團於股東大會控制55.6%的投票權。

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

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

60. Particulars of subsidiaries, associates and jointly controlled entities (Continued)

(a) (continued)

Notes:

- (i) The subsidiary is registered as a wholly foreign-owned enterprise.
- (ii) It is a sino-foreign equity joint venture company established in the PRC. Under the joint venture agreement, the Group is responsible to contribute RMB9,000,000 to the registered capital of Yinda and share 90% of the profits and losses of Yinda.
- (iii) These subsidiaries are registered as domestic enterprises.
- (iv) It is a sino-foreign equity joint venture company established in the PRC.

Other than the investment holding companies incorporated in the British Virgin Islands which have no principal place of operation, and Beijing East Gate, Yinda, Beijing Ju Fu, United East Petrochemical, Dong Tai Petrochemical and Zhong Qing which operate principally in the PRC, all other subsidiaries principally operate in Hong Kong.

Other than the convertible notes issued by the Company as explained in note 42, no loan capital has been issued by the Company and any of its subsidiaries.

60. 附屬公司、聯營公司及共同控制公司摘要(續)

(a) (續)

附註：

- (i) 此附屬公司是以一家全外資擁有之企業註冊。
- (ii) 這是一家於中國成立之中外合資企業。根據合作合同，本集團負責出資人民幣9,000,000元作為銀達之註冊資本，並且有權分享銀達90%損益。
- (iii) 該等附屬公司是以內資企業註冊。
- (iv) 這是一家於中國成立之中外合資企業。

除於英屬處女群島註冊成立之投資控股公司並無主要營業地點以及北京東環、銀達、北京巨福、泰州東聯、泰州東泰及中青主要是於中國營運外，所有附屬公司均主要在香港經營。

除本公司發行的可換股票據(詳列於附註42)外，本公司及其任何附屬公司概無發行任何資本債務。

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

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

60. Particulars of subsidiaries, associates and jointly controlled entities (Continued)

(b) Particulars of the Group's significant associates at 31 December 2008 are as follows:

Name of company 公司名稱	Form of business structure 業務型態	Country/ place of incorporation/ establishment 註冊成立 國家地點/ 所在地	Principal place of business 主要營業地點	Class of shares held 所持股份類別	Proportion of nominal value of issued ordinary share capital/Registered capital held by the Company 本公司所持有已發行普通股股本/註冊資本面值比例		Principal activities 主要業務
					The Group 本集團	The Company 本公司	
CII Limited 中基建設投資有限公司	Incorporated company	Hong Kong 香港	Hong Kong 香港	Ordinary 普通股	50%	—	Property development and investment in distressed assets business 物業發展及不良資產業務
北京君合百年房地產開發有限公司	Sino-foreign equity joint venture 中外合資合營企業	PRC 中國	PRC 中國	Registered capital 註冊資本	22.62%	—	Property development and investment 物業發展及投資
信達建潤房地產有限公司 [#]	Registered 註冊	PRC 中國	PRC 中國	Registered capital 註冊資本	30%	—	Property development and investment 物業發展及投資
*Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited# 中海油汽(泰州)石化有限公司	Registered 註冊	PRC 中國	PRC 中國	Registered capital 註冊資本	23.03%	—	Production and trading of petrochemical products 生產及銷售石油及石油化工產品

* For identification purpose only.
Newly acquired during the year ended 31 December 2008. Four out of nine directors of the Company is appointed by the Group, the Group controls 44.4% of the voting power in general meeting.

60. 附屬公司、聯營公司及共同控制公司摘要(續)

(b) 本集團之主要聯營公司於二零零八年十二月三十一日的詳情如下：

Proportion of nominal value of issued ordinary share capital/Registered capital held by the Company
本公司所持有已發行普通股股本/註冊資本面值比例
The Group
本集團
The Company
本公司

* 只供參考用途。
於二零零八年十二月三十一日止年度內購入的。本集團已委任該公司董事中九位其中四位，本集團於股東大會控制 44.4% 的投票權。

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

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

60. Particulars of subsidiaries, associates and jointly controlled entities (Continued)

(c) Particulars of the Group's jointly controlled entities at 31 December 2008 are as follows:

Name of entity 公司名稱	Form of business structure 業務型態	Country/place of incorporation 註冊成立國家/地點	Principal place of business 主要營業地點	Class of shares held 所持股份類別	Proportion of nominal value of registered capital held by the Group/ Company 本集團/公司所持有的註冊資本面值比例	Principal activities 主要業務
Platinum One Limited	Incorporated company	Mauritius 毛里裘斯	PRC 中國	Ordinary 普通股	50%	Distressed assets business 不良資產業務
科馬印象實業有限公司 [#]	Registered 註冊	PRC 中國	PRC 中國	Registered Capital 註冊資本	50%	Design and trading of washroom facilities 設計及銷售洗手間用品

[#] Newly acquired during the year ended 31 December 2008. The Group control 50% voting power in general meeting. All the decision made in the Board of Directors meeting require at least 2/3 votes from all directors.

60. 附屬公司、聯營公司及共同控制公司摘要(續)

(c) 本集團共同控制公司於二零零八年十二月三十一日的詳情如下：

[#] 於二零零八年十二月三十一日止年度內購入的。本集團於股東大會上控制50%投票權，所有董事會之決定需要由至少2/3董事表決。

61. Particulars of the special purpose vehicle

Particulars of the Group's special purpose vehicle which hold the Group's investment in distressed assets at 31 December 2008 are as follows:

Name of entity 公司名稱	Form of business structure 業務型態	Country of incorporation 註冊成立國家	Principal place of business 主要營業地點	Class of shares held 所持股份類別	Proportion of nominal value of issued ordinary share capital/registered capital held by the Company 本公司所持有已發行普通股股本/註冊資本面值比例		Principal activities 主要業務
					the Group 本集團	the Company 本公司	
Dongxin Union 東信聯合	Sino-foreign equity joint venture 中外合資合營企業	PRC 中國	PRC 中國	Registered capital 註冊資本	46.17%	—	Distressed assets business 不良資產業務

61. 特殊目的載體摘要

持有本集團投資不良資產的特殊目的載體於二零零八年十二月三十一日的詳情如下：

FINANCIAL SUMMARY 財務概要表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度				
		2004 二零零四年 HK\$ Million 百萬港元 (note) (附註)	2005 二零零五年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	2007 二零零七年 HK\$ Million 百萬港元	2008 二零零八年 HK\$ Million 百萬港元
Results	業績					
Revenue	收入	685.2	551.8	688.1	439.7	288.3
Profit for the year attributable to equity holders of the Company	本公司股本持有人應佔年內溢利	403.7	724.1	494.8	322.9	87.1

		At 31 December 於十二月三十一日				
		2004 二零零四年 HK\$ Million 百萬港元 (note) (附註)	2005 二零零五年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	2007 二零零七年 HK\$ Million 百萬港元	2008 二零零八年 HK\$ Million 百萬港元
Assets and liabilities	資產及負債					
Investment properties and property, plant and equipment	投資物業及物業、 廠房及設備	2,045.2	2,227.8	2,328.5	2,282.6	2,650.7
Land use rights	土地使用權	—	—	—	—	26.9
Goodwill	商譽	33.5	33.5	33.5	7.0	11.4
Negative goodwill	負商譽	(59.4)	—	—	—	—
Structured finance securities	結構性金融證券	—	—	24.4	12.0	12.2
Other asset	其他資產	5.5	4.1	2.8	1.4	—
Interest in jointly controlled entities	共同控制公司權益	—	—	32.1	13.6	66.7
Interests in associates and amounts due from associates	聯營公司權益及 應收聯營公司款	1,256.6	1,510.8	1,540.1	1,110.8	784.0
Investments in securities	證券投資	1.5	—	—	—	—
Available-for-sale investments	可供出售投資	—	2.2	99.1	167.7	314.0
Interest in distressed assets	不良資產權益	456.0	204.7	—	—	—
Investment in distressed assets through establishment of a special purpose vehicle	通過成立特殊目的 載體投資不良資產	—	—	—	9.7	—
Deposit paid for acquisition of investments	已收購投資按金	—	44.5	—	64.2	—

FINANCIAL SUMMARY 財務概要表

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

		At 31 December 於十二月三十一日				
		2004 二零零四年 HK\$ Million 百萬港元 (note) (附註)	2005 二零零五年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	2007 二零零七年 HK\$ Million 百萬港元	2008 二零零八年 HK\$ Million 百萬港元
Share capital	股本	351.7	337.7	364.1	364.1	364.1
Reserves	儲備	3,132.0	3,505.3	4,226.5	4,641.9	4,505.5
Equity attributable to equity holders of the Company	本公司股本持有人 應佔股本	3,483.7	3,843.0	4,590.6	5,006.0	4,869.6
Minority interests	少數股東權益	136.2	55.7	16.3	12.7	202.5
Non-current liabilities	非流動負債	926.9	632.2	665.5	479.2	136.2
		4,546.8	4,530.9	5,272.4	5,497.9	5,208.3

Note: The financial information for the year ended 31 December 2004 has been restated to reflect the effect of changes in accounting policies which results from the adoption of the Hong Kong Financial Reporting Standards with effect from the accounting periods beginning on or after 1 January 2005.

附註：截至二零零四年十二月三十一日止年度之財務資料已經重列，以反映採納適用於二零零五年一月一日或以後開始的會計及期間之香港財務報告準則導致的會計政策變動之影響。

SUMMARY OF INVESTMENT PROPERTIES 投資物業概要

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

The following is a list of the Group's investment properties at 31 December 2008:

下列為本集團於二零零八年十二月三十一日的投資物業清單：

Investment properties in the PRC

位於中國之投資物業

Location 地點	Lease term 租約期限	Purpose 用途	Gross area 建築面積 Sq. ft. 平方呎
1. Basement 1, Basement 2, Level 0 and Level 1 to 3 of East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, The PRC. 中國北京市東城區東中街19號東環廣場地庫一層、地庫二層、夾層及一層至三層。	Medium term lease 中期	Commercial 商業	700,427
2. Level 4 to 31, South Apartment Tower, East Gate Plaza, 39 Dongzhong Street, Dongcheng District, Beijing, The PRC. 中國北京市東城區東中街39號東環廣場南座公寓樓第四至三十一層。	Long lease 長期	Residential 住宅	339,739
3. Level 4 to 31, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, The PRC. 中國北京市東城區東中街19號東環廣場北座公寓樓第四至三十一層。	Long lease 長期	Residential 住宅	339,993
4. Portion of Level 2-5, 6 and 8 of Hua Bo Lau, No. 28 Dong Zhong Jie Jia, Dongcheng District, Beijing, The PRC. 中國北京市東城區東中街甲28號華波樓第二至五六及八層部分。	Medium term lease (note) 中期(附註)	Commercial 商業	10,540
5. Certain properties at Yin Tong International Centre, C5 World Trade Avenue, Haikou City, Hainan Province, The PRC. 中國海南省海口市世貿大道C5銀通國際中心若干物業。	Long lease 長期	Commercial 商業	153,882
6. Certain properties on various level of Block 4 at Yinhe Garden, Diahua Road, Haidian Island East, Development District the 3rd Southern Zone, Haikou, Hainan Province, The PRC. 中國海南省海口市海甸島東部開發區南三區甸花路頤和花園小區4棟多層若干物業。	Long lease 長期	Residential 住宅	9,052

SUMMARY OF INVESTMENT PROPERTIES 投資物業概要

For the year ended 31 December 2008

截至二零零八年十二月三十一日止年度

Investment properties in the PRC (Continued)

位於中國之投資物業(續)

Location 地點	Lease term 租約期限	Purpose 用途	Gross area 建築面積 Sq. ft. 平方呎
7. A unit located on Block 6, Yihe Garden, Dianhua Road, Haidian Island East, Development District the 3rd Southern Zone, Haikou, Hainan Province, The PRC. 中國海南省海口市海甸島東部開發區南三區甸花路頤和花園小區6棟一單元。	Long lease 長期	Residential 住宅	6,637
8. Carparking space No. 6 & 8 on Level 1 of Block 3, Yihe Garden, Dianhua Road, Haidian Island East, Development District the 3rd Southern Zone, Haikou, Hainan Province, The PRC. 中國海南省海口市海甸島東部開發區南三區甸花路頤和花園小區3棟第一層6及8號車庫。	Long lease 長期	Car parking 車位	464
9. Unit 502 on Level 5 of Block 16, No. 2 Longkun Road North, Haikou, Hainan Province, The PRC. 中國海南省海口市龍昆北路2號16棟第五層502號。	Long lease 長期	Residential 住宅	1,162
10. Unit 401 & 501 on Levels 4 & 5 of Block 10, No. 2 Longkun Road North, Haikou, Hainan Province, The PRC. 中國海南省海口市龍昆北路2號10棟第四及五層401及502號。	Long lease 長期	Residential 住宅	2,015
11. An office unit located on the Eastern Portion of Level 15, CMEC Building, Guomao Main Road, Haikou, Hainan Province, The PRC. 位於中國海南省海口市國貿大道CMEC大廈十五層東區辦公室單元部分。	Long lease 長期	Commercial 商業	6,079
12. Villa No. 8 of Block D, Shannei Garden, No. 258 Wenming Road East, Haikou, Hainan Province, The PRC. 中國海南省海口市文明東路258號山內花園D型別墅8號。	Long lease 長期	Residential 住宅	3,118

Note: The legal title of the properties have not been passed to the Group at 31 December, 2008.

附註：此等物業之產權於二零零八年十二月三十一日尚未過戶予本集團。

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