



JF Household Furnishings Limited  
捷豐家居用品有限公司

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立之有限公司)

Stock Code 股票編號 : 776

2008  
Annual Report 年報

## 目錄

Corporate Information	2
Chairman's Statement	4
Financial Highlights	8
Management Discussion and Analysis	10
Directors and Senior Management	14
Report of the Directors	20
Corporate Governance Report	32
Independent Auditor's Report	36
Consolidated Income Statement	38
Consolidated Balance Sheet	39
Consolidated Statement of Changes in Equity	40
Consolidated Cash Flow Statement	41
Notes to the Financial Statements	43
公司資料	3
主席報告	5
財務摘要	9
管理層討論及分析	11
董事及高級管理層	15
董事會報告	21
企業管治報告	33
獨立核數師報告	37
綜合收益表	38
綜合資產負債表	39
綜合權益變動表	40
綜合現金流量表	41
財務報表附註	43

## CORPORATE INFORMATION

### Board of Directors

#### Executive Directors

Mr. Yan Siu Wai (*Chairman*)  
Mr. Leung Kwok Yin  
Mr. Bao Jisheng

#### Non-Executive Director

Mr. Kwan Kai Cheong

#### Independent Non-Executive Directors

Mr. Yu Hon Wing Allan  
Mr. Garry Alides Willinge  
Mr. Chu Kwok Man

### Company Secretary

Mr. Cheung Wai Tak (CPA(US), CPA)

### Authorised Representatives

Mr. Yan Siu Wai  
Mr. Cheung Wai Tak (CPA(US), CPA)

### Compliance Officer

Mr. Yan Siu Wai

### Qualified Accountant

Mr. Cheung Wai Tak (CPA(US), CPA)

### Audit Committee

Mr. Yu Hon Wing, Allan (*Chairman*)  
Mr. Kwan Kai Cheong  
Mr. Garry Alides Willinge  
Mr. Chu Kwok Man

### Registered Office

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

### Head Office and Principal Place of Business in Hong Kong

15th Floor, EIB Tower  
4-6 Morrison Hill Road  
Wanchai, Hong Kong

### Cayman Islands Principal Share Registrar And Transfer Office

Bank of Bermuda (Cayman) Limited  
PO Box 513, 2nd Floor, Strathvale House  
North Church Street, George Town  
Grand Cayman KY1-1106, Cayman Islands

### Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

Bank of China  
No. 58 South Shun Shui Road  
Yuyao, Zhejiang, PRC

### Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Wanchai  
Hong Kong

### Auditors

RSM Nelson Wheeler  
29th Floor  
Caroline Centre  
Lee Gardens Two  
28 Yun Ping Road  
Hong Kong

### Legal Advisers

Tracy Ong & Co.  
3908A, 39th Floor  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

### Stock Code

776

### Website of the Company

[www.jffurnishings.com](http://www.jffurnishings.com)

**董事會****執行董事**

甄兆威先生 (主席)  
梁國賢先生  
鮑繼聲先生

**非執行董事**

關啟昌先生

**獨立非執行董事**

俞漢榮先生  
Garry Alides Willinge先生  
朱國民先生

**公司秘書**

張偉德先生 (CPA(US), CPA)

**授權代表**

甄兆威先生  
張偉德先生 (CPA(US), CPA)

**監察主任**

甄兆威先生

**合資格會計師**

張偉德先生 (CPA(US), CPA)

**審核委員會**

俞漢榮先生 (主席)  
關啟昌先生  
Garry Alides Willinge先生  
朱國民先生

**註冊地址**

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

**香港總辦事處及主要營業地點**

香港灣仔  
摩理臣山道4-6號  
經信商業大廈15樓

**開曼群島主要股份過戶登記處**

Bank of Bermuda (Cayman) Limited  
PO Box 513, 2nd Floor, Strathvale House  
North Church Street, George Town  
Grand Cayman KY1-1106, Cayman Islands

**主要往來銀行**

香港上海匯豐銀行有限公司  
香港中環  
皇后大道中1號

中國銀行  
中國浙江省餘姚市  
舜水南路58號

**香港股份過戶登記分處**

卓佳證券有限公司  
香港  
灣仔  
皇后大道東28號  
金鐘匯中心  
26樓

**核數師**

中瑞岳華(香港)會計師事務所  
香港  
恩平道28號  
利園二期嘉蘭中心  
29樓

**法律顧問**

王珮玲律師事務所  
香港  
中環  
康樂廣場1號  
怡和大廈  
39樓3908A室

**股份代號**

776

**公司網址**

[www.jffurnishings.com](http://www.jffurnishings.com)

## CHAIRMAN'S STATEMENT

### To Our Shareholders

On behalf of the board ("Board") of directors ("Directors") of JF Household Furnishings Limited ("Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "Group") and its audited financial results for the financial year ended 31 December 2008.

First of all, I am very pleased to report to all the shareholders that after around three years of efforts, the Company had successfully transferred its listing from the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited ("Stock Exchange") to the Main Board of the Stock Exchange in September 2008 ("Transfer of Listing") which is an important milestone for the Group.

For the fiscal year ended 31 December 2008, the Group recorded a turnover of approximately HK\$403.1 million, representing an increase of 13.9% over that of 2007. The Company achieved a moderate growth in turnover during the year, even though the worldwide market had been experiencing an economic crisis which affected every sector of the worldwide economy. The increase in turnover was mainly due to the growth from the "flat line" timber products which performance had remarkably improved from the initial period of its operation in 2007. While the turnover of the stainless steel business increased slightly by approximately HK\$2.4 million, the turnover of the timber business increased by approximately HK\$47.0 million over that of 2007.

In 2008, the Group's profit attributable to shareholders was approximately HK\$22.8 million, representing a drop of 17.5% as compared to that of 2007, despite an improvement of gross profit margin from 13.8% in 2007 to 15.0% in 2008. The decline in the Group's profit was mainly attributed to a one time costs of approximately HK\$4.2 million incurred for the Transfer of Listing.

### Business Review

Year 2008 represents a very difficult and challenging year for the Group. During the year, the Group's businesses were first adversely affected by the tightening of the labour policies by the PRC government and the elimination of preferential tax treatment for export businesses and foreign-owned enterprises, and subsequently impacted by the severe global economic slow down during the second half of the year. Given the tough operating environment in the year 2008, the management is pleased to see that the Group was able to deliver profit after tax of about HK\$22.8 million for the year ended 31 December 2008 after netting off the extraordinary expenses of approximately HK\$4.2 million incurred for the Transfer of Listing, which should have been maintained roughly in the same level of approximately HK\$27.7 million for the year ended 31 December 2007 without the extraordinary expenses.

The tightening of the labour policies by the PRC government had directly increased the labour costs and indirectly affected labour morale. In order to minimize the impact on the factory's performance, the Group had tightened the labour management, reduced overall staff numbers and further promoted performance-based remuneration package to uplift the labour spirit.

The completion of the new 30,000 square meters timber plant and the installation of new equipment in June 2007 enabled the Group to expand the production level of timber products in 2008. While the turnover attributed by the sales of timber products increased by 68.3% in 2008, gross profit margin of timber products increased from 4.2% in 2007 to 12.9% in 2008.

Although the appreciation in Renminbi continued to affect the Group's performance, the hedging contracts secured was able to conclude an overall net foreign exchange gain of over approximately HK\$687,000 for the Group during the year under review.

In order to prepare for further expansion of the timber production lines, the Group acquired the land use rights of a parcel of land ("Land") with a total gross area of 42,085 square meters located adjacent to the existing production facilities of the timber products in June 2008 at a consideration of approximately RMB27.1 million.

## 致股東

本人謹代表捷豐家居用品有限公司(「本公司」)董事(「董事」)會(「董事會」)，欣然提呈本公司及其附屬公司(統稱為「本集團」)截至二零零八年十二月三十一日止財政年度的年度報告及經審核財務業績。

首先，本人非常欣慰地向全體股東報告，經過三年的不懈努力，本公司已於二零零八年九月成功由香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)轉往聯交所主板上市(「轉板上市」)，這是本集團發展的重要里程碑。

於截至二零零八年十二月三十一日止之財政年度內，本集團錄得營業額約403,100,000港元，較二零零七年之營業額增長13.9%。儘管金融海嘯席捲全球市場，並影響世界經濟體的各個行業，本公司於本年度之營業額仍實現穩健增長。營業額上升的主要因為「平板」木製家具產品之表現較二零零七年營運初期顯著改善。不銹鋼業務的營業額較二零零七年略微增加約2,400,000港元，而木製家具業務的營業額則較二零零七年增加約47,000,000港元。

於二零零八年，本集團的股東應佔溢利約為22,800,000港元，較二零零七年下降17.5%，惟本集團於二零零八年的邊際毛利率由二零零七年的13.8%上升至15.0%。本集團溢利下降主要是由於轉板上市產生的一次性費用約4,200,000港元所致。

## 業務回顧

二零零八年對本集團而言是非常艱難且充滿挑戰的一年。年內，本集團的業務首先受到中國政府實施更為嚴格的勞工政策以及取消對出口業務及外資企業稅務優惠政策的不利影響，其後又受到下半年全球經濟急劇放緩的衝擊。儘管二零零八年經營環境嚴峻，然而扣除轉板上市產生之特殊開支約4,200,000港元後，管理層仍然欣喜的看到本集團於截至二零零八年十二月三十一日止年度錄得除稅後溢利約22,800,000港元，在扣除特殊開支的情況下，與截至二零零七年十二月三十一日止年度之約27,700,000港元大致相當。

中國政府實施嚴格的勞工政策直接增加了本集團的勞工成本，並間接影響員工士氣。為最大限度地減低該政策變動對工廠的影響，本集團加強了勞工管理，減少總員工人數，並進一步推行以表現為基準的薪酬政策以激勵員工士氣。

隨著30,000平方米的新木製家具廠房於二零零七年六月竣工及新設備順利安裝，本集團得以於二零零八年擴大木製家具產品的產能。二零零八年木製家具產品銷售所得之營業額增加68.3%，木製家具之邊際毛利率由二零零七年的4.2%增加至二零零八年之12.9%。

儘管人民幣升值持續影響本集團之表現，惟本集團所購買之對沖合約使本集團於回顧年內最終取得超過約687,000港元之總外匯收益淨額。

為進一步擴大木製家具生產線，本集團於二零零八年六月收購一幅鄰近現有木製家具產品生產廠房的土地(「土地」)之使用權。該幅地塊總面積為42,085平方米，代價為人民幣約27,100,000元。



## CHAIRMAN'S STATEMENT

Further, the Group continued to expand its business base through developing new products. During 2008, the Group had developed 13 new stainless steel products, including 5 in the kitchen series and 5 in the bathroom series.

For the timber division, the Group continued to enlarge its product base, and had developed 21 new models in the kitchen cabinet series during the year under review.

### Outlook and Future Prospects

Year 2009 is expected to be another year of tough challenge for most of the businesses in the PRC, especially for the export oriented manufacturing factories in the PRC. However, the management is confident that the Company is in a strong position to ride out from this recession period with various strategies of the Group including the improvement of production efficiency and the diversification of product base.

In 2009, the Group plans to shift the stainless steel production lines to a higher automatic process. The improvement will mainly come from the stainless tube production line, stainless desk production line, stainless shelf production line, and stainless box production line.

To expand the product base, the Group plans to develop 72 new products in the stainless steel division and at least 60 new products in the timber division. The focus of year 2009 will be in the kitchen cabinet series, where the Group plans to introduce at least 30 new products. At the date of this report, the first batch products of this new cabinet series have been completed, and normal production and delivery is expected to begin shortly.

During 2008, the sophistication of the management and staff in the timber manufacturing processes had grown continuously, with satisfactory feedbacks and recognition from our key customer. Our recent discussion with the representatives from the key customer were positive and plans for introducing the new series of environmentally-friendly timber products is likely to be proceeded despite the worldwide economic downturn. It is expected that trial production will begin in the third quarter of year 2009. To prepare for the expansion of production lines for this significant new series of environmentally-friendly timber products, the Group has acquired the Land and planned to build a new 30,000 square meters production plant to house the new production facilities.

If the economy continues to deteriorate, prices for the key raw materials, such as wood panel and stainless steel, are expected to drop further. The management is optimistic that the drop of prices for the raw materials will create room for price reduction in our products as the Group strives to maintain and increase orders above the level of 2008.

The management expects the RMB to be relatively stable for the year, and the impact of appreciation in RMB on the Group's performance can be effectively controlled in year 2009.

Looking ahead, the management is cautiously optimistic that the Group will ride out of the current economic crisis and become more competitive in the coming new economic order with our efforts in the improvement of production efficiency and the acceleration in product development and diversification.

### Appreciation

On behalf of the Board, I would like to express our sincere appreciation to all our investors, customers, partners and shareholders for their ongoing support to the Group. I would also like to thank my colleagues and staff for their invaluable contributions throughout the year.

**Yan Siu Wai**

*Chairman*

Hong Kong, 7 April 2009

此外，本集團繼續透過開發新產品擴大其業務基礎。於二零零八年內，本集團已開發13種新的不銹鋼產品，其中包括5種廚房系列設備及5種浴室系列。

木製傢俱部門方面，本集團繼續擴大其產品基礎，並於回顧年內成功開發21種廚櫃系列的新產品。

## 展望及未來前景

對於中國絕大部份行業，尤其是以出口為主的製造工廠而言，預期二零零九年將繼續是充滿考驗的一年。儘管如此，管理層相信，透過實施提升生產效率及實現產品多樣化等一系列策略，本公司處於十分有利之地位，可安然度過這一輪衰退。

於二零零九年，本集團計劃將不銹鋼生產線升級至自動化程度更高的生產工序，其中主要改良不銹鋼管件生產線、方桌生產線、支架生產線以及不銹鋼箱式件生產線。

為擴大產品基礎，本集團計劃在不銹鋼部門開發72種新產品及在木製傢俱部門開發至少60種新產品。櫥櫃系列將成為二零零九年度的開發重點，本集團計劃至少引進30種新產品。於本報告日期，該櫥櫃系列的首批新產品已經完成開發，預計很快將開展正常的生產並交貨。

於二零零八年，管理層及員工對木製傢俱生產工序的熟練程度持續提升，並獲得主要客戶的滿意及肯定。本公司最近與主要客戶代表進行的磋商亦取得十分積極的成效，儘管全球經濟陷入衰退，但引進環保木製傢俱新系列產品的計劃仍將繼續推進，預期新產品將於二零零九年第三季度開始試產。新型環保木製傢俱產品系列意義重大，為籌備生產線的擴張，本集團已收購土地並計劃建造一個30,000平方米的新工廠以安置新的生產設施。

倘若經濟繼續惡化，木板及不銹鋼等主要原材料的價格預計將進一步下滑。管理層相信原材料價格下降將為本公司產品創造更大的降價空間，令本集團爭取維持並超過二零零八年之訂單水平。

管理層預期，本年度人民幣的匯率將相對穩定，二零零九年人民幣升值對本集團業績的影響可得到有效控制。

展望未來，管理層審慎樂觀，本集團將可通過努力提高生產效率及加快新產品開發及多樣化進程，度過當前的經濟危機，並在即將到來的新經濟秩序中獲得更強的競爭力。

## 致謝

本人謹代表董事會向所有投資者、客戶、合作夥伴及股東對本集團一如既往的支持，及各董事同仁及全體員工於過去一年對本集團作出的無價貢獻，致以深摯謝意。

甄兆威

主席

香港，二零零九年四月七日



## FINANCIAL HIGHLIGHTS

	Year ended 31 December				2008 HK\$
	2004 HK\$	2005 HK\$	2006 HK\$	2007 HK\$	
<b>Results</b>					
Turnover	152,459,445	199,625,181	193,902,367	353,755,842	<b>403,056,696</b>
Profit attributable to shareholders of the Company	18,876,904	23,659,231	20,662,883	27,656,969	<b>22,805,673</b>
<b>Assets and Liabilities</b>					
Total assets	84,794,832	116,591,011	132,972,559	231,706,985	<b>271,867,371</b>
Total liabilities	59,490,978	41,436,610	43,448,295	115,376,003	<b>129,991,671</b>
Equity attributable to shareholders of the Company	25,303,854	75,154,401	89,524,264	116,330,982	<b>141,875,700</b>
<b>Earnings per share</b>					
Basic	0.14	0.17	0.12	0.16	<b>0.13</b>
Diluted	N/A	0.17	0.12	0.16	<b>0.13</b>

## 財務摘要

	截至十二月三十一日止年度				
	二零零四年 港元	二零零五年 港元	二零零六年 港元	二零零七年 港元	二零零八年 港元
<b>業績</b>					
營業額	152,459,445	199,625,181	193,902,367	353,755,842	<b>403,056,696</b>
本公司股東應佔溢利	18,876,904	23,659,231	20,662,883	27,656,969	<b>22,805,673</b>
<b>資產及負債</b>					
總資產	84,794,832	116,591,011	132,972,559	231,706,985	<b>271,867,371</b>
總負債	59,490,978	41,436,610	43,448,295	115,376,003	<b>129,991,671</b>
本公司股東應佔權益	25,303,854	75,154,401	89,524,264	116,330,982	<b>141,875,700</b>
<b>每股盈利</b>					
基本	0.14	0.17	0.12	0.16	<b>0.13</b>
攤薄	不適用	0.17	0.12	0.16	<b>0.13</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results of Operations

For the fiscal year ended 31 December 2008, the Group reported a turnover of approximately HK\$403.1 million, representing an increase of 13.9% from that of the fiscal year of 2007. The increase of turnover came mainly from the growth of the timber division. Turnover for the timber division increased to approximately HK\$115.7 million in 2008 from approximately HK\$68.7 million in 2007, as the management and the staff of the Group are becoming more sophisticated in the timber manufacturing process. Turnover for the stainless steel division remained stable and increased slightly from approximately HK\$285.0 million for the year ended 31 December 2007 to approximately HK\$287.4 million for the year ended 31 December 2008.

Overall gross profit margin increased from 13.8% in the year 2007 to 15.0% in 2008, mainly due to the improvement in the timber division.

Gross profit margin for the stainless steel division dropped from 16.1% in 2007 to 15.6% in 2008 as the profit of the stainless steel business was still adversely affected by the reduction in the import tax refund rate from 13% to the current rate of 5%.

Prices for stainless steel continued to drop during the year under review, with the average cost of purchase for type "304" ("Type 304") steel dropped from RMB30.0 per kilogram to RMB25.4 per kilogram. Raw material costs as a percentage of turnover in the stainless steel division declined from 68.4% to 66.1% in 2008 as the price of stainless steel started to drop and the management increased use of the 21 CT materials in place of more expensive raw materials such as Type 304.

Gross profit margin for the timber division rose from 4.3% in 2007 to 13.4% in 2008, as the management was able to improve material utilization rate. Raw material costs as a percentage of turnover reduce from 85.9% in 2007 to 76.39% in 2008.

Total expenses (including selling and administration) increased significantly from approximately HK\$17.5 million in 2007 to HK\$25.9 million in 2008 as a result of a one-time expense of approximately HK\$4.2 million for the Transfer of Listing and the increased costs of full scale operation of the new timber division.

Selling and distribution costs stayed at around the same level of around HK\$4.3 million when turnover increased by 13.9%, mainly because of a reclassification of packaging material costs into part of the production costs. Excluding the effect of the reclassification, selling and distribution expenses increased by 23.7%, mainly due to the increase in turnover of timber products.

Administrative expenses increased by approximately HK\$8.3 million from approximately HK\$13.3 million to approximately HK\$21.6 million. The increase was mainly due to a one-time costs of approximately HK\$4.2 million for the Transfer of Listing.

Excluding the expenses incurred for the Transfer of Listing, the regular administrative expenses increased by approximately HK\$4.1 million from approximately HK\$13.3 million in 2007 to approximately HK\$17.4 million in 2008, mainly because of the increase of approximately HK\$2.6 million in staff expenses, approximately HK\$279,000 in office expenses, approximately HK\$280,000 in amortization of land use rights, approximately HK\$328,000 in amortization of software, and approximately HK\$573,000 in finance charges.

Interest costs rose again to approximately HK\$5.5 million in 2008 from HK\$3.1 million in 2007, or 74.7%, as the average bank borrowings rose to a higher level of around HK\$86.4 million, mainly due to the purchase of the Land at a consideration of approximately RMB27.1 million.

Income tax expenses increased from approximately HK\$5.1 million in 2007 to HK\$8.7 million in 2008, with the average tax rate of 27.7% in 2008, compared with the average tax rate of 15.7% level in 2007. The increase of average tax rate is mainly due to the cessation of the income tax rate concession for firms that export over 70% of their products. Moreover, in 2008, the dividend distributable by the PRC subsidiary of the Company is subject to a withholding tax rate of 10%.

Net profit in 2008 was approximately HK\$22.8 million, representing a 17.5% decline as compared to that of 2007. The decline in net profit mainly came from the one time costs for the Transfer of Listing and the increase in applicable tax rates.

## 經營業績

截至二零零八年十二月三十一日止財政年度，本集團錄得營業額約403,100,000港元，較二零零七年財政年度上升13.9%。營業額的增長主要受木製家具部門的增長所推動。由於本集團管理層及員工對木製家具生產流程更為熟悉，其營業額從二零零七年的約68,700,000港元增加至二零零八年的約115,700,000港元。不銹鋼部門的營業額保持穩定，從截至二零零七年十二月三十一日止年度之約285,000,000港元輕微增長至截至二零零八年十二月三十一日止年度之約287,400,000港元。

本集團於二零零八年的整體邊際毛利率由二零零七年的13.8%上升至15.0%，主要受木製家具部門的增長所推動。

由於不銹鋼業務的利潤仍然受到出口退稅稅率由13%降低至現有稅率5%之負面影響，不銹鋼部門的邊際毛利率由二零零七年的16.1%下跌至二零零八年的15.6%。

於回顧年內不銹鋼價格持續下降，「304型」(「304型」)鋼的平均採購成本從每公斤人民幣30.0元下降至每公斤人民幣25.4元。隨著不銹鋼價格開始下降，以及管理層增加使用21 CT材料以代替更為昂貴的原材料(如304型)，不銹鋼部門二零零八年原材料成本佔營業額的比例從68.4%降至66.1%。

由於管理層得以改善原材料利用率，木製家具部門的邊際毛利率從二零零七年的4.3%增加至二零零八年的13.4%。原材料成本佔營業額的比例從二零零七年的85.9%下降至二零零八年的76.39%。

受轉板上市產生之一次性費用約4,200,000港元及新木製家具部門全面投入營運令成本增加之影響，總開支(包括銷售及行政)從二零零七年之約17,500,000港元大幅增加至二零零八年之25,900,000港元。

銷售及分銷成本維持於約4,300,000港元之同等水平，而營業額則增加13.9%，主要原因乃包裝原料成本被重新分類為生產成本的一部份。扣除重新分類的影響，銷售及分銷開支則上升23.7%，主要是由於木製家具產品營業額增長所致。

行政開支從約13,300,000港元增加約8,300,000港元至約21,600,000港元。該等增加主要是由於支付轉板上市之一次性費用約4,200,000港元所致。

扣除轉板上市所產生的費用的影響，一般行政開支則從二零零七年的約13,300,000港元增加約4,100,000港元至二零零八年的約17,400,000港元，主要是由於僱員開支增加約2,600,000港元、辦公開支增加約279,000港元、土地使用權攤銷增加約280,000港元、軟件攤銷增加約328,000港元以及銀行費用增加約573,000港元所致。

由於購買價值約人民幣27,100,000元的土地，平均銀行貸款上升至約86,400,000港元的更高水平，利息開支從二零零七年的約3,100,000港元進一步增加74.7%至二零零八年的約5,500,000港元。

所得稅開支從二零零七年的約5,100,000港元增加至二零零八年的8,700,000港元，而平均稅率則從二零零七年的15.7%上升至二零零八年的27.7%。平均稅率增加主要因為政府對於出口產品達到產品產值70%以上的企業之所得稅不再給予減免。此外，本公司中國附屬公司於二零零八年可供分派股息亦須按10%的稅款扣繳預扣稅。

二零零八年的淨溢利約為22,800,000港元，較二零零七年下降17.5%。淨溢利減少主要因為轉板上市的一次性開支以及適用稅率上升所致。

## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity, Financial Resources and Funding and Treasury Policy

The Group's overall financial position was affected by two main factors: the 13.9% increase in turnover which increased the working capital requirement, and the purchase of the Land in June 2008. The expansion was financed by concrete support from banks.

As at 31 December 2008, the Group had bank and cash balances of approximately HK\$21.5 million (2007: HK\$18.5 million) and net current assets of approximately HK\$26.7 million which was much lower than the approximately HK\$45.6 million recorded in 2007, mainly due to higher bank borrowings and higher tax liabilities. Non-current assets continue to increase by approximately HK\$43.7 million to approximately HK\$118.7 million in the current year. The increase was mainly due to the approximately RMB27.1 million purchase of the Land in preparation of further expansion.

As at 31 December 2008, the Group had current liabilities of approximately HK\$126.4 million, which was higher than the 2007 year end balance of approximately HK\$111.1 million. The higher position consisted mainly of the increase of current tax liabilities by approximately HK\$4.5 million and the increase of bank borrowings by approximately HK\$9.7 million related to the purchase of the Land.

### Bank Loans and Other Borrowings

Particulars of bank borrowings and charges on the Group's assets are set out in notes 25 and 26 to the financial statements.

### Gearing Ratio

The Group's gearing ratio, which was derived from the total bank borrowings to total assets, declined to 29.8% in 2008 from 32.3% in 2007, as the Group purchased the Land at a consideration of approximately RMB27.1 million while increasing its bank borrowing by around HK\$6 million only.

### Future Plans for Material Investments

Save as disclosed in this report, the Company had no material acquisition or capital expenditure plan as of 31 December 2008.

### Contingent Liabilities

As at 31 December 2008, the Group did not have any significant contingent liabilities (2007: Nil).

### Subsequent Events

No subsequent events occurred after 31 December 2008, which may have significant effects on the assets and liabilities of future operations of the Group.

### Foreign Exchange Exposure

All transactions of the Group are denominated in RMB, Hong Kong dollars or US dollars. As RMB may continue to fluctuate in the foreseeable future, the Group will maintain a sizable portion of its borrowings in Hong Kong dollars, which form a natural hedge with the Group's sales denominated in US dollars.

### Employees and Remuneration Policy

As at 31 December 2008, the Group employed approximately 820 staff in the PRC and Hong Kong, representing a reduction of 120 staff from 31 December 2007. The Group's remuneration to employees, including Directors' emoluments, increased by approximately HK\$5 million to approximately HK\$28.8 million for the current fiscal year. The Group reviews employee remuneration annually and rewards its employee with reference to the length of services and performance. The Group also has the liberty to grant share options and bonuses to employees of the Group at the discretion of the Directors based on the financial performance of the Group.

### Capital Structure

Since the listing of the Company's shares on GEM of the Stock Exchange on 13 October 2005, there has been no change in the capital structure of the Company. The share capital of the Company comprises only ordinary shares.

### Competing Interest

None of the Directors, management shareholders or their respective associates (as defined in the Rules Governing the Listing of Securities on GEM ("GEM Listing Rules") and the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") respectively), had any interests in any business which compete or may compete with the Company or any other conflicts of interest which any such person may have with the Company.

## 流動資金、財務資源及融資及財務政策

本集團的整體財務狀況主要受兩大因素影響：營業額增加13.9%令營運資本需求增加及於二零零八年六月購入土地。該等擴展均獲得銀行大力支持。

於二零零八年十二月三十一日，本集團擁有銀行及現金結餘約21,500,000港元(二零零七年：18,500,000港元)及流動資產淨值約26,700,000港元，遠低於二零零七年之約45,600,000港元，主要是由於銀行借貸及稅項負債增加所致。本年度非流動資產進一步增長約43,700,000港元至約118,700,000港元，其主要原因是本集團以人民幣約27,100,000元購入土地以作進一步擴展。

於二零零八年十二月三十一日，本集團擁有流動負債約126,400,000港元，高於二零零七年底之結餘約111,100,000港元。流動負債增加主要由於購買土地導致銀行借貸增加約9,700,000港元及即期稅項負債增加約4,500,000港元所致。

## 銀行貸款及其他借貸

銀行貸款及本集團資產抵押之詳情載於財務報表附註25及26。

## 資產負債比率

由於本集團購入價值約人民幣27,100,000元的土地，同時銀行借貸僅增加約6,000,000港元，本集團的資產負債比率(以銀行借貸總額與資產總值之比例計算)由二零零七年的32.3%下降至二零零八年的29.8%。

## 重大投資的未來計劃

除本年報所披露者外，截至二零零八年十二月三十一日，本公司並無任何重大收購或資本開支計劃。

## 或然負債

於二零零八年十二月三十一日，本集團並無任何重大或然負債(二零零七年：無)。

## 結算日後事項

於二零零八年十二月三十一日後，並無發生對本集團日後營運的資產及負債有重大影響的結算日後事項。

## 外匯風險

本集團的所有交易均以人民幣、港元或美元列值。鑒於人民幣於可預見的將來可能持續波動，本集團將維持較大比例的港元借貸，以和本集團以美元列值的銷售額自然對沖。

## 僱員及薪酬政策

於二零零八年十二月三十一日，本集團於中國大陸及香港僱用約820名員工，較二零零七年十二月三十一日減少120名。在本財政年度，本集團的僱員薪酬(包括董事酬金)增加約5,000,000港元至約28,800,000港元。本集團按僱員服務年期及表現每年審核僱員薪酬及給予獎金。本集團亦根據本集團的財務表現由董事酌情決定向本集團僱員授出購股權及花紅。

## 資本結構

自本公司股份於二零零五年十月十三日於聯交所創業板上市以來，本公司的資本結構並無變動。本公司股本只由普通股組成。

## 競爭權益

概無董事、管理層股東或彼等各自的聯繫人(定義分別見創業板證券上市規則(「創業板上市規則」)及聯交所證券上市規則(「上市規則」))於對本公司業務構成或可能構成競爭的任何業務中擁有任何權益，或與本公司構成任何其他利益衝突。



## DIRECTORS AND SENIOR MANAGEMENT

### Executive Directors

Mr. Yan Siu Wai, aged 53, is one of the co-founders and Chairman of the Group. Mr. Yan is responsible for the strategic planning, corporate development and supervision of overall management of the Group. Mr. Yan graduated from Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1976 with a higher diploma in production engineering. In 1998, he also obtained a master degree in Science (Engineering Business Management) from the University of Warwick, the United Kingdom. Mr. Yan is a member of the American Institute of Industrial Engineers and American Society of Heating Refrigerating and Air-conditioning Engineers, Inc.. Mr. Yan has approximately 28 years of experience in industrial management and manufacturing. Mr. Yan is also a director of all of the subsidiaries of the Company, namely JF Household Furnishings (Asia) Ltd., JF Household Furnishings (BVI) Ltd., Keylink Technology Limited, JF Household Furnishings (Macau) Holdings Ltd., JF Household Furnishings Macao Commercial Offshore Limited, JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd., Ningbo JF Metal Products Co., Ltd. and Ningbo JF Furniture Co., Ltd. Mr. Yan also held directorships and shareholding in other private companies, some of which are jointly invested with Mr. Leung Kwok Yin. Further, both of Mr. Yan and Mr. Leung Kwok Yin are directors and controlling shareholders of Multistack International Limited ("MIL"), a company listed on the Australian Stock Exchange.

The Company and Mr. Yan entered into a service agreement on 8 September 2005 in relation to Mr. Yan's appointment as an executive Director for an initial term of 3 years commenced from 8 September 2005 and expired on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of their appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Pursuant to the service agreement, Mr. Yan is entitled to receive a salary of HK\$34,000 per month and a discretionary annual bonus. The salary of Mr. Yan is determined with reference to his experience and responsibilities.

Mr. Leung Kwok Yin, aged 56, is one of the co-founders of the Group. Mr. Leung is responsible for product development, materials sourcing and marketing of the Group. Mr. Leung graduated from Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1975 with a technician diploma in electrical engineering. Mr. Leung has been partnering with Mr. Yan Siu Wai for investments in the PRC for approximately 28 years and has built substantial manufacturing and distribution experiences in the PRC. Mr. Leung is also a director of all of the subsidiaries of the Company, namely JF Household Furnishings (Asia) Ltd., JF Household Furnishings (BVI) Ltd., Keylink Technology Limited, JF Household Furnishings (Macau) Holdings Ltd., JF Household Furnishings Macao Commercial Offshore Limited, JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd., Ningbo JF Metal Products Co., Ltd. and Ningbo JF Furniture Co., Ltd. Mr. Leung also held directorships and shareholding in other private companies, some of which are jointly invested with Mr. Yan Siu Wai. Further, both of Mr. Leung and Mr. Yan Siu Wai are directors and controlling shareholders of MIL, a company listed on the Australian Stock Exchange.

The Company and Mr. Leung entered into a service agreement on 8 September 2005 in relation to Mr. Leung's appointment as an executive Director for an initial term of 3 years commenced from 8 September 2005 and expired on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of their appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Pursuant to the service agreement, Mr. Leung is entitled to receive a salary of HK\$18,000 per month and a discretionary annual bonus. The salary of Mr. Leung is determined with reference to his experience and responsibilities.

Mr. Bao Jisheng, aged 70, has been the general manager of the Group and JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd. ("JF Ningbo") since January 2003. He joined the Group in January 1999. Mr. Bao was previously the factory manager of Yuyao General Machinery Factory. Mr. Bao is responsible for the overall operation of JF Ningbo. He has over 40 years of experience in manufacturing, industrial engineering and business management. Mr. Bao is a qualified engineer. Mr. Bao is also a director of certain subsidiaries of the Company, namely JF Household Furnishings Macao Commercial Offshore Limited, JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd., Ningbo JF Metal Products Co., Ltd. and Ningbo JF Furniture Co., Ltd.

The Company and Mr. Bao entered into a service agreement on 8 September 2005 in relation to Mr. Bao's appointment as an executive Director for an initial term of 3 years commenced from 8 September 2005 and expired on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of their appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Pursuant to the service agreement, Mr. Bao is entitled to receive a salary of HK\$58,000 per month and a discretionary annual bonus. The salary of Mr. Bao is determined with reference to his experience and responsibilities.

## 執行董事

甄兆威先生，53歲，本集團主席兼聯合創辦人之一。甄先生負責本集團的策略規劃、企業發展及整體的監管。甄先生一九七六年於香港理工大學(前稱香港理工學院)畢業，取得生產工程高級文憑，並於一九九八年取得英國華威大學(University of Warwick)理學(工程商業管理)碩士學位。甄先生為美國工程師學會及美國製冷學會會員。甄先生在工業管理及製造方面擁有約28年經驗。甄先生亦為本公司所有附屬公司之董事，即捷豐家居用品(亞洲)有限公司、捷豐家居用品(維爾京群島)有限公司、機靈科技有限公司、捷豐家居用品(澳門)控股有限公司、捷豐家居用品澳門離岸商業服務有限公司、寧波捷豐家居用品有限公司、寧波捷豐金屬制品有限公司以及寧波捷豐現代家具有限公司。此外，甄先生亦於其他私營公司擔任董事及持有股份，部份為與梁國賢先生聯合投資之公司。此外，甄先生與梁國賢先生均為於澳洲證券交易所上市之公司Multistack International Limited (「MIL」)的董事及控股股東。

本公司與甄先生於二零零五年九月八日簽訂一份服務協議，自二零零五年九月八日開始委任甄先生為本公司執行董事，初始任期為3年，並於二零零八年九月七日屆滿。協議自當時任期屆滿日期起翌日自動續約一年，惟任何一方於初始任期結束或其後任何時間向對方發出不少於6個月之書面通知終止除外。根據服務協議，甄先生可獲得每月34,000港元的薪金及酌情年終花紅。甄先生的薪酬乃根據其資歷及職責釐定。

梁國賢先生，56歲，本集團聯合創辦人之一，負責本集團產品開發、物料採購及市場推廣。梁先生一九七五年於香港理工大學(前稱香港理工學院)畢業，取得電機工程技術文憑。梁先生與甄兆威先生合夥在中國投資已約28年，在中國進行製造及分銷方面積累了豐富經驗。梁先生亦為本公司所有附屬公司之董事，即捷豐家居用品(亞洲)有限公司、捷豐家居用品(維爾京群島)有限公司、機靈科技有限公司、捷豐家居用品(澳門)控股有限公司、捷豐家居用品澳門離岸商業服務有限公司、寧波捷豐家居用品有限公司、寧波捷豐金屬制品有限公司以及寧波捷豐現代家具有限公司。此外，梁先生亦於其他私營公司擔任董事及持有股份，部份為與甄兆威先生聯合投資之公司。此外，梁先生與甄兆威先生均為於澳洲證券交易所上市之公司MIL的董事及控股股東。

本公司與梁先生於二零零五年九月八日簽訂一份服務協議，自二零零五年九月八日開始委任梁先生為本公司執行董事，初始任期為3年，並於二零零八年九月七日屆滿。協議自當時任期屆滿日期起翌日自動續約一年，惟任何一方於初始任期結束或其後任何時間向對方發出不少於6個月之書面通知終止除外。根據服務協議，梁先生可獲得每月18,000港元的薪金及酌情年終花紅。梁先生的薪酬乃根據其資歷及職責釐定。

鮑繼聲先生，70歲，自二零零三年一月起為本集團及寧波捷豐家居用品有限公司(「寧波捷豐」)總經理。彼於一九九九年一月加入本集團，之前曾擔任餘姚通用機器廠廠長。鮑先生負責寧波捷豐的整體營運。彼在製造、工業工程及商業管理方面擁有逾40年經驗。鮑先生為合資格工程師。鮑先生亦為本公司若干附屬公司之董事，即捷豐家居用品澳門離岸商業服務有限公司、寧波捷豐家居用品有限公司、寧波捷豐金屬制品有限公司以及寧波捷豐現代家具有限公司。

本公司與鮑先生於二零零五年九月八日簽訂一份服務協議，自二零零五年九月八日開始委任鮑先生為本公司執行董事，初始任期為3年，並於二零零八年九月七日屆滿。協議自當時任期屆滿日期起翌日自動續約一年，惟任何一方於初始任期結束或其後任何時間向對方發出不少於6個月之書面通知終止除外。根據服務協議，鮑先生可獲得每月58,000港元的薪金及酌情年終花紅。鮑先生的薪酬乃根據其資歷及職責釐定。

## DIRECTORS AND SENIOR MANAGEMENT

### Non-executive Director

Mr. Kwan Kai Cheong, aged 59, graduated from the University of Singapore in 1973 with a degree in Accountancy. Mr. Kwan is qualified as a Chartered Accountant in Australia in 1979 and is a member of the Hong Kong Institute of Certified Public Accountants since 1982. He completed the Stanford Executive Program in 1992. He was previously the president and chief operating officer for the Asia Pacific Region of Merrill Lynch & Co.. Mr. Kwan was appointed as an independent non-executive Director in March 2005. Mr. Kwan is also a non-executive director of China Properties Group Limited, a company listed on the Main Board. He is an independent non-executive director for several listed companies in Hong Kong, namely Hutchison Telecommunications International Limited, Hutchison Harbour Ring Limited, Soundwill Holdings Limited, Win Hanverky Holdings Limited, SPG Land (Holdings) Limited and Sunlight REIT (which are all listed on the Main Board of the Stock Exchange). He was also appointed an independent non-executive director of T.S. Telecom Technologies Limited, a company listed on GEM, on 10 March 2005 and had resigned on 21 January 2008. Further, Mr. Kwan was also a director of Yaohan International Holdings Limited, a company previously listed on the Main Board which is pending liquidation. Mr. Kwan was a non-executive director of China Medical and Bio Science Limited (formerly known as "China Medical Science Limited"), a company listed on GEM with provisional liquidator appointed on 3rd December 2008, and Mr. Kwan had resigned on 20 May 2008.

Mr. Kwan was appointed as an independent non-executive Director with an initial term of appointment of 30 months commenced from 8 March 2005, which term had been renewed for a further term of 24 months commenced from 8 September 2007 which is terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Kwan and the Company. On 9 April 2008, Mr. Kwan was re-designated as a non-executive Director of the Company, and the terms of his appointment continued to be effective save for the re-designation. Following his re-designation, Mr. Kwan ceased to be the chairman of the audit committee and remuneration committee of the Company, but remains as a member of such committees. Mr. Kwan is entitled to receive a fee of HK\$100,000 per annum which is determined with reference to his experience and estimated time to be spent.

### Independent Non-executive Directors

Mr. Yu Hon Wing Allan, aged 52, graduated from the Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1978 with a higher diploma in Accountancy. Mr. Yu is a Certified Public Accountant (Practising) with the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants). He is also a fellow of the Chartered Association of Certified Accountants since 1986. Mr. Yu was appointed as an independent non-executive Director in March 2005. Mr. Yu is an independent non-executive director of MIL, a company listed on the Australian Stock Exchange, whose controlling shareholders are Mr. Yan Siu Wai and Mr. Leung Kwok Yin.

Mr. Yu was appointed as an independent non-executive Director with an initial term of appointment of 30 months commenced from 8 March 2005, which term had been renewed for a further term of 24 months commenced from 8 September 2007 which is terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Yu and the Company. Mr. Yu is entitled to receive a fee of HK\$60,000 per annum which is determined with reference to his experience and estimated time to be spent. Mr. Yu is the chairman of the audit committee and remuneration committee of the Company.

Mr. Garry Alides Willinge, aged 59, is a fellow of the Australian Institute of Company Directors and a fellow of the Hong Kong Institute of Directors. He is also an Adjunct Professor with the Curtin Business School. He graduated from the University of Melbourne, Australia in 1970 with a Bachelor of Science. In 1996, he also obtained a Graduate Diploma in Applied Finance and Investment from the Securities Institute Education in Australia (now known as "The Securities Institute of Australia"). Mr. Willinge has worked in a number of management roles in a multinational information technology company. Mr. Willinge was appointed as an independent non-executive Director in March 2005. Mr. Willinge is also an independent non-executive director of China Properties Group Limited, a company listed on the Main Board of the Stock Exchange. He was an independent non-executive director of China Medical and Bio Science Limited (formerly known as "China Medical Science Limited"), a company listed on GEM with provisional liquidator appointed on 3rd December 2008, and Mr. Willinge had resigned on 24 October 2008.

Mr. Willinge was appointed as an independent non-executive Director with an initial term of appointment of 30 months commenced from 8 March 2005, which term had been renewed for a further term of 24 months commenced from 8 September 2007 which is terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Willinge and the Company. Mr. Willinge is entitled to receive a fee of HK\$100,000 per annum which is determined with reference to his experience and estimated time to be spent. Mr. Willinge is a member of the audit committee and remuneration committee of the Company.

## 非執行董事

關啟昌先生，59歲，於一九七三年自新加坡大學畢業，取得會計學學士學位。關先生於一九七九年取得澳洲特許會計師資格，並自一九八二年起為香港會計師公會會員。彼於一九九二年修畢史丹福行政人員課程(Stanford Executive Program)。彼曾擔任美林公司(Merrill Lynch & Co.)亞太區總裁及營運總監。關先生於二零零五年三月獲委任為獨立非執行董事。關先生為於主板上市之公司China Properties Group Limited的非執行董事，以及數間香港上市公司之獨立非執行董事，包括和記電訊國際有限公司、和記港陸有限公司、金朝陽集團有限公司、永嘉集團控股有限公司、盛高置地(控股)有限公司以及陽光房地產投資信託基金(均於聯交所主板上市)。關先生亦曾於二零零五年三月十日獲大誠電訊科技有限公司(於創業板上市)委任為獨立非執行董事，並於二零零八年一月二十一日辭任。此外，關先生亦曾為八佰伴國際集團有限公司之董事，該公司此前於主板上市，目前待決清盤。關先生曾為中華藥業生物科學有限公司(前稱「中華藥業有限公司」)之非執行董事，並於二零零八年五月二十日辭任，該公司於創業板上市，並於二零零八年十二月三日委任臨時清盤人。

關先生自二零零五年三月八日開始獲委任為本公司獨立非執行董事，初始任期為30個月，此後自二零零七年九月八日開始續期24個月。其任期可透過發出不少於3個月之書面通知予以終止，惟關先生與本公司協商之其他方式除外。於二零零八年四月九日，關先生轉任為本公司非執行董事。除轉任為非執行董事外，關先生的委任將繼續有效。於轉任後，關先生不再擔任本公司審核委員會及薪酬委員會主席，但仍然作為該等委員會之成員。關先生之年薪為100,000港元，乃參考其資歷及估計之工作時間而釐定。

## 獨立非執行董事

俞漢榮先生，52歲，於一九七八年自香港理工大學畢業(前稱香港理工學院)，取得會計學高級文憑，俞先生為香港會計師公會(前稱為Hong Kong Society of Accountants)的執業會計師。自一九八六年起，彼亦為特許公認會計師公會資深委員，俞先生於二零零五年三月獲委任為獨立非執行董事。俞先生為於澳洲證券交易所上市之公司MIL的獨立非執行董事，該公司之控股股東為甄兆威先生及梁國賢先生。

俞先生自二零零五年三月八日開始獲委任為本公司獨立非執行董事，初始任期為30個月，此後自二零零七年九月八日開始續期24個月。其任期可透過發出不少於3個月之書面通知予以終止，惟俞先生與本公司協商之其他方式除外。俞先生之年薪為60,000港元，乃參考其資歷及估計之工作時間而釐定。俞先生為本公司審核委員會及薪酬委員會主席。

Garry Alides Willinge先生，59歲，為澳洲公司董事學會(Australian Institute of Company Directors)及香港董事學會(Hong Kong Institute of Directors)資深會員及科廷商學院(Curtin Business School)的副教授。彼於一九七零年自澳洲墨爾本大學畢業，取得理學士學位。於一九九六年，彼取得澳洲the Securities Institute Education(現稱「The Securities Institute of Australia」)的應用財務及投資深造文憑。彼曾於一家跨國資訊科技公司擔任數個管理職務。Willinge先生於二零零五年三月獲委任為獨立非執行董事。Willinge先生亦為於主板上市之公司China Properties Group Limited的獨立非執行董事。Willinge先生曾為中華藥業生物科學有限公司(前稱「中華藥業有限公司」)之獨立非執行董事，並於二零零八年十月二十四日辭任，該公司於創業板上市，並於二零零八年十二月三日委任臨時清盤人。

Willinge先生自二零零五年三月八日開始獲委任為本公司獨立非執行董事，初始任期為30個月，此後自二零零七年九月八日開始續期24個月。其任期可透過發出不少於3個月之書面通知予以終止，惟Willinge先生與本公司協商之其他方式除外。Willinge先生之年薪為100,000港元，乃參考其資歷及估計之工作時間而釐定。Willinge先生為本公司審核委員會及薪酬委員會成員。



## DIRECTORS AND SENIOR MANAGEMENT

Mr. Chu Kwok Man (朱國民), aged 53, is a solicitor practising in Hong Kong since 1983. He was awarded the degree of Master of Laws by the City University of Hong Kong and the degree of Master of Corporate Finance by The Hong Kong Polytechnic University. Mr. Chu is also an independent non-executive director of Decca Holdings Limited, a company listed on the Main Board of the Stock Exchange, and MIL, a company listed on the Australian Stock Exchange, whose controlling shareholders are Mr. Yan Siu Wai and Mr. Leung Kwok Yin.

Mr. Chu was appointed as an independent non-executive Director with an initial term of appointment of 17 months commenced from 9 April 2008, which term is terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Chu and the Company. Mr. Chu is entitled to receive a fee of HK\$60,000 per annum which is determined with reference to his experience and estimated time to be spent. Mr. Chu is a member of the audit committee and remuneration committee of the Company.

### Senior Management

Mr. Bao Xiangqian, aged 43, joined the Group in January 1999 and was promoted to be the general manager of Ningbo JF Furniture Co., Ltd. in November 2007 and is in charge of the Group's marketing activities and correspondences with overseas customers. Mr. Bao graduated from East China University of Technical Engineering in 1988 with a bachelor degree major in Scientific English. He has been engaged in international trading for 16 years. Mr. Bao obtained a Master of Business Administration from the University of Canberra, Australia in July 2005. Mr. Bao is the son of Mr. Bao Jisheng.

Mr. Wang Shengkang, aged 67, joined the Group in June 2002 and was promoted to the position of deputy general manager in November 2004. Mr. Wang is responsible for the personnel and daily administrative operations of the Group. He has been engaged in corporate administration for 20 years.

Mr. Wu Dingfeng, aged 45, joined the Group in January 2003, and was appointed as the deputy general manager of Ningbo JF Furniture Co., Ltd. Mr. Wu is responsible for general and technical operations of the Ningbo JF Furniture Co., Ltd. Mr. Wu graduated from the faculty of mechanical engineering in (Zhejiang Engineering College, the PRC) in 1983 with a bachelor degree in engineering. Mr. Wu has been in mechanical engineering industry for over 20 years. Prior to joining the Group in January 2003, Mr. Wu had worked for Yuyao General Machinery Factory and Yuyao Jiehua Compressor Ltd., as technical manager and chief engineer.

Mr. Zheng Yao, aged 48, joined the Group in December 2007 and was appointed as the deputy general manager of JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd. Mr. Zheng was responsible for the administration and management of the factory. Mr. Zheng graduated from Zhejiang Radio & TV University in 1986 majoring in industrial accounting. Mr. Zheng is a qualified accountant and a member of The Chinese Institute of Certified Public Accountants in the PRC. Mr. Zheng has over 20 years of experience in business management. Prior to joining the Group in December 2007. Mr. Zheng worked for Shuaikang Group Co., Ltd. as deputy general manager.

Mr. Cheung Wai Tak, aged 56, joined the Group as the financial controller in May 2005 and has been working in the finance and accounting field for over 20 years. Mr. Cheung is a Certified Public Accountant in the United States and is a member of the Hong Kong Institute of Certified Public Accountants. He graduated with an MBA degree from the University of California at Berkeley, the United States in 1981.

## 董事及高級管理層

朱國民先生，53歲，自一九八三年開始於香港從事律師工作。彼獲得香港城市大學法律碩士學位及香港理工大學企業金融碩士學位。朱先生亦為於聯交所主板上市之達藝控股有限公司以及於澳洲證券交易所上市之公司MIL(該公司之控股股東為甄兆威先生及梁國賢先生)的獨立非執行董事。

朱先生於二零零八年四月九日獲委任為獨立非執行董事，初始任期為17個月，可透過發出不少於3個月之書面通知予以終止，惟朱先生與本公司協商之其他方式除外。朱先生之年薪為60,000港元，乃參考其資歷及估計之工作時間而釐定。朱先生為本公司審核委員會及薪酬委員會成員。

### 高級管理層

鮑向前先生，43歲，於一九九九年一月加入本集團，於二零零七年十一月晉升為寧波捷豐現代家具有限公司之總經理，負責本集團的市場推廣活動及與海外客戶聯繫，鮑先生於一九八八年畢業於華東理工大學，取得學士學位，主修科學英文。彼已從事國際貿易達16年。鮑先生於二零零五年七月取得澳洲坎培拉大學的工商管理碩士學位。鮑先生為鮑繼聲先生之子。

王勝康先生，67歲，二零零二年六月加入本集團，並於二零零四年十一月晉升為副總經理。王先生負責本集團人事及日常行政工作。他從事企業行政工作已有20年。

吳定鋒先生，45歲，於二零零三年一月加入本集團，並獲委任為寧波捷豐現代家具有限公司常務副總經理。吳先生負責寧波捷豐現代家具有限公司之一般及技術運作。吳先生於一九八三年畢業於中國浙江工學院機械工程系，取得工程學學士學位。吳先生從事機械工程業已逾20年。於二零零三年一月加入本集團前，吳先生曾擔任餘姚通用機器廠及餘姚捷華壓縮機有限公司的技術經理及總工程師。

鄭耀先生，48歲，二零零七年加入本集團，並獲委任為寧波捷豐家居用品有限公司常務副總經理。鄭先生負責寧波捷豐家居用品有限公司的行政管理工作。鄭先生於一九八六年畢業於浙江廣播電視大學，主修工業會計。鄭先生已取得專業會計師資格，並為中國註冊會計師協會會員。鄭先生從事企業管理逾20年。於二零零七年十二月加入本集團前，鄭先生曾擔任帥康集團有限公司副總經理。

張偉德先生，56歲，於二零零五年五月加入本集團出任財務總監，並已於財務會計業工作逾20年。張先生為美國執業會計師，並為香港會計師公會會員。彼於一九八一年於美國加州柏克萊大學畢業，取得工商管理碩士學位。



## REPORT OF THE DIRECTORS

The Directors are pleased to present their report together with the audited financial statements of JF Household Furnishings Limited (“the Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2008.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 19 January 2005 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

### Principal Activities

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of (i) furnishings, home products and accessories primarily used in kitchens and bathrooms with stainless steel as raw materials and (ii) wooden panel furniture. Turnover represents invoiced value of goods sold, net of value-added tax, and after allowance for goods returned and trade discounts.

An analysis of the turnover from the principal activities during the financial year is set out in note 6 to the financial statements.

### Major Customers and Suppliers

The information in respect of the Group’s sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

	<b>Percentage of the Group’s total Sales/Purchases</b>
The largest customer	79.4%
Five largest customers in aggregate	98.6%
The largest supplier	20.8%
Five largest suppliers in aggregate	55.1%

None of the Directors or any of their associates or any shareholders of the Company (who or which to the knowledge of the Directors own more than 5.0% of the share capital of the Company) has any beneficial interest in any of the Group’s five largest customers and suppliers.

### Dividend

Pursuant to a resolution passed at a Directors’ meeting on 7 April 2009, a final dividend of HK5 cents per share was recommended to be paid to shareholders of the Company, subject to shareholders’ approval at the forthcoming annual general meeting.

### Property, Plant and Equipment

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

### Distributable Reserves

At 31 December 2008, the Company’s reserves available for cash distribution amounted to approximately HK\$100.9 million. Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

### Share Capital

Details of movements in share capital of the Company during the year are set out in note 28 to the financial statements. Shares were issued during the year pursuant to the exercise of certain pre-IPO share options during the year.

董事欣然提呈捷豐家居用品有限公司(「本公司」)及其附屬公司(統稱「本集團」)的董事會報告及截至二零零八年十二月三十一日止年度的經審核財務報表。

本公司於二零零五年一月十九日根據開曼群島公司法第22章(一九六一年第3條法律，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。

## 主要業務

本公司為投資控股公司，本集團主要從事製造及銷售(i)主要用於廚房及浴室，以不銹鋼作為原材料的家俱、家居用品及配件以及(ii)木製家俱。營業額指扣除增值稅及退貨備抵和貿易折扣後售出貨品的發票值。

主要業務於本財政年度的營業額分析載於財務報表附註6。

## 主要客戶及供應商

於本財政年度內，主要客戶及供應商分別佔本集團銷售及採購的資料如下：

	佔本集團銷售／ 採購總額百分比
最大客戶	79.4%
五大客戶合計	98.6%
最大供應商	20.8%
五大供應商合計	55.1%

就董事所知，概無董事、彼等的聯繫人或本公司的任何股東(彼等擁有本公司超過5.0%股本)擁有本集團任何五大客戶及供應商的實益權益。

## 股息

根據於二零零九年四月七日舉行的董事會會議上通過的一項決議案，建議向本公司股東派付末期股息每股5港仙，惟須待股東於應屆股東週年大會上批准方可作實。

## 物業、廠房及設備

物業、廠房及設備的變動詳情載於財務報表附註15。

## 可供分派儲備

於二零零八年十二月三十一日，本公司可供現金分配之儲備約為100,900,000港元。根據開曼群島公司法(經修訂)，本公司之股份溢價賬可分派予本公司股東，惟本公司須於緊隨建議派發股息日之後仍有能力償還在日常業務過程中到期之債務。股份溢價賬將以繳足紅利股份的形式分派。

## 股本

本公司於年內的股本變動詳情載於財務報表附註28。年內，股份乃根據本年度首次公開招股前購股權之行使而發行。

## REPORT OF THE DIRECTORS

### Directors

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

#### Executive Directors

Mr. Yan Siu Wai (*Chairman*)  
Mr. Leung Kwok Yin  
Mr. Bao Jisheng

#### Non-Executive Director

Mr. Kwan Kai Cheong

#### Independent Non-Executive Directors

Mr. Yu Hon Wing Allan  
Mr. Garry Alides Willinge  
Mr. Chu Kwok Man

### Directors' Service Contracts

On 8 September 2005, all the executive Directors entered into a service agreement with the Company for an initial term of three years commenced from 8 September 2005 and expired on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of their appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Each executive Director is committed by the respective service agreements to devote himself exclusively and diligently to the business and interests of the Group and to keep the Board promptly and fully informed of his conduct of business affairs, among other commitments. All executive Directors are also entitled to a bonus depending on the profit of the Group attributable to shareholders of the Company. The bonus shall be determined by the Board but in any case the aggregate amount payable for each financial year to all the executive Directors of the Company shall not exceed 10% of such profit.

The Board appointed Mr. Kwan Kai Cheong, Mr. Garry Alides Willinge and Mr. Yu Hon Wing Allan as independent non-executive Directors on 8 March 2005 for a term of 30 months commenced from 8 March 2005 which term had expired on 7 September 2007 ("Initial Term"). Following the expiration of the Initial Term, the respective independent non-executive Directors had been re-appointed for a further-term of 24 months commenced from 8 September 2007. The further term of appointment will be terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between the respective independent non-executive Director and the Company. On 9 April 2008, Mr. Kwan Kai Cheong was re-designated as a non-executive Director of the Company, and the terms of his appointment continued to be effective save for the re-designation.

The Board appointed Mr. Chu Kwok Man as independent non-executive Director on 9 April 2008 with an initial term of 17 months, which term is terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Chu Kwok Man and the Company.

### Directors' interests and short positions in shares, underlying shares and debenture of the Company or its associated corporations

As at 31 December 2008, the interests and short positions of the Directors and the chief executives of the Company and each of their respective associates (as defined under the Listing Rules), in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") which (a) were required, to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests and short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

## 董事

於本財政年度及直至本報告刊發日期止的董事如下：

### 執行董事

甄兆威先生 (主席)  
梁國賢先生  
鮑繼聲先生

### 非執行董事

關啟昌先生

### 獨立非執行董事

俞漢榮先生  
Garry Alides Willinge先生  
朱國民先生

## 董事之服務合約

於二零零五年九月八日，全部執行董事與本公司訂立初步為期三年的服務協議，自二零零五年九月八日生效，於二零零八年九月七日期滿，並可自當時的委任年期到期後翌日起自動連續續任，每次任期一年，除非一方於初始任期或此後任何時間發出不少於六個月的書面通知予以終止。每名執行董事根據各自的服務協議，承諾專注於本集團的業務及為本集團之利益勤勉工作，並及時及全面通知董事會其商務事務之執行情況(包括其他承諾)。所有執行董事亦按本公司股東應佔本集團的溢利享有花紅。花紅須由董事會決定，但於任何情況下每個財政年度應付本公司全部執行董事的總額不得超過上述溢利10%。

董事會已於二零零五年三月八日委任關啟昌先生、Garry Alides Willinge先生及俞漢榮先生為獨立非執行董事，為期三十個月，自二零零五年三月八日起生效，並於二零零七年九月七日屆滿(「初始任期」)。初始任期屆滿後，各獨立非執行董事已經重新獲委任，為期二十四個月，自二零零七年九月八日開始生效。該續期可以通過發出至少三個月的事先書面通知予以終止，惟各獨立非執行董事與本公司相互協定之其他方式除外。於二零零八年四月九日，關先生轉任為本公司非執行董事。除轉任為非執行董事外，關先生的委任繼續有效。

董事會於二零零八年四月九日委任朱國民先生為獨立非執行董事，初始任期為17個月，可透過發出不少於3個月之書面通知予以終止，惟朱國民先生與本公司協商之其他方式除外。

## 董事於本公司或其相聯法團的股份、相關股份及債券中的權益及淡倉

於二零零八年十二月三十一日，本公司董事及主要行政人員及彼等各自之聯繫人士(定義見上市規則)於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例第XV部)(「證券及期貨條例」)的股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關條文董事被當作擁有或被視為擁有的權益及淡倉)；或(b)根據證券及期貨條例第352條規定須記錄於該條例所指登記冊的權益或淡倉；或(c)根據上市規則所載之上市公司董事進行證券交易之標準守則須知會本公司及聯交所的權益或淡倉如下：

## REPORT OF THE DIRECTORS

### Interests in the shares of the Company

Name of Director	Personal interests	Family interests	Corporate interests	Total	Approximate percentage of the total issued capital of the Company
Mr. Yan Siu Wai	12,600,000	—	63,000,000	75,600,000 (Note 1)	43.45%
Mr. Leung Kwok Yin	15,120,000	—	12,600,000	27,720,000 (Note 2)	15.93%
Mr. Bao Jisheng	1,000,000	—	22,680,000	23,680,000 (Note 3)	13.61%

Notes:

- Among these 75,600,000 shares, (i) 34,020,000 shares were registered in the name of Excel Strength Investments Limited ("Excel Strength"); (ii) 28,980,000 shares were registered in the name of Willhero Investments Limited ("Willhero"); and (iii) the remaining 12,600,000 shares were registered in the name of Mr. Yan Siu Wai directly. Each of Excel Strength and Willhero is a company incorporated in the British Virgin Islands ("BVI") and whose entire issued capital is solely owned by Mr. Yan Siu Wai. By virtue of the SFO, Mr. Yan Siu Wai was deemed to be interested in 63,000,000 shares through his shareholdings in Excel Strength and Willhero.
- Among these 27,720,000 shares, (i) 12,600,000 shares were registered in the name of Joyday Consultants Limited ("Joyday"); and (ii) the remaining 15,120,000 shares were registered in the name of Mr. Leung Kwok Yin directly. Joyday is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr. Leung Kwok Yin. By virtue of the SFO, Mr. Leung Kwok Yin was deemed to be interested in 12,600,000 shares through his shareholdings in Joyday.
- Among these 23,680,000 shares, (i) 22,680,000 shares were registered in the name of Hero Talent Investments Limited ("**Hero Talent**"); and (ii) the remaining 1,000,000 shares were registered in the name of Mr. Bao Jisheng directly. Hero Talent is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr. Bao Jisheng. By virtue of the SFO, Mr. Bao Jisheng was deemed to be interested in 22,680,000 shares through his shareholdings in Hero Talent.

### Interests in underlying shares of the Company

As at 31 December 2008, three executive Directors have been granted options to subscribe for shares, pursuant to the Pre-IPO Share Option Scheme) as defined in the paragraph headed "Share Options" below), details of the outstanding share options are set out as follows:

Name of Director	Number of Underlying Shares	Date of Grant	Exercise Period (Note)	Exercise price per share
Mr. Yan Siu Wai	4,435,200	8 September 2005	13 April 2006 to 12 October 2010	HK\$0.80
Mr. Leung Kwok Yin	2,956,800	8 September 2005	13 April 2006 to 12 October 2010	HK\$0.80
Mr. Bao Jisheng	2,360,000	8 September 2005	13 April 2006 to 12 October 2010	HK\$0.80

## 董事會報告

## 於本公司股份之權益

董事姓名	個人權益	家族權益	公司權益	總計	約佔本公司 已發行股本 總數的百分比
甄兆威先生	12,600,000	—	63,000,000	75,600,000 (附註1)	43.45%
梁國賢先生	15,120,000	—	12,600,000	27,720,000 (附註2)	15.93%
鮑繼聲先生	1,000,000	—	22,680,000	23,680,000 (附註3)	13.61%

## 附註：

- 該75,600,000股股份中，(i)34,020,000股股份以Excel Strength Investments Limited(卓能投資有限公司)（「卓能」）名義登記；(ii)28,980,000股股份以Willhero Investments Limited(志雄投資有限公司)（「志雄」）名義登記；及(iii)其餘的12,600,000股股份以甄兆威先生名義直接登記。卓能及志雄均為於英屬維爾京群島（「英屬維爾京群島」）註冊成立的公司，其全部已發行股本由甄兆威先生單獨擁有。根據證券及期貨條例，甄兆威先生被視為通過彼於卓能及志雄的股權而於該63,000,000股股份中擁有權益。
- 該27,720,000股股份中，(i)12,600,000股股份以Joyday Consultants Limited(欣日顧問有限公司)（「欣日」）名義登記；及(ii)其餘的15,120,000股股份以梁國賢先生名義直接登記。欣日為於英屬維爾京群島註冊成立的公司，其全部已發行股本由梁國賢先生單獨擁有。根據證券及期貨條例，梁國賢先生被視為通過彼於欣日的股權而於該12,600,000股股份中擁有權益。
- 於該23,680,000股股份中，(i)22,680,000股股份以雄才投資有限公司（「雄才」）名義登記及(ii)其餘1,000,000股股份以鮑繼聲先生之名義直接登記。雄才為在英屬維爾京群島註冊成立的公司，其全部已發行股本由鮑繼聲先生單獨擁有。根據證券及期貨條例，鮑繼聲先生被視為透過其於雄才之股份於該22,680,000股股份中擁有權益。

## 於本公司相關股份之權益

於二零零八年十二月三十一日，根據首次公開招股前購股權計劃(定義見下文「購股權」)一段，三名執行董事獲授予可認購股份的購股權，尚未行使購股權之詳情如下：

董事姓名	相關股份數目	授出日期	行使期間 (附註)	每股行使價
甄兆威先生	4,435,200股	二零零五年九月八日	二零零六年四月十三日至 二零一零年十月十二日	0.80港元
梁國賢先生	2,956,800股	二零零五年九月八日	二零零六年四月十三日至 二零一零年十月十二日	0.80港元
鮑繼聲先生	2,360,000股	二零零五年九月八日	二零零六年四月十三日至 二零一零年十月十二日	0.80港元



## REPORT OF THE DIRECTORS

Note:

The exercise of the options by the Directors was subject to a moratorium period of 12 months from the date of listing of its Shares on GEM which had expired on 12 October 2006.

Save as disclosed above, as at 31 December 2008, none of the Directors or chief executive of the Company and each of their respective associates (as defined under the Listing Rules) had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

### Substantial Shareholders

As at 31 December 2008, other than the interests disclosed above in respect of certain Directors, the Directors were not aware of any other persons who had interests or short positions in the shares or the underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

### Share Options

By written resolutions passed on 8 September 2005, the then shareholders of the Company approved and adopted a share option scheme entitling the Board to grant Share options at its discretion before the listing of the Shares (the "Pre-IPO Share Option Scheme"), and conditionally adopted a post-IPO share option scheme on GEM (the "Post-IPO Share Option Scheme"). By an ordinary resolution passed on 26 November 2008, the then shareholders of the Company approved (i) the adoption of a new share option scheme ("**New Share Option Scheme**"), and (ii) the termination of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme. Pursuant to the terms of the Pre-IPO Share Option Scheme, the share options previously granted under the Pre-IPO Share Option Scheme but not yet exercised will remain valid and exercisable in accordance with the provisions of the Pre-IPO Share Option Scheme and the terms of issue of such options. Details of the share options granted on 8 September 2005 pursuant to the Pre-IPO Share Option Scheme and remained outstanding as at 31 December 2008 are as follows:

		<b>Options held as at 1 January 2008</b>	<b>Options exercised during the year ended 31 December 2008</b>	<b>Options held as at 31 December 2008</b>	<b>Exercise price HK\$</b>
(A)	Employees	2,688,000	—	2,688,000	0.80
		3,780,000	(2,055,000)	1,725,000	0.56
(B)	Directors				
	Yan Siu Wai	4,435,200	—	4,435,200	0.80
	Leung Kwok Yin	2,956,800	—	2,956,800	0.80
	Bao Jisheng	3,360,000	(1,000,000)	2,360,000	0.80
		17,220,000	(3,055,000)	14,165,000	

### Share Option Scheme

Save as disclosed above, no options granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme are still outstanding, and no options have been granted under the New Share Option Scheme since its adoption on 26 November 2008.

附註：

董事行使購股權須受自股份於創業板上市日期開始12個月的禁售期所規限(已於二零零六年十月十二日屆滿)。

除上文披露者外，於二零零八年十二月三十一日，概無本公司董事及主要行政人員及彼等各自之聯繫人士(定義見上市規則)於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有或被視為擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關條文董事被當作擁有或被視為擁有的權益或淡倉)；或(b)根據證券及期貨條例第352條規定須記錄於該條例所指登記冊的權益或淡倉；或(c)根據上市規則所載有關上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益或淡倉。

## 主要股東

於二零零八年十二月三十一日，除上文所披露有關若干董事的權益外，董事並不知悉任何其他人士在本公司股份或相關股份中持有根據證券及期貨條例第336條規定存置於登記冊之權益或淡倉。

## 購股權

根據一項於二零零五年九月八日通過的書面決議案，本公司當時的股東批准及採納一項購股權計劃，賦予董事會權力可於股份上市前酌情授出購股權(「首次公開招股前購股權計劃」)，並有條件地採納於創業板首次公開招股後購股權計劃(「首次公開招股後購股權計劃」)。根據二零零八年十一月二十六日通過之一項普通決議案，本公司當時的股東批准(i)採納新購股權計劃(「新購股權計劃」)，及(ii)終止首次公開招股前購股權計劃及首次公開招股後購股權計劃。根據首次公開招股前購股權計劃之條款，此前根據首次公開招股前購股權計劃授出但尚未行使之購股權將仍然有效，並可根據首次公開招股前購股權計劃之條文以及發行該等購股權之條款行使。有關根據首次公開招股前購股權計劃於二零零五年九月八日授出及於二零零八年十二月三十一日尚未行使的購股權的詳情如下：

	於二零零八年 一月一日 持有的購股權	於截至 二零零八年 十二月三十一日 止年度內已經 行使的購股權	於二零零八年 十二月三十一日 持有的購股權	行使價 港元
(A) 僱員	2,688,000	—	2,688,000	0.80
	3,780,000	(2,055,000)	1,725,000	0.56
(B) 董事				
甄兆威	4,435,200	—	4,435,200	0.80
梁國賢	2,956,800	—	2,956,800	0.80
鮑繼聲	3,360,000	(1,000,000)	2,360,000	0.80
	17,220,000	(3,055,000)	14,165,000	

## 購股權計劃

除以上披露者外，概無根據首次公開招股前購股權計劃及首次公開招股後購股權計劃授出之購股權仍未行使，且於二零零八年十一月二十六日採納起概無根據新購股權計劃授出任何購股權。

## REPORT OF THE DIRECTORS

### Directors' Interests in Contracts

No contract of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year save and except for the transactions disclosed as connected and/or related party transactions in accordance with the requirements of the then applicable GEM Listing Rules (before the Transfer of Listing), the Listing Rules (after the Transfer of Listing) and accounting principles generally accepted in Hong Kong.

### Purchase, Sale or Redemption of Shares

Since the listing of the Company's shares on GEM on 13 October 2005, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

### Continuing Connected Transactions

Reference is made to the announcements of the Company dated 28 April 2008 and 17 September 2008. On 21 April 2008, JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd. (寧波捷豐家居用品有限公司) ("JF Ningbo"), a wholly foreign owned enterprise established in the PRC and a wholly owned subsidiary of the Company, and Yuyao Jiefeng Air-Conditioning Equipment Company Limited (餘姚捷豐空調設備有限公司) ("Jiefeng Air-Con"), a Sino-foreign equity joint venture established in the PRC, entered into a lease pursuant to which Jiefeng Air-Con as landlord agreed to construct the 4th floor ("4th Floor") of a factory building erected on No.57 Yuli Road, Yuyao Industrial Development Zone B, Yuyao City, PRC, owned by Jiefeng Air-Con ("Factory Building") of approximately 7,000 sq.m., and to grant a lease of the 4th Floor to JF Ningbo for a term of three years commencing from the date of delivery of the 4th Floor to JF Ningbo by Jiefeng Air-Con for use after the lawful completion of the final examination (which will not be later than 31 October 2008 unless otherwise agreed by JF Ningbo) at a monthly rental of RMB8.00 per sq.m. ("Lease for the 4th Floor"). According to the terms of the Lease for the 4th Floor, the total rental for three years will amount to RMB2,016,000. The total rental for three years will be paid in advance by way of stage payment in accordance with the progress of the construction of the 4th Floor. Jiefeng Air-Con had undertaken that the rental to be prepaid will be applied to fund the construction of the 4th Floor.

In addition, JF Ningbo (as tenant) and Jiefeng Air-Con (as landlord) had entered into (i) a lease (in Chinese) dated 30 November 2007 in respect of the leasing of a portion of the 2nd Floor of the Factory Building of approximately 813.94 sq.m. for a term of 2 years commenced from 11 September 2007 and expiring on 10 September 2009 ("the 2nd Floor Lease"); and (ii) a lease (in Chinese) dated 1 January 2008 in respect of the leasing of a portion of the 3rd floor of the Factory Building of approximately 2,750 sq.m. for a term of 2 years commenced from 1 January 2008 and expiring on 31 December 2009 ("the 3rd Floor Lease"), both at a monthly rental of RMB10.00 per sq.m..

Jiefeng Air-Con's equity interest is owned ultimately as to approximately 27.42% by Mr. Yan Siu Wai and as to 18.28% by Mr. Leung Kwok Yin. The then ultimate shareholdings of Mr. Yan Siu Wai and Mr. Leung Kwok Yin in Jiefeng Air-Con are held through their shareholdings in Better Asia Limited, a company incorporated in the British Virgin Islands which issued share capital is owned as to 60% by Mr. Yan Siu Wai and 40% by Mr. Leung Kwok Yin. Jiefeng Air-Con is therefore a connected person (as defined under the then applicable GEM Listing Rules) of the Company.

The transactions contemplated under the Lease for the 4th Floor, the 2nd Floor Lease and the 3rd Floor Lease (collectively the "Connected Leases") constituted continuing connected transactions of the Company under the then applicable GEM Listing Rules. Furthermore, as the Connected Leases were all entered into between same parties, i.e. JF Ningbo as tenant and Jiefeng Air-Con as landlord, and all such leases related to various parts of a property situated in the same location, the transactions under the Connected Leases constituted a series of transactions pursuant to the then applicable GEM Listing Rules. Accordingly, the rental payable under the Connected Leases was aggregated for the purpose of calculating the relevant percentage ratios. As the relevant percentage ratios of the aggregate annual rental under the Connected Leases was less than 2.5% on an annual basis, the transactions under the Connected Leases constituted non-exempt continuing connected transactions under the then applicable GEM Listing Rules.

## 董事於合約的權益

除根據當時適用之創業板上市規則(於轉板上市前)、上市規則(於轉板上市後)及香港公認會計原則之要求須予披露為關連及／或關聯方交易之交易外，本公司各董事概無於本公司或其任何附屬公司所訂立之於年度結束或本年度內任何時間存續之重大合約中直接或間接擁有重大權益。

## 購買、銷售或贖回股份

自本公司的股份自二零零五年十月十三日於創業板上市起，本公司或其任何附屬公司概無購買、銷售或贖回本公司的任何股份。

## 持續關連交易

謹此提述本公司日期為二零零八年四月二十八日及二零零八年九月十七日之公佈。於二零零八年四月二十一日，本公司於中國成立之全資附屬公司及外商獨資企業寧波捷豐家居用品有限公司(「寧波捷豐」)與於中國成立之中外合資企業餘姚捷豐空調設備有限公司(「捷豐空調」)簽訂租賃協議，據此，業主捷豐空調同意於捷豐空調所有的位於中國浙江省餘姚市經濟開發區B區玉立路57號約7,000平方米的廠房建築(「廠房建築」)上興建第四層樓(「第四層樓」)，並將第四層樓租予寧波捷豐，為期三年，自最後驗收合法完成後(不遲於二零零八年十月三十一日，惟寧波捷豐同意的其他時間除外)由捷豐空調交付第四層樓予寧波捷豐之日開始，每月租金為每平方米人民幣8.00元(「第四層樓租賃」)。根據第四層樓租賃協議條款，三年總租金將為人民幣2,016,000元。三年總租金將根據第四層樓的建設進度以分階段付款的方式預付。捷豐空調承諾，預付之租金將用作第四層樓的建設資金。

此外，承租人寧波捷豐與業主捷豐空調(i)於二零零七年十一月三十日簽訂一份中文租約，租賃約813.94平方米的廠房建築第二層的一部份，租期兩年，自二零零七年九月十一日開始至二零零九年九月十日到期(「第二層樓租賃」)；及(ii)於二零零八年一月一日簽訂一份中文租約，租賃約2,750平方米的廠房建築第三層樓的一部份，租期兩年，自二零零八年一月一日開始至二零零九年十二月三十一日到期(「第三層樓租賃」)，兩份租約的每月租金均為每平方米人民幣10.00元。

捷豐空調之權益最終由甄兆威先生持有約27.42%以及梁國賢先生持有18.28%。其時的最終股權持有人甄兆威先生及梁國賢先生於捷豐空調之股權乃透過其持有之公司Better Asia Limited持有，該公司於英屬維爾京群島註冊成立，由甄兆威先生以及梁國賢先生分別持有其60%及40%已發行股本。因此，捷豐空調為本公司之一名關連人士(定義見其時適用之創業板上市規則)。

根據其時適用之創業板上市規則，第四層樓租賃、第二層樓租賃以及第三層樓租賃(統稱為「關連租賃」)項下擬進行之交易構成本公司持續關連交易。此外，由於關連租賃均由兩個相同的訂約方簽訂，即承租人寧波捷豐與業主捷豐空調，且所有該等租賃均與位於同一地點的一處物業的不同部分相關，根據其時適用之創業板上市規則，關連租賃項下之交易構成系列交易。因此，關連租賃項下之應付租金就計算相關百分比而予以加總。由於關連租賃項下之年度總租金之相關百分比按年計算低於2.5%，故根據其時適用之創業板上市規則關連租賃項下之交易構成不獲豁免之持續關連交易。

## REPORT OF THE DIRECTORS

On 17 September 2008, due to the failure of Jiefeng Air-Con to obtain the necessary construction commencement permit, JF Ningbo and Jiefeng Air-Con entered into a cancellation agreement ("Cancellation Agreement") to terminate all rights, duties and obligations of the parties under the Lease for the 4th Floor with immediate effect. Pursuant to the Cancellation Agreement, Jiefeng Air-Con was not required to construct the 4th Floor and to lease the 4th Floor to JF Ningbo and JF Ningbo was not required to pay any rent or any other expenses. Further, JF Ningbo and Jiefeng Air-Con had confirmed and undertaken under the Cancellation Agreement that neither party shall make any claim against the other party for any compensation.

Despite the Lease for the 4th Floor is terminated, the 2nd Floor Lease and the 3rd Floor Lease remain valid and in full force and effect.

### Bank Loans and Other Borrowings

Particulars of bank loans and finance lease payable of the Group as at 31 December 2008 are set out in notes 25 and 26 to the financial statements.

### Retirement Schemes

The Group maintains a mandatory provident fund ("MPF Scheme") for all qualifying employees in Hong Kong. The Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK\$20,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution retirement benefit schemes ("Schemes") organised by the relevant local government authorities in Yuyao, the PRC whereby the Group is required to make contributions to the Schemes at the rate of 20% of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to retired employees.

### Auditors

A resolution to re-appoint the retiring auditors, RSM Nelson Wheeler, will be proposed at the forthcoming annual general meeting. There has been no change of the Company's auditors since its incorporation.

於二零零八年九月十七日，由於捷豐空調未能獲得必要之建設開工許可證，寧波捷豐與捷豐空調簽訂取消協議（「取消協議」），終止第四層樓租賃項下訂約方之所有權利、義務及責任，即時生效。根據取消協議，捷豐空調無需建設第四層樓及將第四層樓租予寧波捷豐，且寧波捷豐無需支付任何租金或任何其他費用。此外，寧波捷豐及捷豐空調均已根據取消協議確認及承諾任何一方都不會對另一方作出任何補償申索。

儘管第四層租賃已終止，惟第二層樓租賃及第三層樓租賃仍然有效並具有全部的效力及效用。

## 銀行貸款及其他借貸

本集團於二零零八年十二月三十一日的銀行貸款及應付融資租賃款項詳情載於財務報表附註25及26。

## 退休金計劃

本集團為其全體香港合資格僱員設立強制性公積金計劃（「強積金計劃」）。本集團及僱員對強積金計劃之供款乃按照強制性公積金計劃條例及相關規例的要求，根據相關僱員之相關收入（上限為每月相關收入20,000港元）的5%計算。

根據中國有關勞工條例及規定，本集團參與了由中國餘姚當地政府機構管理的定額供款退休福利計劃（「計劃」），據此，本集團須按合資格僱員薪金的20%向該計劃供款。地方政府負責向退休僱員全數發放退休金。

## 核數師

一項有關重新委任退任核數師中瑞岳華（香港）會計師事務所之決議案將於應屆股東週年大會上提出。自本公司成立以來，本公司並無更換核數師。



## CORPORATE GOVERNANCE REPORT

### Code of Best Practice

The Group is committed to ensuring high standards of corporate governance and business practices. The Group has complied throughout the period from 1 January 2008 to 31 December 2008 with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules (before the Transfer of Listing) and Appendix 14 of the Listing Rules (after the Transfer of Listing). The Board will continue to commit itself to achieving a high quality of corporate governance.

### Directors' Securities Transactions

The Group has adopted a code of conduct regarding Directors' securities transactions as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (before the Transfer of Listing) and Appendix 10 of the Listing Rules (after the Transfer of Listing). Having made specific enquiry, all Directors have fully complied with the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules (before the Transfer of Listing) and Appendix 10 of the Listing Rules (after the Transfer of Listing) for the year ended 31 December 2008.

### Board of Directors

As at 31 December 2008, the Board comprised of seven members, namely the Chairman and two other executive Directors, one non-executive Director, and three non-executive Directors who are independent as defined in the Listing Rules (the biographies of the Directors are set out on page 14). Apart from the jointly invested businesses between Mr. Yan Siu Wai and Mr. Leung Kwok Yin, there is no other relationship among the members of the Board.

The Board appointed Mr. Kwan Kai Cheong as independent non-executive Director on 8 March 2005 for an initial term of 30 months commenced from 8 March 2005 and expired on 7 September 2007, which term had been renewed for a further term of 24 months commenced from 8 September 2007 which is terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Kwan Kai Cheong and the Company. On 9 April 2008, Mr. Kwan Kai Cheong was re-designated as a non-executive Director of the Company, and the terms of his appointment continued to be effective save for the re-designation.

The Board oversees the Group's strategic development and the overall management of the Group. The Board also monitors the financial performance and internal controls of the Group. The Board members have a broad access to business documents and information about the Group. Two Board committees, namely, the audit committee and the remuneration committee have been established to oversee particular aspects of the Group's affairs. The Board meets regularly to review the financial and operating performance of the Group and to approve future plans and development.

Six Board meetings were held in 2008 and the attendance rate was 100%:

<b>Name of directors</b>	<b>Number of meetings</b>	<b>Attended</b>	<b>Attendance rate</b>
Mr. Yan Siu Wai, ( <i>Chairman</i> )	6/6		100%
Mr. Leung Kwok Yin	6/6		100%
Mr. Bao Jisheng	6/6		100%
Mr. Kwan Kai Cheong	6/6		100%
Mr. Garry Alides Willinge	6/6		100%
Mr. Yu Hon Wing, Allan	6/6		100%
Mr. Chu Kwok Man (appointed on 9 April 2008)	5/5		100%

The Chairman and executive Directors also held informal meetings with independent non-executive Directors for the advices on the well being and the long term development of the Group.

All Directors and Board committees have recourse to external legal counsel and other professionals for independent advice at the Group's expense if they require it.

## 最佳常規守則

本集團致力維持良好的企業管治及業務常規。於二零零八年一月一日至二零零八年十二月三十一日期間內，本集團已遵守創業板上市規則附錄十五（於轉板上市前）及上市規則附錄十四（於轉板上市後）之企業管治常規守則所載守則條文，董事會將繼續致力達致高質素的企業管治。

## 董事進行證券交易

本集團已採納載於創業板上市規則第5.48條至5.67條（於轉板上市前）及上市規則附錄十（於轉板上市後）有關董事進行證券交易的標準守則。在向所有董事作出具體查詢後，彼等於截至二零零八年十二月三十一日止年度已經完全遵守載於創業板上市規則第5.48條至5.67條（於轉板上市前）及上市規則附錄十（於轉板上市後）的規定準則。

## 董事會

於二零零八年十二月三十一日，董事會由七名成員組成，包括主席、兩名其他執行董事、一名非執行董事及三名獨立非執行董事（定義見上市規則）（董事之個人資料載於第15頁）。除甄兆威先生與梁國賢先生之間有聯合投資業務外，董事會成員間概無其他關係。

董事會已於二零零五年三月八日委任關啟昌先生為本公司獨立非執行董事，初始任期為30個月，自二零零五年三月八日開始，於二零零七年九月七日屆滿。此後自二零零七年九月八日開始續期24個月，其任期可透過發出不少於3個月之書面通知予以終止，惟關啟昌先生與本公司協商之其他方式除外。於二零零八年四月九日，關啟昌先生轉任為本公司非執行董事。除轉任為非執行董事外，關先生的委任將繼續有效。

董事會監管本集團的策略發展及整體管理。董事會亦監管本集團的財務表現及內部控制。董事會成員可廣泛查閱本集團的業務文件及資料。兩個董事會委員會（即審核委員會及薪酬委員會）乃為了監察本集團在有關方面的事務而成立。董事會定期召開會議，審核本集團的財務及營運表現，以及通過日後的發展策略。

於二零零八年已舉行六次董事會會議，出席率達100%：

董事姓名	已出席會議次數	出席率
甄兆威先生 (主席)	6/6	100%
梁國賢先生	6/6	100%
鮑繼聲先生	6/6	100%
關啟昌先生	6/6	100%
Garry Alides Willinge先生	6/6	100%
俞漢榮先生	6/6	100%
朱國民先生 (於二零零八年四月九日獲委任)	5/5	100%

主席及執行董事亦與獨立非執行董事舉行非正式會議，以便獲得有關本集團的利益及長遠發展的意見。

所有董事及董事會委員會均可在彼等要求時尋求外部法律顧問及其他專業顧問之獨立意見，費用由本集團承擔。

## CORPORATE GOVERNANCE REPORT

### Role of Chairman and General Manager

During the year under review, Mr. Yan Siu Wai was the Chairman and Mr. Bao Jisheng was the General Manager.

There is segregation of duties between the Chairman's responsibility for leadership and management of the Board and the Company's strategy, and the General Manager's responsibility to implement the Company's strategy.

The Chairman of the Board is responsible for leading the Board in establishing corporation directions and monitoring the implementation of the corporate strategies and plans for the long term development of the Group and to create value for shareholders.

The General Manager is responsible for managing the operation of the Group's businesses, proposing strategies to the Board, preparing plans and forecast and the implementation of plans and policies adopted by the Board.

### Audit Committee

The Company has established an audit committee with written terms of reference in accordance with the GEM Listing Rules and the Listing Rules. The primary duties of the audit committee are to review the Company's annual report and accounts, half-year reports and quarterly reports and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing internal control procedures of the Group.

The audit committee comprises of the three independent non-executive Directors, namely, Mr. Yu Hon Wing, Allan (Chairman), Mr. Garry Alides Willinge and Mr. Chu Kwok Man, and one non-executive Director, namely, Mr. Kwan Kai Cheong.

The committee members possess diversified industry experience and the Chairman is an expert on financial and auditing matters. The committee met three times last year. During 2008, the audit committee considered the external auditors' projected audit fees, discussed with the external auditors their independence and the nature and scope of the audit; reviewed the interim and annual financial statements; and reviewed the external auditors' management letter and management's response. As a result, they recommended the Board to adopt the first quarterly, the interim and annual reports for 2008.

### Remuneration Committee

The remuneration committee was set up to review the remuneration policies and approved the salary and bonus of the executive Directors and certain key executives, to review the remuneration policy of the Group and to approve the granting of options. One meeting was held in 2008. The remuneration committee comprises of four non-executive Directors, amongst which three are independent non-executive Directors. No executive Director took part in any discussion about his own remuneration.

Directors' emoluments and retirement benefits are disclosed on pages 66 to 68. Details of the granting of options under the Pre-IPO Share Option Scheme are disclosed on pages 84 to 86.

### Nomination Committee

No nomination committee was established by the Company.

### Auditor's Remuneration

During the year ended 31 December 2008, the remuneration paid and payable to the auditors of the Company, RSM Nelson Wheeler, for the provision of the Group's audit services and taxation services were HK\$580,000 and HK\$5,500 respectively.

### Related Party Transactions

The related party transactions are set out in note 36 to the financial statements.

By order of the board  
**Yan Siu Wai**  
Chairman

Hong Kong, 7 April 2009

## 主席及總經理的角色

於回顧年內，主席由甄兆威先生擔任，總經理由鮑繼聲先生擔任。

主席及總經理的職責已清楚劃分，主席肩負領導之責及管理董事會及制訂本公司的策略，而總經理則負責執行本公司的策略。

董事會主席負責領導董事會確立公司的發展方向，並監督企業策略、有關本集團長遠發展計劃的實施及為股東創造價值。

總經理負責管理本集團業務的營運、向董事會提呈策略、編製計劃及預測，以及實行董事會採納的計劃及政策。

## 審核委員會

本公司已成立審核委員會，並根據創業板上市規則及上市規則以書面形式釐定其職權範圍。審核委員會的主要職責為審閱本公司的年報及賬目、半年報告及季度報告，並就此向董事會提供意見及建議。審核委員會亦負責審閱本集團的內部監控程序。

審核委員會由三名獨立非執行董事，即俞漢榮先生(主席)、Garry Alides Willinge先生及朱國民先生，以及一名非執行董事關啟昌先生組成。

審核委員會成員具有不同行業的豐富經驗，而主席亦屬財務及審核工作之專才。審核委員會去年已召開三次會議。於二零零八年，審核委員會已審核外界核數師之預計核數酬金，並與外界核數師審議其獨立性、核數之性質及範圍；已審閱中期及年度財務報表、外界核數師致管理層之函件以及管理層之回覆。因此，彼等建議董事會接納二零零八年之第一季季度報告、中期報告以及年報。

## 薪酬委員會

薪酬委員會的成立旨在審核薪酬政策及審批執行董事及部份主要高級行政人員之薪金及花紅，並審核本集團之薪酬政策及審批購股權的授予。二零零八年已舉行一次會議。薪酬委員會由四名非執行董事組成，其中三名為獨立非執行董事。並無執行董事參與有關其本身薪酬的討論。

董事酬金及退休福利於第66頁至第68頁披露。根據首次公開招股前購股權計劃授出的購股權詳情於第84頁至第86頁披露。

## 提名委員會

本公司並無成立提名委員會。

## 核數師酬金

於截至二零零八年十二月三十一日止年度，為本集團提供審計服務及稅務服務之已付及應付予本公司核數師中瑞岳華(香港)會計師事務所之酬金分別為580,000港元及5,500港元。

## 關聯人士交易

關聯人士交易載於財務報表附註36。

承董事會命  
甄兆威  
主席

香港，二零零九年四月七日

## INDEPENDENT AUDITOR'S REPORT

### **RSM Nelson Wheeler**

中瑞岳華(香港)會計師事務所

Certified Public Accountants

#### **TO THE SHAREHOLDERS OF JF HOUSEHOLD FURNISHINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of JF Household Furnishings Limited (the "Company") set out on pages 38 to 96, which comprise the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Directors' responsibility for the financial statements**

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2008 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**RSM Nelson Wheeler**  
Certified Public Accountants  
Hong Kong

7 April 2009

## RSM! Nelson Wheeler

中瑞岳華(香港)會計師事務所

Certified Public Accountants

致捷豐家居用品有限公司全體股東

(於開曼群島註冊成立之有限公司)

本核數師(下稱「吾等」)已審核第38至96頁所載捷豐家居用品有限公司(「貴公司」)之綜合財務報表，包括於二零零八年十二月三十一日之綜合資產負債表、截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明附註。

### 董事就財務報表之責任

董事須遵照香港會計師公會頒佈之《香港財務報告準則》及《香港公司條例》之披露規定，負責編製並真實兼公平地呈列此等財務報表。此責任包括設計、實行及維持與編製及真實兼公平地呈列財務報表有關之內部監控，以確保其並無重大錯誤陳述(不論其由欺詐或錯誤引起)；選擇並應用適當會計政策；及在不同情況下作出合理之會計估算。

### 核數師之責任

吾等之責任是根據審核之結果，對此等財務報表作出意見，並僅向股東(作為法人)報告，除此以外，別無其他用途。吾等概不就本報告之內容向任何其他人士負責或承擔責任。吾等之審核工作按照香港會計師公會頒佈之《香港審計準則》進行。該等準則要求吾等遵守操守規定，計劃及進行審核以合理確定此等財務報表是否沒有重大之錯誤陳述。

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

吾等相信，吾等所取得之審核憑證就提出審核意見而言屬充分恰當。

### 意見

吾等認為，綜合財務報表根據香港財務報告準則足以真實兼公平地顯示 貴集團於二零零八年十二月三十一日之財務狀況及 貴集團截至該日止年度之業績及現金流量，並按照香港公司條例之披露規定妥為編製。

中瑞岳華(香港)會計師事務所

執業會計師

香港

二零零九年四月七日



# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

		Note	2008	2007
		附註	二零零八年	二零零七年
			HK\$	HK\$
			港元	港元
<b>REVENUE</b>	收益	6	<b>403,056,696</b>	353,755,842
Cost of goods sold	貨品銷售成本		<b>(342,679,886)</b>	(304,886,077)
<b>Gross profit</b>	毛利		<b>60,376,810</b>	48,869,765
Other income	其他收入	7	<b>4,826,701</b>	4,567,934
Distribution costs	分銷成本		<b>(4,295,843)</b>	(4,252,584)
Administrative expenses	行政開支		<b>(21,619,548)</b>	(13,257,393)
Other operating expenses	其他經營開支		<b>(2,288,887)</b>	—
<b>PROFIT FROM OPERATIONS</b>	經營溢利		<b>36,999,233</b>	35,927,722
Finance costs	融資成本	10	<b>(5,463,506)</b>	(3,127,637)
<b>PROFIT BEFORE TAX</b>	除稅前溢利		<b>31,535,727</b>	32,800,085
Income tax expense	所得稅開支	11(a)	<b>(8,730,054)</b>	(5,143,116)
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	本公司股東 年內應佔 溢利	12	<b>22,805,673</b>	27,656,969
<b>DIVIDEND</b>	股息	13	<b>8,699,750</b>	8,617,000
<b>EARNINGS PER SHARE</b>	每股盈利	14		
Basic	基本		<b>0.13</b>	0.16
Diluted	攤薄		<b>0.13</b>	0.16

# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

At 31 December 2008 於二零零八年十二月三十一日

	Note 附註	2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元	
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	66,040,326	56,946,256
Land use rights	土地使用權	16	50,700,545	18,072,369
Deposit paid for acquisition of land use rights	收購土地使用權的已付按金	17	—	—
Available-for-sale financial assets	可供出售金融資產	18	2,000,000	—
			<b>118,740,871</b>	75,018,625
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	19	80,695,507	92,507,698
Trade receivables	應收貿易賬款	20	46,161,939	35,731,827
Deposits, other receivables and prepayments	按金、其他應收款項及預付款項		3,743,696	5,600,919
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	21	—	2,288,887
Pledged bank deposits	已抵押銀行存款	22	1,064,958	2,085,047
Bank and cash balances	銀行及現金結餘	22	21,460,400	18,473,982
			<b>153,126,500</b>	156,688,360
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	應付貿易賬款	23	30,854,456	29,980,551
Other payables and accruals	其他應付款項及應計項目		9,723,559	6,979,265
Due to directors	應付董事款項	24	—	540,000
Current tax liabilities	本年稅項負債		7,492,310	3,011,352
Bank borrowings	銀行借款	25	78,357,969	68,679,413
Finance lease payable	應付融資租賃款項	26	—	1,903,207
			<b>126,428,294</b>	111,093,788
<b>NET CURRENT ASSETS</b>	<b>淨流動資產</b>		<b>26,698,206</b>	45,594,572
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>		<b>145,439,077</b>	120,613,197
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank borrowings	銀行借款	25	2,541,579	—
Finance lease payable	應付融資租賃款項	26	—	4,282,215
Deferred tax liabilities	遞延稅項負債	27	1,021,798	—
			<b>3,563,377</b>	4,282,215
<b>NET ASSETS</b>	<b>淨資產</b>		<b>141,875,700</b>	116,330,982
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	28	1,739,950	1,709,400
Reserves	儲備		140,135,750	114,621,582
<b>TOTAL EQUITY</b>	<b>總權益</b>		<b>141,875,700</b>	116,330,982

Approved by the Board of Directors on 7 April 2009  
董事會於二零零九年四月七日批准

**Yan Siu Wai**  
**甄兆威**  
Director  
董事

**Leung Kwok Yin**  
**梁國賢**  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

	Note 附註	Share capital 股本 HK\$ 港元	Share premium 股份溢價 (Note 31(a)) (附註 31(a)) HK\$ 港元	Merger reserve 合併儲備 (Note a) (附註 a) HK\$ 港元	Reserves 儲備				Retained profits 保留溢利 HK\$ 港元	Total 總值 HK\$ 港元
					Foreign currency translation reserve 外匯兌換儲備 HK\$ 港元	Capital reserve 資本儲備 (Note b) (附註 b) HK\$ 港元	General reserve 一般儲備 (Note c) (附註 c) HK\$ 港元	Employee share-based compensation reserve 以股份支付僱員酬金儲備 (Note 31(c)) (附註 31(c)) HK\$ 港元		
At 1 January 2007		1,695,850	22,843,068	7,358,082	2,464,614	946,832	10,300,329	2,383,684	41,531,805	89,524,264
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong		-	-	-	6,700,614	-	-	-	-	6,700,614
Net income recognised directly in equity Profit for the year		-	-	-	6,700,614	-	-	-	-	6,700,614
Total recognised income and expense for the year		-	-	-	6,700,614	-	-	-	27,656,969	34,357,583
Share issued on exercise of share options	28(i)	13,550	1,068,217	-	-	-	-	(322,967)	-	758,800
Dividend paid		-	-	-	-	-	-	-	(8,309,665)	(8,309,665)
Transfers		-	-	-	-	-	3,196,660	-	(3,196,660)	-
At 31 December 2007		1,709,400	23,911,285	7,358,082	9,165,228	946,832	13,496,989	2,060,717	57,682,449	116,330,982
Representing: At 31 December 2007 after proposed final dividend									49,065,449	
Proposed final dividend	13								8,617,000	
									57,682,449	
At 1 January 2008		1,709,400	23,911,285	7,358,082	9,165,228	946,832	13,496,989	2,060,717	57,682,449	116,330,982
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong		-	-	-	9,405,245	-	-	-	-	9,405,245
Net income recognised directly in equity Profit for the year		-	-	-	9,405,245	-	-	-	-	9,405,245
Total recognised income and expense for the year		-	-	-	9,405,245	-	-	-	22,805,673	32,210,918
Share issued on exercise of share option	28(ii)	30,550	2,496,354	-	-	-	-	(576,104)	-	1,950,800
Dividend paid		-	-	-	-	-	-	-	(8,617,000)	(8,617,000)
Transfers		-	-	-	-	-	4,051,001	-	(4,051,001)	-
At 31 December 2008		1,739,950	26,407,639	7,358,082	18,570,473	946,832	17,547,990	1,484,613	67,820,121	141,875,700
Representing: At 31 December 2008 after proposed final dividend									59,120,371	
Proposed final dividend	13								8,699,750	
									67,820,121	

Note:

- The merger reserve represents the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital and share premium of its subsidiaries arising from group reorganisation on 8 September 2005 ("Corporate Reorganisation").
- This represents the transfer from retained profits to capital reserve as a result of the write off of certain trade payables by 寧波捷豐家居用品有限公司 (JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd.) ("JF Ningbo"), a subsidiary of the Company. Pursuant to the People's Republic of China ("PRC") accounting principles and financial regulations, any gains arising from debt restructuring which represent the difference between the final settlement and the carrying value of the debt concerned are directly reflected in capital reserve and therefore not distributable. Accordingly, a transfer has been made from retained profits to capital reserve. The capital reserve can only be used to increase capital of this subsidiary.
- The general reserve is set up by way of appropriation from the profit after tax in accordance with the relevant laws and regulations in the PRC. The rate of appropriation to the general reserve is subject to the decision of the board of directors of PRC subsidiaries, but the minimum appropriation rate is 10% of the profit after tax for each year, until when the accumulated balance reaches 50% of its registered capital. Pursuant to the relevant laws and regulations of the PRC, if approvals are obtained from the relevant government authorities, the general reserve can be used in setting off accumulated losses or to increase the capital of this subsidiary.

附註:

- 合併儲備指於二零零五年九月八日進行集團重組(「集團重組」)時產生的本公司已發行股本面值交換其附屬公司之股本及股份溢價面值之差額。
- 資本儲備指因註銷本公司附屬公司寧波捷豐家居用品有限公司(「寧波捷豐」)的若干應付貿易款項,自保留溢利轉撥至資本儲備。根據中華人民共和國(「中國」)會計原則及財務規條,因重組債務而產生的任何收益指最後結算與債務賬面值的差額,有關差額直接反映於資本儲備且不可供分派。故此從保留溢利轉撥至資本儲備。資本儲備僅可用作增加此附屬公司之資本。
- 一般儲備乃按有關的中國法律及規條由除稅後溢利撥付而成。撥付於一般儲備的比例由中國附屬公司之董事會釐定,惟最低撥付比例為每年除稅後溢利的10%,直至累計結餘達其註冊資本的50%。根據中國的有關法律及規條,倘取得有關政府當局的批准,一般儲備可用作抵銷累計虧損或增加此附屬公司之資本。

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

		Note 附註	2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b> 經營活動的現金流量				
Profit before tax	除稅前溢利		<b>31,535,727</b>	32,800,085
Adjustments for:	經調整：			
Depreciation	折舊		<b>4,950,719</b>	2,895,250
Amortisation of land use rights	土地使用權攤銷		<b>448,468</b>	168,630
Finance costs	融資成本		<b>5,463,506</b>	3,127,637
Interest income	利息收入		<b>(156,792)</b>	(229,230)
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動		<b>2,288,887</b>	(2,288,887)
Operating profit before working capital changes	營運資金變動前的經營溢利		<b>44,530,515</b>	36,473,485
Decrease/(increase) in inventories	存貨減少／(增加)		<b>11,812,191</b>	(50,181,132)
Increase in trade receivables	應收貿易賬款增加		<b>(10,430,112)</b>	(9,203,876)
Decrease in deposits, other receivables and prepayments	按金、其他應收款項及預付款項減少		<b>1,857,223</b>	341,042
Increase in trade payables	應付貿易賬款增加		<b>873,905</b>	18,528,571
Increase in other payables and accruals	其他應付款項及應計項目增加		<b>2,744,294</b>	2,782,920
Decrease in amounts due to directors	應付董事款項減少		<b>(540,000)</b>	—
Cash generated from/(used in) operations	經營產生／(所用)的現金		<b>50,848,016</b>	(1,258,990)
Income tax paid	已付所得稅		<b>(3,227,298)</b>	(3,867,012)
Net cash generated from/(used in) operating activities	經營業務產生／(所用)的現金淨額		<b>47,620,718</b>	(5,126,002)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b> 投資活動的現金流量				
Purchase of property, plant and equipment	購買物業、廠房及設備	33	<b>(9,959,741)</b>	(20,545,454)
Acquisition of land use rights	收購土地使用權		<b>(31,765,164)</b>	—
Decrease in pledged bank deposits	已抵押銀行存款減少		<b>1,020,089</b>	150,665
Sale proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得銷售款項		<b>1,120</b>	—
Decrease in amounts due from related companies	應收關聯公司款項減少		—	19,241
Inception of available-for-sale financial assets	新增可供出售金融資產		<b>(2,000,000)</b>	—
Interest received	已收利息		<b>156,792</b>	229,230
Net cash used in investing activities	投資活動所用的現金淨額		<b>(42,546,904)</b>	(20,146,318)

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

	Note 附註	2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動的現金流量</b>		
Repayment of finance lease payable	償還應付融資租賃款項	<b>(6,185,422)</b>	(1,736,016)
Proceeds from issue of shares	發行股份所得款項	<b>1,950,800</b>	758,800
Inception of new bank loans	新借銀行貸款	<b>231,411,295</b>	169,662,647
Repayment of bank loans	償還銀行貸款	<b>(225,331,583)</b>	(129,979,118)
Dividend paid	已付股息	<b>(8,617,000)</b>	(8,309,665)
Interest paid	已付利息	<b>(5,463,506)</b>	(3,127,637)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生的現金淨額	<b>(12,235,416)</b>	27,269,011
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值物的(減少)/增加淨額</b>	<b>(7,161,602)</b>	1,996,691
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>外匯匯率變動的影響</b>	<b>7,225,558</b>	3,608,849
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>於一月一日的現金及現金等值物</b>	<b>15,002,820</b>	9,397,280
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>於十二月三十一日的現金及現金等值物</b>	<b>15,066,776</b>	15,002,820
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年末的現金及現金等值物分析</b>		
Bank and cash balances	銀行及現金結餘	<b>21,460,400</b>	18,473,982
Bank overdrafts	銀行透支	<b>(6,393,624)</b>	(3,471,162)
		<b>15,066,776</b>	15,002,820

# NOTES TO THE FINANCIAL STATEMENTS

## 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 Information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is 15th floor, EIB Tower, 4-6 Morrison Hill Road, Wanchai, Hong Kong. The Company's shares were previously listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the listing of which were subsequently transferred to the Main Board of the Stock Exchange on 10 September 2008.

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

### 2. Adoption of New and Revised Hong Kong Financial Reporting Standards

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for accounting periods beginning on 1 January 2008. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its result of operations and financial position.

### 1. 一般資料

本公司根據開曼群島公司法於開曼群島註冊成立為一家獲豁免有限公司，其註冊地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，主要營業地點位於香港灣仔摩利臣山道4-6號經信商業大廈15樓。本公司之股份之前於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市，其後於二零零八年九月十日轉往聯交所主板上市。

本公司為投資控股公司。本公司各附屬公司的主要業務列載於財務報表附註32。

### 2. 新訂及經修訂香港財務報告準則的採用

於本年度，本集團已採用經香港會計師公會頒佈的所有與本集團營運有關，於二零零八年一月一日開始的會計期間生效之新訂及經修訂香港財務報告準則。此等財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採用此等新訂及經修訂香港財務報告準則並未導致本集團之會計政策及本年度和過往年度的呈報金額發生重大變化。

本集團未採用已頒佈但尚未生效的新訂香港財務報告準則。本集團已開始對該等新訂香港財務報告準則的影響進行評估，惟目前仍未能確定採用該等新訂香港財務報告準則會否對本集團之經營業績及財務狀況產生重大影響。



## NOTES TO THE FINANCIAL STATEMENTS

### 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

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss which are carried at their fair values.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

##### (a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

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

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

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

#### 3. 主要會計政策

本財務報表乃根據香港財務報告準則、香港公認的會計原則及聯交所證券上市規則（「上市規則」）和香港公司條例要求之適用披露規定而編製。

本財務報表乃按歷史成本慣例編製，並按以公平價值計入損益之金融資產重估作出修訂。

編製符合香港財務報告準則的財務報表，須使用若干主要假設和估計，亦需要董事在採用會計政策的過程中行使其判斷。涉及重要判斷的內容及對本財務報表產生重要作用之假設和估計的內容於財務報表附註4中披露。

編製本財務報表所採用之主要會計政策如下：

##### (a) 綜合賬目

綜合財務報表包括本公司及其附屬公司編製截至十二月三十一日止的財務報表。附屬公司為本集團對其擁有控制權之實體。控制權指監管該實體財務及經營政策，從而自其業務取得利益之權力。在評估本集團是否擁有控制權時，會考慮現時可行使或轉換之潛在投票權的存在及影響。

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

出售附屬公司的盈虧指銷售所得款項與本集團所佔資產淨額連同與附屬公司相關的之前未於綜合收益表中扣除或確認的所有商譽以及相關的累計外幣匯兌儲備的差額。

集團內公司間交易、交易所產生的結餘及未變現收益予以抵銷。未變現虧損亦予以抵銷，除非交易有證據顯示所轉讓資產出現減值。本公司對附屬公司之會計政策在必要情況下已予修訂，以確保與本集團所採納之政策一致。

## NOTES TO THE FINANCIAL STATEMENTS

## 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 (cont'd) 3. 主要會計政策 (續)

#### (b) Foreign currency translation

##### (i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

##### (ii) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the income statement.

##### (iii) *Translation on consolidation*

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

#### (b) 外幣兌換

##### (i) 功能及呈列貨幣

本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港元（本公司之功能和呈列貨幣）呈列。

##### (ii) 各實體財務報表之交易及結餘

外幣交易按交易日之現行匯率兌換為功能貨幣。以外幣列值之貨幣性資產和負債均按結算日之匯率兌換。按此兌換政策產生的盈虧計入收益表內。

##### (iii) 綜合賬目的兌換

本集團所有實體如持有與本公司呈列貨幣不同之功能貨幣，其業績及財務狀況均按以下方式兌換為本公司的呈列貨幣：

- 各資產負債表呈列之資產與負債均按該資產負債表結算日之收市匯率兌換；
- 各收益表之收入和支出均按照平均匯率兌換（若此平均匯率未能合理反映各交易日匯率所帶來之累計影響，在此情況下，收入和支出則按照交易日之匯率兌換）；及
- 所有匯兌差額均於外幣匯兌儲備中確認。

## NOTES TO THE FINANCIAL STATEMENTS

### 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 (cont'd) 3. 主要會計政策 (續)

#### (b) Foreign currency translation (cont'd)

##### (iii) Translation on consolidation (cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the profit or loss on disposal.

#### (c) Property, plant and equipment

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

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	20 years
Plant and machinery	10 years
Furniture, fixtures and equipment	2-5 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

#### (b) 外幣兌換 (續)

##### (iii) 綜合賬目的兌換 (續)

在綜合賬目時，兌換於海外公司投資淨額和借貸產生之匯兌差額於外幣匯兌儲備中確認。當出售海外業務時，此部份匯兌差額將於綜合收益表中確認為出售損益之一部份。

#### (c) 物業、廠房及設備

物業、廠房及設備以成本值減累計折舊及減值虧損列賬。

其後的成本計入資產賬面值內，或僅當與該項目相關之未來經濟利益很可能流入本集團且該項目成本能可靠計量時，可被確認為一項獨立資產(如適用)。其他的所有維修及保養費用均於其產生期間於收益表列支。

物業、廠房及設備乃以直線法於估計可使用年期內按足以撇銷其成本減其剩餘價值之比率計算折舊。主要可使用年期如下：

建築物	20年
廠房及機械	10年
傢俬、裝置及設備	2-5年
車輛	5年

剩餘價值、可使用年期及折舊方法將於每個結算日予以檢討及調整(如適用)。

在建工程指在建建築物及待安裝的廠房和機械，以成本值減減值虧損列賬。相關資產於可供使用時開始折舊。

## NOTES TO THE FINANCIAL STATEMENTS

## 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 (cont'd) 3. 主要會計政策 (續)

#### (c) Property, plant and equipment (cont'd)

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

#### (d) Leases

##### (i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease term.

##### (ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the balance sheet as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

#### (c) 物業、廠房及設備 (續)

出售物業、廠房及設備之盈虧指出售相關資產所得款項淨額與其賬面值之差額，於收益表中確認。

#### (d) 租賃

##### (i) 經營租賃

凡出租方保留所有權絕大部份風險及回報之租賃均分類為經營租賃。租賃付款(經扣除自出租方獲得之所有優惠)於租賃期內以直線法於收益表中列支。

##### (ii) 融資租賃

資產擁有權的所有風險及回報絕大部份轉讓予本集團的租賃列作融資租賃。進入租賃期後，融資租賃乃以租賃開始時釐定之租賃資產之公平價值或最低租賃付款之現值(以較低者為準)進行資本化。

出租人之相應債務於資產負債表中列作應付融資租賃款項。租賃付款按比例分配於財務費用及削減未付債務。財務費用在各租期內分攤，以得出一個債務結餘之定期利率。

融資租賃之資產按與自有資產相同之基準計算折舊。

## NOTES TO THE FINANCIAL STATEMENTS

### 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 (cont'd) 3. 主要會計政策 (續)

#### (e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (f) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the 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 the income statement.

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

#### (g) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

#### (e) 存貨

存貨以成本值及可變現淨值兩者間之較低者呈列。成本乃基於加權平均數釐定。製成品及在製品成本包括原材料、直接勞工及適當比例的所有生產間接開支及分判承包費用(如適用)。可變現淨值為日常業務過程中的估計銷售價格減估計完成成本值及估計促成銷售所需的成本值。

#### (f) 確認及解除確認金融工具

倘本集團成為工具合約條文的一方，則金融資產及金融負債於資產負債表中確認。

當從資產收取現金流的合約權利屆滿時，或本集團將資產所有權所有風險與回報的絕大部份轉讓時，或本集團並無將資產所有權所有風險與回報的絕大部份轉讓或保留，但亦未保留對資產的控制權時，金融資產將被解除確認。於解除確認金融資產時，資產的賬面值與所收及應收代價與已直接在權益中確認的累積損益之總和兩者的差額將於收益表確認。

當相關合約中規定的責任解除、取消或屆滿時，金融負債將解除確認。解除確認的金融負債的賬面值與已付代價間的差額將於收益表確認。

#### (g) 投資

倘投資買賣是根據合約進行，而其條款規定該投資須於有關市場設定的時限內交付，則該投資按交易日期基準確認及解除確認，並初步以公平價值加直接應佔交易成本計量，惟以公平價值計入損益之金融資產除外。

投資可歸類為以公平價值計入損益之金融資產或可供出售金融資產。



## NOTES TO THE FINANCIAL STATEMENTS 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 (cont'd) 3. 主要會計政策 (續)

#### (g) Investments (cont'd)

##### (i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are either investments held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in the income statement.

##### (ii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised directly in equity, until the investments are disposed of or are determined to be impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement.

Impairment losses recognised in the income statement for equity investments classified as available-for-sale financial assets are not subsequently reversed through the income statement. Impairment losses recognised in the income statement for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in the income statement if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

#### (g) 投資 (續)

##### (i) 以公平價值計入損益之金融資產

以公平價值計入損益之金融資產指持作買賣之投資或於初步確認時指定以公平價值計入損益之投資。此等投資其後以公平價值計量。由此等投資之公平價值變動而產生的損益則於收益表中確認。

##### (ii) 可供出售金融資產

可供出售金融資產指並未分類為應收貿易賬款及其他應收款項或以公平價值計入損益之金融資產之非衍生金融資產。可供出售金融資產其後按公平價值計量。由此等投資之公平價值變動而產生的損益直接於權益確認，直至有關投資被出售或被釐定為減值時，過往於權益內確認之累計損益於收益表確認。

分類為可供出售金融資產之股本投資於收益表確認減值虧損後不會自收益表撥回。分類為可供出售金融資產之債務工具於收益表確認減值虧損後，倘該工具公平價值之增加可客觀地與在確認減值虧損後發生之事件相關時，則有關減值虧損可被撥回並於收益表中確認。



## NOTES TO THE FINANCIAL STATEMENTS

### 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 (cont'd) 3. 主要會計政策 (續)

#### (h) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

Impairment losses are reversed in subsequent periods and recognised in the income statement when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

#### (i) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

#### (h) 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項指並非於活躍市場報價，具有固定或可釐定付款之非衍生金融資產，初步按公平價值確認，其後使用實際利率法按攤銷成本減減值撥備計量。倘有客觀證據顯示本集團將不能根據應收款項的原定期限收取所有到期金額，將會就應收貿易賬款及其他應收款項作出減值撥備。撥備金額乃應收款項的賬面值與估計未來現金流量的現值之差額，按初步確認時使用的實際利率貼現。撥備金額於收益表中確認入賬。

當應收賬款之可收回金額增加可客觀地與於確認減值後發生之事件有關時，則減值虧損會於隨後期間撥回並於收益表內確認，惟該應收賬款於撥回減值當日之賬面值不得超過假設未確認減值時之攤銷成本。

#### (i) 現金及現金等值物

就現金流量表而言，現金及現金等值物指銀行存款及手頭現金，銀行及其他金融機構的活期存款及短期高流動性投資(可隨時轉換為已知數額的現金且價值變動的風險不高)。現金及現金等值物亦包括須於要求時償還及屬於本集團現金管理組成部份的銀行透支。

# NOTES TO THE FINANCIAL STATEMENTS

## 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 (cont'd) 3. 主要會計政策 (續)

#### (j) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

##### **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

##### **Trade and other payables**

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

##### **Equity instruments**

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

#### (k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenue from the sales of manufactured goods is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

#### (j) 金融負債及權益工具

金融負債及權益工具按所訂立的合約安排性質及香港財務報告準則有關金融負債及權益工具的定义分類。權益工具為本集團在扣除所有債務後的資產中擁有剩餘權益的任何合約。就特定金融負債及權益工具所採納的會計政策載列如下。

##### **借貸**

借貸最初乃按公平價值扣除所產生的交易成本確認入賬，其後以實際利率法按攤銷成本計量。

除非本集團有無條件權利延遲清償負債至結算日後至少十二個月，否則借貸分類為流動負債。

##### **應付貿易賬款及其他應付款項**

應付貿易賬款及其他應付款項最初按其公平價值列賬，其後以實際利率法按攤銷成本計量，惟倘折現影響並不重大，則以成本值列賬。

##### **權益工具**

由本公司發行的權益工具按已收取所得款項扣除直接發行成本入賬。

#### (k) 收益確認

收益按所收取或應收取代價之公平價值計量，並當經濟利益很可能流入本集團且收益數額能可靠計量時予以確認。

製成品之銷售收入在擁有權之絕大部份風險及回報轉移時確認，通常亦即為貨品付運及所有權轉讓予客戶時。

利息收入按時間比例基準使用實際利率法確認。

## NOTES TO THE FINANCIAL STATEMENTS

### 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 (cont'd) 3. 主要會計政策 (續)

#### (l) Employee benefits

##### (i) Employee leave entitlements

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

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

##### (ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds.

##### (iii) Termination benefits

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

#### (m) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

#### (l) 僱員福利

##### (i) 僱員可享假期

僱員可享年假及長期服務休假在僱員應該享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員可享病假及產假在僱員正式休假時予以確認。

##### (ii) 退休金責任

本集團向界定供款退休計劃供款，所有僱員均可參與。本集團與僱員之供款按員工基本薪金之百分比計算。在收益表內支銷之退休福利計劃成本指本集團應向基金支付之供款。

##### (iii) 合約終止補償

合約終止補償只會在本集團根據正式、具體，且不大可能撤回的計劃終止僱員合約或根據該計劃自願遣散僱員而終止合約並做出補償時確認。

#### (m) 以股份支付款項

本集團向若干僱員發放按權益結算以股份支付之款項。按權益結算以股份支付之款項於授出日期按權益工具之公平價值(不包括非市場歸屬條件之影響)計量。按權益結算以股份支付之款項在授出日釐定之公平價值將依據本集團對最終歸屬之股份所作估計，並對非市場歸屬條件之影響作出調整後，以直線法於歸屬期內列作開支。

## NOTES TO THE FINANCIAL STATEMENTS 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 (cont'd) 3. 主要會計政策 (續)

#### (n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

#### (o) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate.

#### (n) 借貸成本

借貸成本直接與收購、建造或生產合資格資產有關，而該資產須於一段長時間後方可用於其擬定用途或銷售，則此部份借貸成本均撥充為該等資產之成本的一部份，直至該等資產已充份就緒並可作擬定用途或可供出售時為止。在等待將特定借貸款項用在合資格資產上之前，將特定借貸款項作暫時性投資所賺取的投資收入，會用作扣減已資本化的借貸成本。

對於一般性借款用於獲取合資格資產，其借貸成本中可用於資本化的數額乃使用資本化比率對該資產的開支釐定。資本化比率為適用於本集團期內未償還之借貸成本的加權平均數，惟為獲取合資格資產而特別作出的借貸除外。

所有其他借貸成本值在產生期間於收益表內確認。

#### (o) 政府津貼

政府津貼於有合理保證本集團將遵守有關附帶條件及有關津貼將可獲取時予以確認。

與收入有關的政府津貼延遲至須與擬補償的成本配合時，才在收益表內確認。

## NOTES TO THE FINANCIAL STATEMENTS

### 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 (cont'd) 3. 主要會計政策 (續)

#### (p) Taxation

Income tax represents the sum of the current tax and deferred tax.

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the 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, unused tax losses or unused tax credits 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 other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### (p) 稅項

所得稅開支指本年稅項及遞延稅項之總額。

本年應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括其他年度之應課稅或可扣稅之收入或開支項目，亦不包括免稅或不可扣稅之項目，故與收益表所列溢利不同。本集團本年稅項之負債乃使用於結算日已實行或實質已實行之稅率計算。

遞延稅項乃為財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基間之差異，並採用資產負債表負債法入賬。遞延稅項負債一般按所有應課稅之暫時性差異予以確認，並於應課稅溢利有可能用作抵銷可扣稅暫時差額、未動用稅項虧損或未動用稅務抵免之情況下，確認遞延稅項資產。若暫時性差異乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不予確認有關資產及負債。

遞延稅項負債乃按於附屬公司之投資而引致之應課稅暫時性差異而確認，惟若本集團可控制暫時性差額之回撥及暫時性差額可能於可見將來無法回撥之情況除外。

遞延稅項資產之賬面值會於每個結算日覆核，倘不再可能有足夠應課稅溢利可用於收回全部或部分遞延稅項資產則會予以扣減。

遞延稅項按預計於負債償還或資產變現期間所採用之稅率計算，所按稅率為於結算日已實行或實質實行之稅率。遞延稅項於收益表內扣除或計入，惟於遞延稅項之有關事項直接在權益中扣除或計入的情況下，遞延稅項亦會於權益內處理。

當有可合法執行權利許可將本年稅項資產與本年稅項負債互相抵銷，及當其涉及同一稅項機關徵收之所得稅，而本集團計劃以淨額基準處理其本年稅項資產及負債時，則遞延稅項資產可與遞延稅項負債互相抵銷。



## NOTES TO THE FINANCIAL STATEMENTS 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 (cont'd) 3. 主要會計政策 (續)

#### (q) Related parties

A party is related to the Group if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

#### (r) Segment reporting

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

In accordance with the Group's internal financial reporting, the Group has determined that geographical be presented as the primary reporting format and business segments as the secondary reporting format.

#### (q) 關聯人士

在下列情況下，有關人士將視為本集團之關聯人士：

- (i) 透過一個或多個中介實體，該方直接或間接控制本集團，或由本集團控制或與本集團受到共同控制；於本集團擁有權益，並可藉此權益對本集團行使重大影響力；或對本集團進行共同控制；
- (ii) 有關人士為聯營公司；
- (iii) 有關人士為合營企業；
- (iv) 有關人士為本公司或其母公司之主要管理人員；
- (v) 有關人士為(i)或(iv)項所述人士之直系親屬；
- (vi) 有關人士受直接或間接歸屬於(iv)或(v)項所述人士之實體所控制、與他人共同控制或發揮重大影響力之實體，或擁有重大投票權；或
- (vii) 有關人士為本集團或本集團關聯人士實體之離職後福利計劃之受益人。

#### (r) 申報分類資料

分類乃指本集團之一個可清楚界定之組成部份，以經營提供產品及服務(業務分類)，或以在一個特定經濟環境經營提供產品或服務之業務(地區分類)作區分，各分類之風險與回報亦與其他分類不同。

根據本集團的內部財務報告，本集團決定以地區分類為首要申報形式，以業務分類為次要申報形式。



## NOTES TO THE FINANCIAL STATEMENTS

### 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 (cont'd) 3. 主要會計政策 (續)

#### (r) Segment reporting (cont'd)

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. Unallocated costs mainly represent corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories and trade receivables. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities and corporate borrowings.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment.

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

#### (s) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets other than inventories, receivables and derivative financial instruments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### (r) 申報分類資料 (續)

分類收入、開支、資產及負債包括一個分類直接應佔之項目，以及可按合理基準向有關分類分配之項目。未分配成本主要指企業開支。分類資產主要包括物業、廠房及設備、存貨以及貿易應收賬款。分類負債由經營負債組成，不包括稅項負債及企業借貸等項目。

分類收入、開支、資產及負債在集團成員公司間之結餘款額及集團成員公司間之交易互相對銷（此乃綜合賬目過程之一部份）前釐定，惟倘此等集團成員公司間之結餘款額及交易乃在集團成員公司間某單一分類內產生者，則作別論。

分類資本開支乃於期內購入且預期可使用一個期間以上之分類資產（包括有形及無形資產）所引致之總成本額。

#### (s) 資產減值

於各結算日，本集團會審閱其有形及無形資產之賬面值（存貨、應收賬款及衍生金融工具除外），以釐定是否有任何情況顯示該等資產已出現減值虧損。倘出現任何該等情況，則會估計資產之可收回金額，以釐定減值虧損之數額。如未能對個別資產之可收回金額作出估計，則本集團會評估屬該資產之現金產生單位之可收回金額。

可收回金額乃公平價值減出售成本與使用價值兩者中之較高者。於評估使用價值時，以估計未來現金流量按反映市場現時對貨幣時間價值及資產特定風險之評估之稅前折現率折現至其現值。

倘估計資產或現金產生單位之可收回金額低於其賬面值，則資產或現金產生單位之賬面值將撇減至其可收回金額。減值虧損即時於收益表中確認，除非有關資產乃以重估金額列賬，在該情況下減值虧損將視為重估之減值。

## NOTES TO THE FINANCIAL STATEMENTS 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 (cont'd) 3. 主要會計政策 (續)

#### (s) Impairment of assets (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit 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 (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### (t) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

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

#### (u) Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the financial statements when material.

#### (s) 資產減值 (續)

倘減值虧損於其後回撥，資產或現金產生單位之賬面值將增加至重新估計之可收回金額，惟增加後之賬面值不得超過於以往年度並無就資產或現金產生單位確認減值虧損而原有之賬面值（扣除攤銷或折舊）。減值虧損之回撥即時於收益表中確認，除非有關資產乃以重估金額列賬，在該情況下減值虧損之回撥將視為重估之增值。

#### (t) 撥備及或然負債

當本集團因過去的事件負有現有的法律或推定責任，而在履行責任的過程中，很有可能須要付出經濟利益並能作出可靠的估計時，則對這些在時間及金額上未確定的負債作出撥備。當金錢時間值影響重大時，撥備則以預計履行責任時所需支出之現值列賬。

如付出經濟利益的機會不大，或所涉及的金額未能可靠地估計時，除非付出經濟利益的可能性極微，否則這些責任會以或然負債披露。如責任的存在是取決於一件或多件事件將來發生與否時，除非付出經濟利益的可能性極微，否則這些可能的責任亦會以或然負債披露。

#### (u) 結算日後事項

為本集團於結算日之狀況提供額外資料或顯示持續經營假設並不合適之結算日後事項，為調整事項並反映於財務報表內。不屬於調整事項之結算日後事項若屬重大則在財務報表附註內作出披露。

## NOTES TO THE FINANCIAL STATEMENTS

### 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

#### 4. Critical Judgements and Key Estimates 4. 重大判斷及主要估計

##### Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements apart from those involving estimations, which are dealt with below.

##### (a) *Legal titles of certain land and buildings*

As stated in notes 15 and 16 to the financial statements, the titles of certain buildings and lands were not transferred to the Group as at 31 December 2008. Despite the fact that the Group has not obtained the relevant legal titles, the directors determine to recognise those buildings and land use rights as property, plant and equipment and land use rights on the grounds that they expect the transfer of legal titles in future should have no major difficulties and the Group is in substance controlling those buildings and lands.

##### Key sources of estimation uncertainty

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

##### (a) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

##### 應用會計政策之重大判斷

於應用會計政策之過程中，除該等相關之估計外，董事作出如下對財務報表中確認之金額產生重大影響之判斷，處理如下：

##### (a) 若干土地及樓宇之業權

如財務報表附註15及16所載，若干樓宇及土地之業權於二零零八年十二月三十一日尚未轉讓予本集團。儘管本集團尚未獲得相關業權，惟由於預期未來業權之轉讓並不存在重大困難，而本集團實質上亦控制該等建築及土地，故董事決定將該等建築及土地使用權作為物業、廠房及設備以及土地使用權確認。

##### 估計不明朗因素之主要來源

涉及日後之主要假設及於結算日估計不明朗因素之其他主要來源(彼等均擁有導致下個財政年度之資產及負債面值出現大幅調整之重大風險)討論如下。

##### (a) 物業、廠房及設備及折舊

本集團就其物業、廠房及設備釐定估計可用年期及相關折舊開支。此項估計乃根據類似性質及功能之物業、廠房及設備實際可使用年期之過往經驗作出。倘可用年期與先前估計有別，則本集團會修訂折舊開支，或撇銷或撇減已棄用或出售的技術性陳舊或非策略性資產。

## NOTES TO THE FINANCIAL STATEMENTS 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

### 4. Critical Judgements and Key Estimates (cont'd) 4. 重大判斷及主要估計 (續)

#### Key sources of estimation uncertainty (cont'd)

##### (b) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

##### (c) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

### 5. Financial Risk Management

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### 估計不明朗因素之主要來源 (續)

##### (b) 壞賬及呆賬減值虧損

本集團根據貿易及其他應收賬款的可收回性評估，包括每一借貸人之現時信譽及過往收款歷史記錄作出壞賬及呆賬減值虧損。若事件或情況變化顯示無法收取結餘則產生減值。確認壞賬和呆賬需要作出判斷及評估。倘若實際結果與最初估計存在差異，則將影響於該估計改變之年內的貿易及其他應收賬款之賬面值以及呆賬開支。

##### (c) 滯銷存貨撥備

滯銷存貨撥備乃按存貨的賬齡及估計可變現淨值計提。撥備金額的評估需要作出判斷及估計。若實際情況有別於最初估計，則有關差額將於有關估計已改變的期間內影響存貨及撥備開支/回撥的賬面值。

### 5. 財務風險管理

本集團之經營活動令其須承受眾多不同之財務風險：外匯風險、信用風險、流動資金風險及利率風險。本集團之整體風險管理計劃主要針對金融市場之不可預測性，旨在將對本集團之財務業績之潛在不利影響減至最低。

## NOTES TO THE FINANCIAL STATEMENTS

### 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

#### 5. Financial Risk Management (cont'd)

##### (a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars ("HKD"), United States dollars ("USD"), EURO ("EUR") and Renminbi ("RMB"). The Group entered into foreign currency forward contracts to mitigate the foreign currency risk arising from sales of goods denominated in USD. The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2008, if the USD had weakened 5 per cent against the RMB with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$428,000 lower (2007: HK\$426,000 higher), arising mainly as a result of exchange gain or loss on bank and cash balances, receivables, payables and borrowings denominated in USD. If the USD had strengthened 5 per cent against the RMB with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$428,000 higher (2007: HK\$426,000 lower), arising mainly as a result of exchange gain or loss on bank and cash balances, receivables, payables and borrowings denominated in USD.

At 31 December 2008, if the EUR had weakened 10 per cent against the HKD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$496,000 lower (2007: HK\$Nil), arising mainly as a result of exchange loss on bank and cash balances denominated in EUR. If the EUR had strengthened 10 per cent against the HKD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$496,000 higher (2007: HK\$Nil), arising mainly as a result of exchange gain on bank and cash balances denominated in EUR.

#### 5. 財務風險管理 (續)

##### (a) 外匯風險

由於本集團之大部份業務交易、資產及負債主要以港元、美元、歐元及人民幣計值，故需承受若干外匯風險。本集團採用外匯期貨合約，以減少以美元計值之貨物銷售所產生的外幣風險。目前，本集團並無對其他外匯交易、資產及負債採取外匯對沖政策。本集團將緊密監察其外匯風險，並將考慮於需要時對沖重大外匯風險。

於二零零八年十二月三十一日，若美元兌人民幣匯率下跌5%，其他所有變數維持不變，由於銀行及現金結餘、應收款項、應付款項及借款之匯兌損益以美元計值，年內綜合除稅後溢利將下降約428,000港元(二零零七年：增加約426,000港元)。若美元兌人民幣匯率上升5%，其他所有變數維持不變，由於銀行及現金結餘、應收款項、應付款項及借款之匯兌損益以美元計值，年內綜合除稅後溢利將增加約428,000港元(二零零七年：減少約426,000港元)。

於二零零八年十二月三十一日，若歐元兌港元匯率下跌10%，其他所有變數維持不變，由於銀行及現金結餘之匯兌損益以歐元計值，年內綜合除稅後溢利將下跌約496,000港元(二零零七年：無)。若歐元兌港元匯率上升10%，其他所有變數維持不變，由於銀行及現金結餘之匯兌損益以歐元計值，年內綜合除稅後溢利將增加約496,000港元(二零零七年：無)。



## NOTES TO THE FINANCIAL STATEMENTS 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

### 5. Financial Risk Management (cont'd)

### 5. 財務風險管理 (續)

#### (b) Credit risk

The carrying amount of the cash and bank balances and trade and other receivables, included in the balance sheet represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The credit risk on cash and bank balance is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has significant concentration of credit risk to its trade receivables as the Group's largest customer contributed over 79% of the turnover for the year and shared over 73% of the trade receivables at the balance sheet date. The Group has policies and procedures to monitor the collection of the trade receivables to limit the exposure to non-recoverable of the receivables and there is no recent history of default for the Group's largest customer.

#### (c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

#### (b) 信用風險

本集團載於資產負債表內的現金及銀行結餘以及貿易及其他應收賬款，代表本集團所承載與其金融資產有關的最大信用風險。

本集團定有適當政策，確保向擁有一定信用歷史的客戶進行銷售。

現金及銀行結餘的信用風險有限，原因為對方主要為國際信貸評級機構給予高信用評級的銀行。

本集團應收貿易賬款的信用風險高度集中，原因是本集團的最大客戶於年內佔營業額逾79%及於結算日佔應收貿易賬款逾73%。本集團已設定政策及程序監察應收貿易賬款之追收，以限制就應收款項不可收回部份的風險。近期，本集團最大客戶並無違約之情況出現。

#### (c) 流動資金風險

本集團的政策為定期監控現行及預期流動資金要求以確保其維持充足現金儲備，使其可配合短期及長期的流動資金需要。



## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 5. Financial Risk Management (cont'd)

## 5. 財務風險管理 (續)

## (c) Liquidity risk (cont'd)

The maturity analysis of the Group's financial liabilities is as follows:

		Less than 1 year 一年以內 HK\$ 港元	Between 1 and 2 years 一至兩年間 HK\$ 港元	Between 2 and 5 years 二至五年間 HK\$ 港元	Over 5 years 五年以上 HK\$ 港元
<b>At 31 December 2008</b>	於二零零八年 十二月三十一日				
Bank borrowings	銀行借款	79,454,165	989,387	1,661,246	—
Other payables and accruals	其他應付款項及 應計項目	9,723,559	—	—	—
Trade payables	應付貿易賬款	30,854,456	—	—	—
<b>At 31 December 2007</b>	於二零零七年 十二月三十一日				
Bank borrowings	銀行借款	68,679,413	—	—	—
Finance lease payable	應付融資租賃款項	2,266,341	2,234,584	2,678,629	—
Other payables and accruals	其他應付款項及 應計項目	6,979,265	—	—	—
Trade payables	應付貿易賬款	29,980,551	—	—	—
Due to directors	應付董事款項	540,000	—	—	—

## (d) Interest rate risk

At 31 December 2008, the Group's deposits denominated in USD amounted to approximately HK\$Nil (2007: HK\$1,271,000) and at fixed interest rate of Nil% (2007: 3.75%) per annum and therefore are subject to foreign currency risk and fair value interest rate risk.

The Group's exposure to cash flow interest rate risk arises from its bank deposits and borrowings. These bank deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

Bank loans of approximately HK\$27,475,000 (2007: HK\$50,125,000) are arranged at fixed interest rates and expose the Group to fair value interest rates risk. Other bank borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

At 31 December 2008, if interest rates at that date had been 100 basis points lower with all other variables held constant, consolidated profit after tax for the year would have been HK\$534,000 (2007: HK\$247,000) higher, arising mainly as a result of lower interest expense on bank borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, consolidated profit after tax for the year would have been HK\$534,000 (2007: HK\$247,000) lower, arising mainly as a result of higher interest expense on bank borrowings.

## (c) 流動資金風險 (續)

本集團金融負債之到期日分析如下：

## (d) 利率風險

於二零零八年十二月三十一日，本集團以美元列值之存款金額為零港元(二零零七年：1,271,000港元)，無固定年利率(二零零七年：3.75%)，因此，該存款受外匯風險及公平價值利率風險影響。

本集團之現金流量利率風險來自其銀行存款及借貸。該等銀行存款及借貸跟隨當時之市場狀況按不同利率計息。

銀行貸款約為27,475,000港元(二零零七年：50,125,000港元)乃以固定息率計息，故本集團面臨公平價值利率風險。其他銀行借款乃按浮動息率計息，故本集團需承受現金流量利率風險。

於二零零八年十二月三十一日，倘當日之利率下降100點子，其他所有變數保持不變，由於銀行借款利息開支減少，年內綜合除稅後溢利將上升534,000港元(二零零七年：247,000港元)。倘利率上升100點子，其他所有變數保持不變，由於銀行借款利息開支增加，年內綜合除稅後溢利將減少534,000港元(二零零七年：247,000港元)。

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 5. Financial Risk Management (cont'd)

## (e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated balance sheet approximate their respective fair values.

## 6. Revenue

The Group's turnover represented the net invoiced value of goods sold to customers, after allowances for trade discounts and returns.

## 5. 財務風險管理 (續)

## (e) 公平值

本集團計入綜合資產負債表的金融資產及金融負債之賬面值與其各自的公平值相若。

## 6. 收益

本集團之營業額乃指扣減貿易折扣及退貨後，售予客戶之貨品之發票淨值。

	2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Sales of goods 貨品銷售	403,056,696	353,755,842

## 7. Other Income

## 7. 其他收入

	2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Exchange gain 匯兌收益	2,975,585	—
Fair value change on financial assets at fair value through profit or loss 按公平值計入損益之 金融資產公平值變動	—	2,288,887
Government grants 政府津貼	693,356	502,960
Interest income 利息收入	156,792	229,230
Tax refund on re-investment 再投資退稅	—	1,545,718
Write back of trade payables 撥回應付貿易款項	979,766	—
Others 其他	21,202	1,139
	<b>4,826,701</b>	4,567,934

## 8. Segment Information

Segment information is presented by way of two segment formats:

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

The Group is principally engaged in the manufacture and sale of (i) furnishings, home products and accessories primarily used in kitchens and bathrooms with stainless steel as raw materials, and (ii) wooden panel furniture.

## 8. 分類資料

分類資料按以下兩種形式申報：

- (i) 主要分類申報形式為按地區分類；及
- (ii) 次要分類申報形式為按業務分類。

本集團主要從事製造及銷售(i)主要用於廚房及浴室，以不銹鋼為原材料的家俱、家居用品及配件以及(ii)木製家俱。

# NOTES TO THE FINANCIAL STATEMENTS

## 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

### 8. Segment Information (cont'd)

### 8. 分類資料 (續)

#### (a) Geographical segments based on the location of customers

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

The following tables present revenue, results, assets, liabilities and capital expenditure information for the Group's geographical segments.

#### (a) 按客戶所在地區之地區分類

於釐定本集團的地區分類時，收益、業績、資產及負債乃按客戶所在地區計算。

本集團按地區分類之收益、業績、資產、負債及資本開支的資料載列如下：

		The PRC 中國		Hong Kong 香港		Consolidated 綜合	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Segment revenue:	分類收益：						
Sales to external customers	外部客戶的銷售	<b>83,020,136</b>	72,058,537	<b>320,036,560</b>	281,697,305	<b>403,056,696</b>	353,755,842
Segment results	分類業績	<b>11,217,869</b>	7,826,545	<b>39,141,522</b>	32,674,947	<b>50,359,391</b>	40,501,492
Other income	其他收入					<b>4,826,701</b>	4,567,934
Unallocated expenses	未分配開支					<b>(18,186,859)</b>	(9,141,704)
Profit from operations	經營溢利					<b>36,999,233</b>	35,927,722
Finance costs	融資成本					<b>(5,463,506)</b>	(3,127,637)
Profit before tax	除稅前溢利					<b>31,535,727</b>	32,800,085
Income tax expense	所得稅開支					<b>(8,730,054)</b>	(5,143,116)
Profit for the year	年內溢利					<b>22,805,673</b>	27,656,969
Segment assets	分類資產	<b>12,658,343</b>	4,919,473	<b>33,503,596</b>	30,818,490	<b>46,161,939</b>	35,737,963
Unallocated assets	未分配資產					<b>225,705,432</b>	195,969,022
Total assets	總資產					<b>271,867,371</b>	231,706,985
Unallocated liabilities	未分配負債					<b>129,991,671</b>	115,376,003
Other segment information:	其他分類資料：						
Unallocated depreciation	未分配折舊					<b>4,950,719</b>	2,895,250
Unallocated capital expenditure	未分配資本開支					<b>9,959,741</b>	28,466,892

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 8. Segment Information (cont'd)

## (b) Geographic segments based on the location of assets

All of the Group's assets are substantially located in the PRC. No additional information in respect of segment assets and capital expenditure information are presented.

## (c) Business segments

The following table presents revenue, assets and capital expenditure information for the Group's business segments.

## 8. 分類資料 (續)

## (b) 按資產所在地區之地區分類

本集團的所有資產主要位於中國。就分類資產及資本開支資料而言概無額外資料呈列。

## (c) 業務分類

本集團按業務分類之收益、資產及資本開支的資料載列如下。

		Manufacturing and sale of stainless steel furnishings and home products 製造及銷售不銹鋼傢俱及家居用品		Manufacturing and sale of wooden furnishings and home products 製造及銷售木製傢俱及家居用品		Consolidated 綜合	
		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元	2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元	2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Segment revenue	分類收益	287,389,352	285,039,513	115,667,344	68,716,329	403,056,696	353,755,842
Segment assets	分類資產	112,737,503	138,528,911	146,704,503	90,184,822	259,442,006	228,713,733
Unallocated assets	未分配資產					12,425,365	2,993,252
						271,867,371	231,706,985
Capital expenditure	資本開支	1,705,900	3,151,567	8,253,841	25,315,325	9,959,741	28,466,892

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 9. Directors' Emoluments and Five Highest Paid Individuals

Details of emoluments of the directors of the Company disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance are as follows:

For the year ended 31 December 2008

## 9. 董事酬金及五位最高薪酬人士

根據上市規則及香港公司條例第161條，本公司董事之酬金詳情披露如下：

截至二零零八年十二月三十一日止年度

Name of director 董事姓名		Salaries, allowances and Fees 薪金、津貼 及實物利益	Discretionary bonus 酌情花紅	Retirement benefits scheme contributions 退休福利 計劃供款	Total emoluments 酬金總額
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>Executive directors</b> 執行董事					
Mr. Yan Siu Wai	甄兆威先生	—	408,000	142,000	562,000
Mr. Leung Kwok Yin	梁國賢先生	—	216,000	134,000	362,000
Mr. Bao Jisheng	鮑繼聲先生	—	759,215	502,868	1,262,083
<b>Independent non-executive directors</b> 獨立非執行董事					
Mr. Garry Alides, Willinge	Garry Alides, Willinge先生	100,000	—	—	100,000
Mr. Yu Hon Wing, Allan	俞漢榮先生	60,000	—	—	60,000
Mr. Chu Kwok Man (Note 1)	朱國民先生(附註1)	43,770	—	—	43,770
<b>Non-executive director</b> 非執行董事					
Mr. Kwan Kai Cheong (Note 2)	關啟昌先生(附註2)	100,000	—	—	100,000
<b>Total</b>	<b>總額</b>	<b>303,770</b>	<b>1,383,215</b>	<b>778,868</b>	<b>2,489,853</b>

Note 1: Mr. Chu Kwok Man was appointed on 9 April 2008.

附註1：朱國民先生於二零零八年四月九日獲委任。

Note 2: Mr. Kwan Kai Cheong has been re-designed as a non-executive director of the Company with effect from 9 April 2008.

附註2：關啟昌先生已轉任為本公司非執行董事，自二零零八年四月九日生效。

## NOTES TO THE FINANCIAL STATEMENTS 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

### 9. Directors' Emoluments and Five Highest Paid Individuals (cont'd) 9. 董事酬金及五位最高薪酬人士 (續)

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

Name of director 董事姓名	Fees 袍金	Salaries, allowances and benefits in kind 薪金、津貼 及實物利益	Discretionary bonus 酌情花紅	Retirement benefits scheme contributions 退休福利 計劃供款	Total emoluments 酬金總額
	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>Executive directors 執行董事</b>					
Mr. Yan Siu Wai	—	408,000	142,000	12,000	562,000
Mr. Leung Kwok Yin	—	216,000	134,000	12,000	362,000
Mr. Bao Jisheng	—	715,695	454,000	—	1,169,695
<b>Independent non-executive directors 獨立非執行董事</b>					
Mr. Kwan Kai Cheong	100,000	—	—	—	100,000
Mr. Garry Alides, Willinge	100,000	—	—	—	100,000
Mr. Yu Hon Wing, Allan	60,000	—	—	—	60,000
<b>Total</b>	<b>260,000</b>	<b>1,339,695</b>	<b>730,000</b>	<b>24,000</b>	<b>2,353,695</b>

There was no arrangement under which a director waived or agreed to waive any emoluments during the year (2007: HK\$Nil).

年內，董事概無根據任何安排放棄或同意放棄領取酬金(二零零七年：無)。



## NOTES TO THE FINANCIAL STATEMENTS

## 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

### 9. Directors' Emoluments and Five Highest Paid Individuals (cont'd)

The five highest paid individuals in the Group for the year ended 31 December 2008 included three (2007: three) directors, details of whose emoluments are disclosed above. Details of the emoluments of the remaining two (2007: two) highest paid individuals for the year ended 31 December 2008, which fell within the "HK\$Nil to HK\$1,000,000" band, are as follows:

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Basic salaries, allowances and benefits in kind	基本薪金、津貼、及實物利益	<b>680,525</b>	649,543
Discretionary bonus	酌情花紅	<b>229,141</b>	200,000
Retirement benefits scheme contributions	退休福利計劃供款	<b>22,882</b>	19,135
		<b>932,548</b>	868,678

During the year, no emoluments were paid or payable by the Group to any of the directors or the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office (2007: HK\$Nil).

### 9. 董事酬金及五位最高薪酬人士 (續)

本集團於截至二零零八年十二月三十一日止年度的五位最高薪酬人士包括三位(二零零七年：三位)董事，彼等的酬金詳情載於上文。其餘兩位(二零零七年：兩位)最高薪酬人士於截至二零零八年十二月三十一日止年度的酬金介乎「零港元至1,000,000港元」之間，詳情如下：

年內，本集團概無向任何董事或五位最高薪酬人士支付或應支付酬金作為加入本集團或加入本集團後的獎賞或作為離職補償(二零零七年：無)。

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 10. Finance Costs

## 10. 融資成本

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Finance lease charges	融資租賃費用	219,572	395,600
Interest on bank loans	銀行貸款利息	5,243,934	3,140,844
Amount capitalised	資本化款項	—	(408,807)
		<b>5,463,506</b>	<b>3,127,637</b>

Borrowing costs on funds borrowed generally are capitalised at a rate of Nil% per annum (2007: 6.16%).

一般性借入的資金之借貸成本按年利率零厘資本化(二零零七年：6.16厘)。

## 11. Income Tax Expense

## 11. 所得稅開支

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

(a) 載入綜合收益表的稅項如下：

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Current tax — PRC enterprise income tax	本年稅項 — 中國企業所得稅	7,708,256	5,143,116
Deferred tax — Withholding tax on dividend — PRC (note 27)	遞延稅項 — 股息預扣稅 — 中國(附註27)	1,021,798	—
		<b>8,730,054</b>	<b>5,143,116</b>

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year (2007: HK\$Nil).

由於本集團於年內並無應課稅溢利(二零零七年：無)，故無須就香港利得稅作出撥備。

Pursuant to the New PRC enterprise income tax law, which is passed by the Tenth National People's Congress on 16 March 2007 and effective from 1 January 2008, the enterprise income tax has various changes. It includes the unification of the enterprise income tax rate for domestic and foreign enterprises at 25%; cancellation of existing tax holiday available to export-oriented enterprises; and enforcement of commencement of the tax holiday ("Enforcement of Tax Holiday") on 1 January 2008 for those Foreign Investment Enterprises which have not commenced their tax holiday due to ongoing tax losses since their commencement of businesses.

根據第十屆全國人民代表大會於二零零七年三月十六日通過及於二零零八年一月一日起生效之新中國企業所得稅法，企業所得稅出現多項變動。新稅法包括將內資及外資企業的企業所得稅率統一為25%，取消出口型企業現享有之稅務優惠期，以及就因自開業以來持續錄得營業稅務虧損而尚未開始其稅務優惠期的外商投資企業，該稅務優惠期必須於二零零八年一月一日開始(「稅務優惠期的實施」)。

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 11. Income Tax Expense (cont'd)

(a) (cont'd)

JF Ningbo was previously entitled to a tax holiday of 50% reduction for the enterprise income tax as over 70% of the goods sold were exported goods. Such preferential tax treatment has ceased from 1 January 2008. Provision for PRC enterprise income tax has been made on the taxable profits for the year ended 31 December 2008 at 25% (2007: 13.2%).

寧波捷豐金屬制品有限公司 (Ningbo JF Metal Products Co., Ltd.) ("JF Metal") and 寧波捷豐現代傢俱有限公司 (Ningbo JF Furniture Co., Ltd.) ("JF Furniture"), two subsidiaries of the Company operating in Zhejiang Province, the PRC, is entitled to a two-year exemption from enterprise income tax starting from its first profit-making year followed by a 50% reduction for the subsequent three years. Pursuant to the Enforcement of Tax Holiday, tax holiday for JF Metal and JF Furniture commenced on 1 January 2008. Hence, no provision for PRC enterprise income tax has been made for the year ended 31 December 2008 as JF Metal and JF Furniture were both in tax holiday.

(b) The reconciliation between the income tax expense and the product of profit before tax multiplied by the PRC enterprise income tax rate is as follows:

## 11. 所得稅開支 (續)

(a) (續)

因寧波捷豐超過70%的已出售貨品為出口貨品，故曾獲寬減50%企業所得稅之稅務優惠期。該等稅務優惠待遇於二零零八年一月一日終止。中國企業所得稅撥備已根據截至二零零八年十二月三十一日止年度之應課稅溢利按25% (二零零七年：13.2%) 的稅率計提。

本公司於中國浙江省經營之兩間附屬公司寧波捷豐金屬制品有限公司 (「捷豐金屬」) 及寧波捷豐現代傢俱有限公司 (「捷豐傢俱」) 自其首個獲利年度起兩年獲豁免企業所得稅，並於其後三年獲寬減50%稅項。根據稅務優惠期的實施，捷豐金屬及捷豐傢俱的稅務優惠期於二零零八年一月一日開始。由於捷豐金屬及捷豐傢俱均享有該稅務優惠，因此並無就截至二零零八年十二月三十一日止年度之中國企業所得稅計提撥備。

(b) 所得稅開支與除稅前溢利乘中國企業所得稅稅率之乘積對賬如下：

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Profit before tax	除稅前溢利	<b>31,535,727</b>	32,800,085
Tax at PRC enterprise income tax rate of 25% (2007: 33%)	按中國企業所得稅稅率25% (二零零七年：33%) 計稅	<b>7,883,931</b>	10,824,028
Effect of preferential tax rate	優惠稅率的影響	—	(6,494,417)
Tax effect of income that is not taxable	不用課稅收入的稅務影響	<b>(15,367,518)</b>	(222,963)
Tax effect of expenses that are not deductible	不可扣稅開支的稅務影響	<b>17,918,818</b>	944,517
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	—	99,759
Tax effect of unrecognised temporary difference	未確認暫時性差異的稅務影響	<b>(17,883)</b>	(7,808)
Tax effect of income tax on concession	特許權所得稅的稅務影響	<b>(2,709,092)</b>	—
Tax effect of withholding tax on dividend	股息預扣稅的稅務影響	<b>1,021,798</b>	—
Income tax expense	所得稅開支	<b>8,730,054</b>	5,143,116

# NOTES TO THE FINANCIAL STATEMENTS

## 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

### 12. Profit for the Year

### 12. 年內溢利

The Group's profit for the year is stated after charging the following:

本集團之年內溢利乃經扣除下列各項列賬：

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Auditors' remuneration	核數師之酬金	<b>615,359</b>	731,112
Cost of inventories sold	已出售存貨成本	<b>342,679,886</b>	304,886,077
Depreciation	折舊	<b>4,950,719</b>	2,895,250
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值變動	<b>2,288,887</b>	—
Staff costs (including directors' emoluments (note 9))	員工成本(包括董事酬金(附註9))		
Fees	袍金	<b>303,770</b>	260,000
Basic salaries, bonuses, allowances and benefits in kind	基本薪金、花紅、津貼及實物利益	<b>26,230,369</b>	21,220,376
Retirement benefits scheme contributions	退休福利計劃供款	<b>2,290,432</b>	2,353,102
Operating lease — land and buildings	經營租約 — 土地及建築物	<b>1,096,639</b>	328,430
Net exchange losses	淨匯兌虧損	<b>—</b>	408,470

Cost of inventories sold included staff costs and depreciation of approximately HK\$24,576,000 (2007: HK\$20,696,000) which are included in the amounts disclosed separately above.

已出售存貨成本包括員工成本及折舊約24,576,000港元(二零零七年: 20,696,000港元)，已計入上述分別披露之款項內。

Note:

附註：

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK\$1,000 per employee and vest fully with employees when contributed into the MPF Scheme.

本集團已根據香港《強制性公積金計劃條例》的規定，為其全體香港合資格僱員設立強制性公積金計劃(「強積金計劃」)。本集團向強積金計劃之供款乃以薪金的5%計算(上限金額為每月每名僱員1,000港元)，供款一旦注入強積金計劃，即悉數歸屬僱員。

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

本集團在中國設立之附屬公司之僱員均參與地區市政府設立之中央退休金計劃。該等中國附屬公司須按其薪金之若干百分比向中央退休金計劃供款。地方政府承諾會承擔該等附屬公司所有現時及日後退休僱員之退休福利責任。該等附屬公司於中央退休金計劃之唯一責任乃根據該計劃提供所需供款。

## NOTES TO THE FINANCIAL STATEMENTS

### 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

#### 13. Dividend

#### 13. 股息

	2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Proposed final dividend — HK5 cents (2007: HK5 cents) per ordinary share	8,699,750	8,617,000
建議派付之末期股息 — 每股普通股5港仙 (二零零七年：5港仙)		

The previously recorded final dividend for the year ended 31 December 2007 was HK\$8,547,000. The additional amount of HK\$70,000 paid was as a result of the exercise of share options prior to approval of final dividend at the annual general meeting.

截至二零零七年十二月三十一日止年度之過往記錄末期股息為8,547,000港元。額外支付之款項70,000港元乃由於股東週年大會批准末期股息前之購股權行使所致。

#### 14. Earnings Per Share

#### 14. 每股盈利

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

每股基本盈利及攤薄盈利乃根據下列各項計算：

	2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
<b>Earnings</b>	<b>盈利</b>	
Profit attributable to equity holders of the Company, used in the basic and diluted earnings per share calculation	22,805,673	27,656,969
用於計算每股基本盈利及攤薄盈利之本公司股東應佔溢利		
<b>Number of shares</b>	<b>股份數目</b>	
Weighted average number of ordinary shares used in basic earnings per share calculation	172,748,826	170,017,754
用於計算每股基本盈利之普通股加權平均數		
Effect of share options	3,066,613	2,931,726
購股權的影響		
Weighted average number of ordinary shares used in diluted earnings per share calculation	175,815,439	172,949,480
用於計算每股攤薄盈利之普通股加權平均數		

# NOTES TO THE FINANCIAL STATEMENTS

## 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

### 15. Property, Plant and Equipment

### 15. 物業、廠房及設備

		Buildings	Plant and machinery	Furniture, fixtures and equipment 傢俱、裝置及設備	Motor vehicles	Construction in progress	Total
		建築物 HK\$ 港元	廠房及機械 HK\$ 港元	及設備 HK\$ 港元	車輛 HK\$ 港元	在建工程 HK\$ 港元	總額 HK\$ 港元
<b>Cost</b>	<b>成本</b>						
At 1 January 2007	於二零零七年一月一日	11,164,545	7,657,061	703,519	907,842	11,975,132	32,408,099
Additions	添置	52,910	14,521,703	1,288,103	692,258	11,911,918	28,466,892
Transfer	轉撥	22,844,882	788,527	—	—	(23,633,409)	—
Exchange differences	匯兌差額	767,921	515,451	47,984	62,442	823,672	2,217,470
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日	34,830,258	23,482,742	2,039,606	1,662,542	1,077,313	63,092,461
Additions	添置	—	1,722,372	634,118	—	7,603,251	9,959,741
Disposal	出售	—	—	(3,475)	—	—	(3,475)
Transfer	轉撥	2,128,011	—	—	—	(2,128,011)	—
Exchange differences	匯兌差額	2,538,753	1,711,343	147,854	121,182	78,524	4,597,656
At 31 December 2008	於二零零八年十二月三十一日	39,497,022	26,916,457	2,818,103	1,783,724	6,631,077	77,646,383
<b>Accumulated depreciation</b>	<b>累計折舊</b>						
At 1 January 2007	於二零零七年一月一日	1,225,562	1,073,300	179,257	478,203	—	2,956,322
Charge for the year	年內折舊	1,012,807	1,363,391	294,126	224,926	—	2,895,250
Exchange differences	匯兌差額	116,265	117,213	21,163	39,992	—	294,633
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及 二零零八年一月一日	2,354,634	2,553,904	494,546	743,121	—	6,146,205
Charge for the year	年內折舊	1,660,018	2,331,237	713,374	246,090	—	4,950,719
Disposal	出售	—	—	(2,355)	—	—	(2,355)
Exchange differences	匯兌差額	193,113	215,997	45,028	57,350	—	511,488
At 31 December 2008	於二零零八年十二月三十一日	4,207,765	5,101,138	1,250,593	1,046,561	—	11,606,057
<b>Carrying amount</b>	<b>賬面值</b>						
At 31 December 2008	於二零零八年十二月三十一日	35,289,257	21,815,319	1,567,510	737,163	6,631,077	66,040,326
At 31 December 2007	於二零零七年十二月三十一日	32,475,624	20,928,838	1,545,060	919,421	1,077,313	56,946,256

The Group's buildings are situated in the PRC.

At 31 December 2008, the Group's buildings with carrying value of approximately HK\$6,783,000 (2007: HK\$6,699,000) were pledged as security to a bank for the Group's banking facilities (note 25).

At 31 December 2008, the carrying amount of plant and machinery held by the Group under finance leases amounted to approximately HK\$Nil (2007: HK\$10,994,000).

At 31 December 2008, the Group's buildings, including certain buildings of approximately HK\$24,458,000 (2007: HK\$22,006,000) for which the Group are in the process of obtaining the relevant building ownership certificates.

本集團的建築物位於中國。

於二零零八年十二月三十一日，本集團賬面值約6,783,000港元(二零零七年：6,699,000港元)的建築物已質押予銀行，作為本集團獲取銀行信貸的抵押品(附註25)。

於二零零八年十二月三十一日，本集團以融資租賃持有的廠房及機械之賬面值約為零港元(二零零七年：10,994,000港元)。

於二零零八年十二月三十一日，本集團之建築物包括若干目前正在申請有關房屋所有權證的建築物約為24,458,000港元(二零零七年：22,006,000港元)。



## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 16. Land Use Rights

## 16. 土地使用權

		HK\$ 港元
<b>Cost</b>	<b>成本</b>	
At 1 January 2007	於二零零七年一月一日	1,464,878
Transfer from deposit paid for acquisition of land use rights (note 17)	由收購土地使用權的已付按金轉撥 (附註17)	16,015,287
Exchange difference	匯兌差額	1,202,321
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日	18,682,486
Additions	添置	31,765,164
Exchange difference	匯兌差額	1,361,755
At 31 December 2008	於二零零八年十二月三十一日	51,809,405
<b>Accumulated amortisation</b>	<b>累計攤銷</b>	
At 1 January 2007	於二零零七年一月一日	408,094
Charge for the year	年內攤銷	168,630
Exchange difference	匯兌差額	33,393
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日	610,117
Charge for the year	年內攤銷	448,468
Exchange difference	匯兌差額	50,275
At 31 December 2008	於二零零八年十二月三十一日	1,108,860
<b>Carrying amount</b>	<b>賬面值</b>	
At 31 December 2008	於二零零八年十二月三十一日	50,700,545
At 31 December 2007	於二零零七年十二月三十一日	18,072,369

The Group's land use rights are situated in the PRC under medium term leases with carrying value of approximately HK\$32,856,000 (2007: HK\$1,098,000) and pledged as security to banks for the Group's banking facilities (note 25).

At 31 December 2008, the Group's prepaid land lease payments, included certain leasehold lands of approximately HK\$17,844,000 (2007: HK\$16,974,000) for which the Group were in the process of obtaining the relevant land use rights certificates.

本集團在中國的土地使用權以中期租約持有，賬面值約為32,856,000港元(二零零七年：1,098,000港元)，並已質押予銀行作為本集團銀行信貸的抵押品(附註25)。

於二零零八年十二月三十一日，本集團之預付土地租約款項包括若干正在申請相關土地使用權證的租賃土地，約為17,844,000港元(二零零七年：16,974,000港元)。

## NOTES TO THE FINANCIAL STATEMENTS

## 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

### 17. Deposit Paid for Acquisition of Land Use Rights 17. 收購土地使用權的已付按金

		HK\$ 港元
At 1 January 2007	於二零零七年一月一日	16,015,287
Transfer to land use rights (note 16)	轉撥至土地使用權(附註 16)	(16,015,287)
At 31 December 2007, 1 January 2008 and 31 December 2008	於二零零七年十二月三十一日、 二零零八年一月一日及 二零零八年十二月三十一日	—

### 18. Available-for-sale Financial Assets 18. 可供出售金融資產

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Unlisted equity securities fund, at cost	非上市股本證券基金， 按成本	<b>2,000,000</b>	—

Unlisted equity securities fund with carrying amount of HK\$2,000,000 (2007: HK\$Nil) was carried at cost as they do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and pledged as security to banks for the Group's banking facilities (note 25).

非上市股本證券基金之賬面值為2,000,000港元(二零零七年：無)，由於該等證券基金於活躍市場並無市場報價，且其公平值不能可靠計量，因此按成本計算，並已質押予銀行作為本集團銀行信貸的抵押品(附註25)。

### 19. Inventories

### 19. 存貨

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Raw materials	原材料	<b>45,872,741</b>	55,146,684
Work in progress	在製品	<b>27,402,126</b>	21,962,841
Finished goods	製成品	<b>7,420,640</b>	15,398,173
		<b>80,695,507</b>	92,507,698

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 20. Trade Receivables

The Group normally granted customers with credit terms of 30 to 90 days. The ageing analysis of the Group's trade receivables is as follows:

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
0 - 30 days	0至30日	45,913,446	34,475,494
31 - 60 days	31至60日	123,409	1,139,943
61 - 90 days	61至90日	—	—
Over 90 days	超過90日	125,084	116,390
		<b>46,161,939</b>	35,731,827

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
RMB	人民幣	12,097,139	3,732,732
USD	美元	34,064,800	31,999,095
		<b>46,161,939</b>	35,731,827

本集團一般授予客戶30至90天的信貸期。本集團應收貿易賬款的賬齡分析如下：

本集團應收貿易賬款之賬面值乃按下列貨幣列值：

## 21. Financial Assets at Fair Value Through Profit or Loss

## 21. 按公平值計入損益之金融資產

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Derivative financial instruments:	衍生金融工具：		
Foreign currency forward contracts	外匯期貨合約	—	2,288,887

The Group utilises currency derivatives to mitigate currency exposure of significant future transactions and cash flows in foreign currency. The Group is a party to foreign currency forward contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets. The underlining currency of all foreign currency forward contracts is denominated in USD.

本集團利用貨幣衍生工具以減少按外幣結算之重大期貨交易及現金流造成的貨幣風險。本集團參與外匯期貨合約，以管理其匯率風險。所購買的工具主要以本集團主要市場之貨幣列值。所有外匯期貨合約之有關貨幣均以美元列值。

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 21. Financial Assets at Fair Value Through Profit or Loss (cont'd) 21. 按公平值計入損益之金融資產 (續)

At the balance sheet date, the total notional amount of outstanding foreign currency forward contracts to which the Group is committed is as follows:

於結算日，本集團已承擔但未行使之外匯期貨合約之設定總額如下：

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Foreign currency forward contracts	外匯期貨合約	—	62,400,000

At 31 December 2007, the fair value of the Group's currency derivatives is estimated to be HK\$2,288,887. These amounts are based on the valuation performed by Grant Sherman Appraisal Limited, an independent firm of professional valuers, at fair market value.

於二零零七年十二月三十一日，本集團貨幣衍生工具之公平值預計為2,288,887港元。該等金額乃根據獨立專業估值師中證評估有限公司所進行之估值按公平市場價值釐定。

## 22. Pledged Bank Deposits and Bank and Cash Balances 22. 已抵押銀行存款與銀行及現金結餘

The Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group as set out in note 25 to the financial statements.

本集團之已抵押銀行存款指已抵押予銀行之存款，以作為授予本集團銀行信貸之擔保（詳情載列於財務報表附註25）。

At 31 December 2008, bank and cash balances of the Group denominated in RMB amounted to approximately HK\$11,379,000 (2007: HK\$7,996,000). Conversion of RMB into foreign currencies is subject to PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

於二零零八年十二月三十一日，本集團以人民幣列值之銀行及現金結餘約為11,379,000港元（二零零七年：7,996,000港元）。人民幣兌換為外幣須遵循中國外匯管制條例和結匯、售匯及付匯管理規定。

The carrying amounts of the Group's pledged bank deposits and bank and cash balances are denominated in the following currencies:

本集團之已抵押銀行存款、銀行及現金結餘賬面值乃按下列貨幣列值：

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
HKD	港元	1,345,855	2,698,625
RMB	人民幣	11,379,145	7,995,804
USD	美元	4,821,994	9,852,758
EURO	歐元	4,961,903	25
Other	其他	16,461	11,817
		<b>22,525,358</b>	<b>20,559,029</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 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

#### 23. Trade Payables

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers.

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
0 - 30 days	0至30日	22,736,917	23,013,291
31 - 60 days	31至60日	6,436,911	3,747,698
61 - 90 days	61至90日	138,959	583,753
Over 90 days	超過90日	1,541,669	2,635,809
		<b>30,854,456</b>	29,980,551

The carrying amounts of the Group's trade payables are denominated in the following currencies:

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
RMB	人民幣	30,287,857	26,291,087
USD	美元	566,599	3,689,464
		<b>30,854,456</b>	29,980,551

#### 24. Due to Directors

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Mr. Yan Siu Wai	甄兆威先生	—	320,000
Mr. Leung Kwok Yin	梁國賢先生	—	220,000
		<b>—</b>	540,000

The amounts due to directors represent the temporary cash advance from the directors. The amounts are interest free, unsecured and have no fixed terms of repayment.

#### 23. 應付貿易賬款

供應商授予本集團的信貸期一般為30至90日。

應付貿易賬款按收取貨物日期之賬齡分析如下：

本集團應付貿易賬款之賬面值乃按下列貨幣列值：

#### 24. 應付董事款項

應付董事款項指董事提供的臨時現金墊款。該款項為免息、無抵押及無固定還款期。

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 25. Bank Borrowings

## 25. 銀行借款

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Bank overdrafts - secured	銀行透支 — 已抵押	6,393,624	3,471,162
Bank loans	銀行貸款		
— secured	— 已抵押	53,210,561	28,739,902
— unsecured	— 無抵押	21,295,363	36,468,349
		<b>80,899,548</b>	68,679,413
The borrowings are repayable as follows: 借款償還期限如下：			
On demand or within one year	應要求或一年內	78,357,969	68,679,413
In the second year	第二年	925,200	—
In the third to fifth years, inclusive	第三至五年(包括首尾兩年)	1,616,379	—
		<b>80,899,548</b>	68,679,413
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：於12個月內到期 償還的金額 (於流動負債呈列)	<b>(78,357,969)</b>	(68,679,413)
Amount due for settlement after 12 months	於12個月後到期 償還的金額	<b>2,541,579</b>	—

The carrying amounts of the Group's borrowings are denominated in the following currencies:

本集團借款之賬面值乃按下列貨幣列值：

		HKD 港幣	RMB 人民幣	USD 美元	Total 總額
2008	二零零八年				
Bank overdrafts	銀行透支	6,393,624	—	—	6,393,624
Bank loans	銀行貸款	24,437,022	3,405,995	46,662,907	74,505,924
		<b>30,830,646</b>	<b>3,405,995</b>	<b>46,662,907</b>	<b>80,899,548</b>
2007	二零零七年				
Bank overdrafts	銀行透支	3,471,162	—	—	3,471,162
Bank loans	銀行貸款	5,142,624	2,116,400	57,949,227	65,208,251
		8,613,786	2,116,400	57,949,227	68,679,413



## NOTES TO THE FINANCIAL STATEMENTS

### 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

#### 25. Bank Borrowings (cont'd)

The average interest rates per annum at the balance sheet date are as follows:

		2008 二零零八年	2007 二零零七年
Bank loans	銀行貸款	3.03% -7.35%	6.12% -8.00%
Bank overdrafts	銀行透支	5.15%-5.88%	6.75%-7.50%

At 31 December 2008, the Group's bank facilities were secured by the following:

- legal charge on land use rights and certain buildings owned by the Group;
- corporate guarantee given by the Company;
- all monies charge over deposits executed by subsidiaries of the Company in favour of banks of HK\$1,000,000 (2007: HK\$2,000,000); and
- charge on available-for-sale financial assets of HK\$2,000,000 (2007: Nil).

#### 25. 銀行借款 (續)

於結算日之平均年利率如下：

		2008 二零零八年	2007 二零零七年
Bank loans	銀行貸款	3.03% -7.35%	6.12% -8.00%
Bank overdrafts	銀行透支	5.15%-5.88%	6.75%-7.50%

於二零零八年十二月三十一日，本集團之銀行信貸由以下項目作抵押：

- 本集團擁有的土地使用權及若干建築物的法定抵押；
- 本公司提供的公司擔保；
- 本公司附屬公司向銀行作出1,000,000港元(二零零七年：2,000,000港元)的存款全數抵押；及
- 可供出售金融資產2,000,000港元(二零零七年：無)作為抵押。

#### 26. Finance Lease Payable

		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款之現值	
		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元	2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Within one year	一年內	—	2,266,341	—	1,903,207
In the second to fifth years, inclusive	第二至五年 (包括首尾兩年)	—	4,913,213	—	4,282,215
After five years	五年後	—	—	—	—
Less: Future finance charges	減：未來融資費用	—	7,179,554 (994,132)	—	—
Present value of lease obligations	租賃承擔現值	—	6,185,422	—	6,185,422
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：於12個月內到期償還的金額 (於流動負債呈列)	—	—	—	(1,903,207)
Amount due for settlement after 12 months	於12個月後到期償還的金額	—	—	—	4,282,215

#### 26. 應付融資租賃款項

## NOTES TO THE FINANCIAL STATEMENTS 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

### 26. Finance Lease Payable (cont'd)

The average lease term is 4 years. At 31 December 2007, the average effective borrowing rate was 6.62%. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of lease term, the Group has the option to purchase the plant and machinery at nominal prices. The finance lease payable was fully settled during the year.

Finance lease payable is denominated in Hong Kong dollars.

The Group's finance lease payable is secured by the lessor's title to the leased assets.

### 27. Deferred Tax Liabilities

The following are the major deferred tax liabilities recognised by the Group:

		<b>Undistributed earnings of PRC subsidiaries 中國附屬公司之未分配盈利</b>
		HK\$ 港元
At 1 January 2008	於二零零八年一月一日	—
Charge to income statement for the year (note 11a)	於年內收益表中扣除 (附註11a)	1,021,798
At 31 December 2008	於二零零八年十二月三十一日	1,021,798

### 26. 應付融資租賃款項 (續)

平均租賃期限為四年。於二零零七年十二月三十一日，平均實際借款利率為6.62%。該租賃乃按固定還款基準進行，並無就或然租金款項訂立任何安排。於租賃結束時，本集團可選擇以名義價格購買該廠房及機械。年內，應付融資租賃款項已全數結清。

應付融資租賃款項乃以港元列值。

本集團之應付融資租賃款項乃以出租人於出租資產之業權作為擔保。

### 27. 遞延稅項負債

本集團確認的主要遞延稅項負債如下：

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 28. Share Capital

## 28. 股本

		Ordinary shares of HK\$0.01 each 每股面值0.01港元的普通股	
	Note 附註	Number of shares 股份數目	Par value 面值 HK\$ 港元
Authorised:	法定：		
At 1 January 2007, 31 December 2007, 1 January 2008 and 31 December 2008	於二零零七年一月一日、 二零零七年十二月三十一日、 二零零八年一月一日 及二零零八年十二月三十一日	500,000,000	5,000,000
Issued and fully paid:	已發行及已繳足：		
At 1 January 2007	於二零零七年一月一日	169,585,000	1,695,850
Shares issued on exercise of share options	行使購股權時發行的股份 (i)	1,355,000	13,550
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日 及二零零八年一月一日	170,940,000	1,709,400
Shares issued on exercise of share options	行使購股權時發行的股份 (ii)	3,055,000	30,550
At 31 December 2008	於二零零八年十二月三十一日	173,995,000	1,739,950

Note:

附註：

(i) During the year ended 31 December 2007, 1,355,000 ordinary shares of HK\$0.01 each were issued in relation to share options exercised by staff and senior management under the pre-IPO share option scheme of the Company at HK\$0.56 for a total cash consideration of HK\$758,800. The excess of the subscription consideration received over the nominal values issued, amounted to HK\$745,250, was credited to the share premium account.

(i) 於截至二零零七年十二月三十一日止年度，因員工及高級管理層根據本公司的首次公開招股前購股權計劃按0.56港元的價格行使購股權而發行1,355,000股每股面值0.01港元的普通股，現金總代價為758,800港元。收到的認購代價高出發行面值的超額部份為745,250港元，已計入股份溢價賬目。

(ii) During the year ended 31 December 2008, 3,055,000 ordinary shares of HK\$0.01 each were issued in relation to share options exercised by staff, senior management and executive director under the pre-IPO share option scheme of the Company at HK\$0.56 and HK\$0.8 for a total cash consideration of HK\$1,950,800. The excess of the subscription consideration received over the nominal values issued, amounted to HK\$1,920,250, was credited to the share premium account.

(ii) 於截至二零零八年十二月三十一日止年度，因員工、高級管理層及執行董事根據本公司的首次公開招股前購股權計劃按0.56港元及0.8港元的價格行使購股權而發行3,055,000股每股面值0.01港元的普通股，現金總代價為1,950,800港元。收到的認購代價高出發行面值的超額部份為1,920,250港元，已計入股份溢價賬目。

## NOTES TO THE FINANCIAL STATEMENTS 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

### 28. Share Capital (cont'd)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, minority interests, retained earnings and other reserves).

It is the Group's strategy to keep the net debt-to-adjusted capital ratio as low as feasible. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The only externally imposed capital requirement is that for the Company to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares.

### 28. 股本 (續)

本集團管理股本的目的旨在保障本集團的持續經營能力，並透過優化債務與權益比率為股東帶來最大回報。

本集團將按風險比例釐定資本金額。本集團根據經濟環境變動及有關資產的風險特性管理及調整資本結構。為維持或調整資本結構，本集團或會調整派發股息、發行新股、回購股份、新增債務、贖回現有債務或出售資產以減少債務。

本集團以債務對經調整資本比率為基準監控資本。該比率以債務淨額除以經調整資本計算。債務淨額以債務總額減現金及現金等值物計算。經調整資本包括所有權益部分，即股本、股份溢價、少數股東權益、保留盈利及其他儲備。

本集團之策略為將債務淨額對經調整資本比率維持於合理低位。為維持或調整該比率，本集團或會調整派發予股東之股息金額、發行新股、向股東退還資本、新增債務融資或出售資產以減少債務。

本公司維持其在聯交所上市地位的唯一外部強制資本要求為，須保持至少25%的公眾持股量。

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 29. Share — Based Payment

## Equity-settled share option scheme

## (i) Pre-IPO share option scheme

Pursuant to the written resolution passed by all shareholders of the Company on 8 September 2005, the pre-IPO share option scheme (“Pre-IPO Share Option Scheme”) was approved.

The purpose of the Pre-IPO Share Option Scheme is to recognise the contribution of certain persons to the growth of the Group and/or to the listing of shares of the Company on the GEM of the Stock Exchange. The total number of the shares of the Company subject to the Pre-IPO Share Option Scheme is 20,160,000 representing 12% of the issued share capital of the Company upon completion of the placing of the shares of the Company and capitalisation issue and no further options will be granted under the Pre-IPO Share Option Scheme. Upon acceptance of the option, each grantee shall pay HK\$1 to the Company by way of consideration for the grant. All of these options granted under the Pre-IPO Share Option Scheme will only be exercised after the expiry of six months from 13 October 2005 (“Listing Date”) but in any event not later than five years from the Listing Date.

Details of the specific categories of options are as follows:

		Date of grant 授出日期	Vesting date 歸屬日	Exercise period 行使期	Exercise price 行使價 HK\$ 港元
Executive directors	執行董事	8 September 2005 二零零五年九月八日	13 April 2006 二零零六年 四月十三日	13 April 2006 to 12 October 2010 二零零六年 四月十三日 至二零一零年 十月十二日	0.80
Senior management	高級管理層	8 September 2005 二零零五年九月八日	13 April 2006 二零零六年 四月十三日	13 April 2006 to 12 October 2010 二零零六年 四月十三日 至二零一零年 十月十二日	0.80
Other employees and senior management	其他僱員 及高級管理層	8 September 2005 二零零五年九月八日	13 April 2006 二零零六年 四月十三日	13 April 2006 to 12 October 2010 二零零六年 四月十三日 至二零一零年 十月十二日	0.56

## 29. 以股份支付款項

## 以股份結算的購股權計劃

## (i) 首次公開招股前購股權計劃

根據本公司全體股東於二零零五年九月八日通過的書面決議案，首次公開招股前購股權計劃獲得批准。

首次公開招股前購股權計劃旨在表揚若干人士對本集團發展及／或本公司股份於聯交所創業板上市作出的貢獻。首次公開招股前購股權計劃涉及的本公司股份總數為20,160,000股，佔完成配售本公司股份及資本化發行後本公司已發行股本之12%，且本公司不會根據首次公開招股前購股權計劃授出其他購股權。接納購股權後，各承授人須向本公司繳付1港元，作為接受購股權的代價。根據首次公開招股前購股權計劃授出的所有購股權，在自二零零五年十月十三日（「上市日期」）起滿六個月後方可行使，惟無論如何須於上市日期起計五年內行使。

購股權分類之詳情如下：

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 29. Share — Based Payment (cont'd)

## 29. 以股份支付款項 (續)

## Equity-settled share option scheme (cont'd)

## 以股份結算的購股權計劃 (續)

## (i) Pre-IPO share option scheme (cont'd)

## (i) 首次公開招股前購股權計劃 (續)

If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited on the date which is 3 months after the date on which the eligible employee ceases to be an employee of the Group.

倘若自授出日期起五年期滿後購股權仍未獲行使，購股權將終止。當合資格員工不再為本集團之員工，繼其離職日起三個月後，購股權將作廢。

Details of the share options outstanding during the year are as follows:

年內尚未行使的購股權之詳情如下：

		2008 二零零八年		2007 二零零七年	
		Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	年初尚未行使	17,220,000	0.75	18,575,000	0.73
Exercised during the year	年內已行使	(3,055,000)	0.64	(1,355,000)	0.56
Outstanding at the end of the year	年末尚未行使	14,165,000	0.77	17,220,000	0.75
Exercisable at the end of the year	年末可予行使	14,165,000	0.77	17,220,000	0.75

The weighted average share price at the date of exercise for share options exercised during the year was HK\$0.89 (2007: HK\$0.95). The options outstanding at the end of the year have a weighted average remaining contractual life of 1.79 years (2007: 2.79 years) and the exercise prices range from HK\$0.56 to HK\$0.80 (2007: HK\$0.56 to HK\$0.80).

年內已獲行使的購股權於行使日的加權平均股價為0.89港元(二零零七年：0.95港元)。於年末尚未行使的購股權之加權平均剩餘合約年期為1.79年(二零零七年：2.79年)及行使價介於0.56港元至0.80港元(二零零七年：0.56港元至0.80港元)之間。



## NOTES TO THE FINANCIAL STATEMENTS

### 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

#### 29. Share — Based Payment (cont'd)

##### Equity-settled share option scheme (cont'd)

##### (i) Pre-IPO share option scheme (cont'd)

Pursuant to the ordinary resolution passed in the extraordinary general meeting of the Company on 26 November 2008, the Share Option Scheme ("Share Option Scheme") was approved and adopted by the Company to comply with the requirements under Chapter 17 of the Listing Rules; and the Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme were terminated accordingly.

Pursuant to the terms of the Pre-IPO Share Option Scheme, the 14,165,000 options previously granted under the Pre-IPO Share Option Scheme but not yet exercised will remain valid and exercisable in accordance with the provisions of the Pre-IPO Share Option Scheme and the terms of issue of such options.

##### (ii) Post-IPO share option scheme

Pursuant to the written resolution passed by all shareholders of the Company on 8 September 2005, the post-IPO share option scheme ("Post-IPO Share Option Scheme") was approved.

The purpose of the Post-IPO Share Option Scheme is to enable the Company to recognise the contributions of any employees (including directors of the Company), consultants and/or advisers who in the sole discretion of the directors of the Company have contributed or will contribute to the Group ("Participants") and to motivate the Participants to continuously work to the benefit of the Group by offering to the Participants and opportunity to have personal interest in the share capital of the Company.

The overall limit on the number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and other share option scheme of the Group (including the Pre-IPO Share Option Scheme) must not exceed 30% of the shares of the Company in issue from time to time. A nominal consideration of HK\$1 is payable by the grantee upon acceptance of an option.

#### 29. 以股份支付款項 (續)

##### 以股份結算的購股權計劃 (續)

##### (i) 首次公開招股前購股權計劃 (續)

根據本公司於二零零八年十一月二十六日舉行的股東特別大會上通過的普通決議案，購股權計劃已獲本公司批准及採納，以符合《上市規則》第十七章的規定，而首次公開招股前購股權計劃及首次公開招股後購股權計劃則相應終止。

根據首次公開招股前購股權計劃的條款，先前根據首次公開招股前購股權計劃授出但尚未行使之14,165,000份購股權將仍然有效，並可根據首次公開招股前購股權計劃之規定及該等購股權之發行條款獲行使。

##### (ii) 首次公開招股後購股權計劃

根據本公司全體股東於二零零五年九月八日通過的書面決議案，首次公開招股後購股權計劃獲得批准。

首次公開招股後購股權計劃旨在，方便本公司肯定本公司董事全權認為曾經或將會為本集團作出貢獻的任何僱員（包括本公司董事）、諮詢人士及／或顧問（統稱為「參與者」）的貢獻，並藉著使參與者有機會於本公司股本中擁有個人權益，激勵參與者繼續為本集團的利益而努力。

因行使根據本集團首次公開招股後購股權計劃及其他購股權計劃（包括首次公開招股前購股權計劃）所授出但尚未獲行使的所有未行使購股權而可能發行的本公司股份數目，整體不得超過本公司不時已發行股份的30%。承授人接納購股權時須繳付1港元的象徵式代價。

## NOTES TO THE FINANCIAL STATEMENTS 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

### 29. Share — Based Payment (cont'd)

#### Equity-settled share option scheme (cont'd)

##### (ii) Post-IPO share option scheme (cont'd)

Under the Post-IPO Share Option Scheme, the Company may grant options, at its discretion, to Participants to subscribe for such number of new shares at any exercise price determined by the board of directors of the Company in its absolute discretion. The price will be the highest of (i) the closing price of the share of the Company as stated in the Stock Exchange daily quotations sheet on the date of grant of the option (which must be a business day), (ii) the average closing prices of the share of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option and (iii) the nominal value of a share of the Company on the date of the option.

An option under the Post-IPO Share Option Scheme may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time during the period to be determined and notified by the board of directors of the Company to each grantee which period of time shall commence on the expiration of three years of the date of grant of the option and expire on such date as determined by the board of directors of the Company provided that the option may not be exercised after the expiration of 10 years from the date of grant of the option.

The Post-IPO Share Option Scheme does not require a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised, unless the board of directors of the Company otherwise determined and stated in the offer of the grant of options to the grantee.

During the year, no option (2007: Nil) was granted under the Post-IPO Share Option Scheme.

### 29. 以股份支付款項 (續)

#### 以股份結算的購股權計劃 (續)

##### (ii) 首次公開招股後購股權計劃 (續)

根據首次公開招股後購股權計劃，本公司可酌情向參與者授出購股權，按本公司董事會全權釐定之行使價認購該等數目之新股，價格將為以下三者之較高者，(i)本公司股份於購股權授出日期(必須為營業日)在聯交所日報表所報之收市價；(ii)本公司股份於緊接購股權授出日期前五個營業日聯交所日報表所報股價之平均收市價及(iii)本公司股份於購股權日期之面值。

根據首次公開招股後購股權計劃授出之購股權可於本公司董事會釐定並知會各承授人之期間內任何時間，根據首次公開招股後購股權計劃之條款行使，該期間應於購股權授出日期起計三年期屆滿起，直至本公司董事會釐定之日期為止，惟購股權不可於購股權授出日期起計十年期屆滿後行使。

首次公開招股後購股權計劃並無規定必須持有購股權之最短期限，或購股權獲行使前必需達到的表現目標，惟本公司董事會另有決定及於授出購股權予承授人時聲明者除外。

年內，概無根據首次公開招股後購股權計劃授出任何購股權(二零零七年：無)。

## NOTES TO THE FINANCIAL STATEMENTS

### 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

#### 29. Share — Based Payment (cont'd)

##### Equity-settled share option scheme (cont'd)

##### (ii) Post-IPO share option scheme (cont'd)

Pursuant to the ordinary resolution passed in the extraordinary general meeting of the Company on 26 November 2008, the Share Option Scheme ("Share Option Scheme") was approved and adopted by the Company to comply with the requirements under Chapter 17 of the Listing Rules; and the Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme were terminated accordingly.

##### (iii) New Share Option Scheme

Pursuant to the ordinary resolution passed in the extraordinary general meeting of the Company on 26 November 2008, the Share Option Scheme ("Share Option Scheme") was approved and adopted by the Company to comply with the requirements under Chapter 17 of the Listing Rules; and the Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme were terminated accordingly.

The purpose of the Share Option Scheme is to enable the Company to recognise the contributions of the Participants to the Group and to motivate the Participants to continuously work to the benefit of the Group by offering to the Participants an opportunity to have personal interest in the share capital of the Company.

The overall limit on the number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and other share option scheme of the Group (including the Pre-IPO Share Option Scheme) must not exceed 30% of the shares of the Company in issue from time to time. Upon acceptance of the option, the Grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

#### 29. 以股份支付款項 (續)

##### 以股份結算的購股權計劃 (續)

##### (ii) 首次公開招股後購股權計劃 (續)

根據本公司於二零零八年十一月二十六日舉行的股東特別大會上通過的普通決議案，購股權計劃已獲本公司批准及採納，以符合《上市規則》第十七章的規定，而首次公開招股前購股權計劃及首次公開招股後購股權計劃則相應終止。

##### (iii) 新購股權計劃

根據本公司於二零零八年十一月二十六日舉行的股東特別大會上通過的普通決議案，購股權計劃已獲本公司批准及採納，以符合《上市規則》第十七章的規定，而首次公開招股前購股權計劃及首次公開招股後購股權計劃則相應終止。

購股權計劃旨在方便本公司肯定參與者對本集團的貢獻，並藉著使參與者有機會於本公司股本中擁有個人權益，激勵參與者繼續為本集團的利益而努力。

因行使根據本集團購股權計劃及其他購股權計劃(包括首次公開招股前購股權計劃)所授出但尚未獲行使的所有未行使購股權而可能發行的本公司股份數目，整體不得超過本公司不時已發行股份的30%。接納購股權後，承授人須向本公司繳付1港元，作為接授購股權的代價。

## NOTES TO THE FINANCIAL STATEMENTS 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

### 29. Share — Based Payment (cont'd)

#### Equity-settled share option scheme (cont'd)

##### (iii) New Share Option Scheme (cont'd)

The subscription price for share(s) under the Share Option Scheme will be a price as the board of directors in its absolute discretion shall determine and notify to each Participant and will be the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day), (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option and (iii) the nominal value of a share on the date of grant of the option. The date of grant is the date on which the option is offered.

An option under the Share Option Scheme may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined and notified by the board of directors of the Company to each grantee which period of time shall commence on the date of grant of the option and expire on such date as determined by the board of directors of the Company provided that the option may not be exercised after the expiration of 10 years from the date of grant of the option.

The Share Option Scheme does not require a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised, unless the board of directors of the Company otherwise determined and stated in the offer of the grant of options to the grantee.

During the year, no option (2007: Nil) was granted under the Share Option Scheme.

### 29. 以股份支付款項 (續)

#### 以股份結算的購股權計劃 (續)

##### (iii) 新購股權計劃 (續)

根據購股權計劃，股份之認購價格將由董事會全權釐定並知會予各參與者，且將為以下三者之較高者，(i)股份於購股權授出日期(必須為營業日)在聯交所日報表所報之收市價；(ii)股份於緊接購股權授出日期前五個營業日在聯交所日報表所報股價之平均收市價及(iii)股份於購股權授出日期之面值。授出日期乃購股權獲授出之日期。

根據購股權計劃授出之購股權可於本公司董事會釐定並知會各承授人之期間內任何時間根據購股權計劃之條款行使，該期間應始於購股權授出日期，直至本公司董事會釐定之日期為止，惟購股權不可於購股權授出日期起計十年期屆滿後行使。

購股權計劃並無規定必須持有購股權之最短期限，或購股權獲行使前必需達到的表現目標，惟本公司董事會另有決定及於授出購股權予承授人時聲明者除外。

年內，概無根據購股權計劃授出任何購股權(二零零七年：無)。

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 30. Balance Sheet of The Company

## 30. 本公司之資產負債表

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Investments in subsidiaries	於附屬公司之投資	<b>42,967,020</b>	42,967,020
Due from subsidiaries	應收附屬公司款項	<b>81,989,554</b>	54,479,143
Other current assets	其他流動資產	<b>163,155</b>	294,151
Due to subsidiaries	應付附屬公司款項	<b>(21,243,816)</b>	(5,526,807)
Other current liabilities	其他流動負債	<b>(1,195,267)</b>	(1,291,498)
Due to directors	應付董事款項	—	(10,000)
<b>NET ASSETS</b>	<b>淨資產</b>	<b>102,680,646</b>	90,912,009
Share capital	股本	<b>1,739,950</b>	1,709,400
Reserves	儲備	<b>100,940,696</b>	89,202,609
<b>TOTAL EQUITY</b>	<b>總權益</b>	<b>102,680,646</b>	90,912,009

# NOTES TO THE FINANCIAL STATEMENTS

## 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

### 31. Reserves

### 31. 儲備

#### Company

#### 本公司

		Share premium	Contributed surplus	Employee share-based compensation reserve	Retained profits	Total
		股份溢價 (note (a)) (附註(a))	繳入盈餘 (note (b)) (附註(b))	以股份 支付僱員 酬金儲備 (note (c)) (附註(c))	保留溢利	總值
	Note 附註	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1 January 2007	於二零零七年 一月一日	22,843,068	42,967,020	2,383,684	14,169,121	82,362,893
Shares issued on exercise of share options	因行使購股權而發行的股份	28(i) 1,068,217	—	(322,967)	—	745,250
Dividend paid	已付股息	—	—	—	(8,309,665)	(8,309,665)
Profit for the year	年內溢利	—	—	—	14,404,131	14,404,131
At 31 December 2007	於二零零七年 十二月三十一日	23,911,285	42,967,020	2,060,717	20,263,587	89,202,609
Representing:	代表:					
At 31 December 2007 after proposed final dividend	二零零七年 十二月三十一日 建議末期股息後				11,646,587	
Proposed final dividend	建議末期股息	13			8,617,000	
					<u>20,263,587</u>	
At 1 January 2008	於二零零八年 一月一日	23,911,285	42,967,020	2,060,717	20,263,587	89,202,609
Shares issued on exercise of share options	因行使購股權而發行的股份	28(ii) 2,496,354	—	(576,104)	—	1,920,250
Dividend paid	已付股息	—	—	—	(8,617,000)	(8,617,000)
Profit for the year	年內溢利	—	—	—	18,434,837	18,434,837
At 31 December 2008	於二零零八年 十二月三十一日	26,407,639	42,967,020	1,484,613	30,081,424	100,940,696
Representing:	代表:					
At 31 December 2008 after proposed final dividend	二零零八年 十二月三十一日 建議末期股息後				21,381,674	
Proposed final dividend	建議末期股息	13			8,699,750	
					<u>30,081,424</u>	



## NOTES TO THE FINANCIAL STATEMENTS

### 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

#### 31. Reserves (cont'd)

##### Company (cont'd)

Notes:

- (a) Under the Companies Law of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution or dividend the Company is able to pay its debts as they fall due in the ordinary course of business.
- (b) The contributed surplus of the Company arose as a result of the Corporate Reorganisation and represents the excess of the then combined net assets of the subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefor.
- (c) The employee share-based compensation reserve of the Company and the Group arises on the grant of share options of employees under the Pre-IPO Share Option Scheme. Further information about share-based payments to employees set out in note 29 to the financial statements. The fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 3(m) to the financial statements.

#### 31. 儲備 (續)

##### 本公司 (續)

附註：

- (a) 根據開曼群島公司法，本公司的股份溢價可根據本公司的公司組織章程大綱及細則的規定，用於向股東作出分派或派付股息，惟本公司在緊隨分派或派付股息後仍須有能力支付在日常業務過程中到期應付之債務。
- (b) 本公司的繳入盈餘因集團重組而產生，為所收購附屬公司當時的合併資產淨值超過為進行收購交換股份而發行的本公司股份面值的數額。
- (c) 本公司及本集團之以股份支付僱員酬金儲備於根據首次公開招股前購股權計劃將購股權授予僱員時產生。有關以股份支付予僱員之款項的詳情載列於財務報表附註29。根據財務報表附註3(m)所列就以股份支付款項所採用的會計政策，確認實際或估計已授出本公司僱員但尚未行使的購股權數目的公平值。

# NOTES TO THE FINANCIAL STATEMENTS

## 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

### 32. Subsidiaries

Particulars of the subsidiaries as at the balance sheet date are as follows:

### 32. 附屬公司

附屬公司於結算日的詳情如下：

Company 公司	Place of incorporation/ establishment and operation 註冊成立/ 成立及經營地點	Attributable interest 應佔權益	Issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本	Principal activities 主要業務
<b>Directly held</b>	<b>直接持有</b>			
JF Household Furnishings (Asia) Ltd. 捷豐家居用品(亞洲)有限公司	British Virgin Islands 英屬維爾京群島	100%	Ordinary shares US\$300 普通股300美元	Investment holding 投資控股
<b>Indirectly held</b>	<b>間接持有</b>			
JF Household Furnishings (BVI) Ltd. ("JF BVI") 捷豐家居用品(維爾京群島) 有限公司(「捷豐維爾京」)	British Virgin Islands 英屬維爾京群島	100%	Ordinary shares US\$100 普通股100美元	Investment holding 投資控股
Keylink Technology Limited ("Keylink") 機靈科技有限公司(「機靈」)	British Virgin Islands 英屬維爾京群島	100%	Ordinary shares US\$100 普通股100美元	Investment holding 投資控股
JF Household Furnishings (Macau) Holdings Ltd. ("JF Macau Holdings") 捷豐家居用品(澳門)控股 有限公司(「捷豐澳門控股」)	British Virgin Islands 英屬維爾京群島	100%	Ordinary shares US\$100 普通股100美元	Investment holding 投資控股
JF Ningbo **	PRC	100%	Registered capital US\$7,000,000	Manufacturing and sale of furnishings and home products and accessories
寧波捷豐**	中國		註冊資本7,000,000美元	製造及銷售傢俱 、家居用品及配件
JF Metal **	PRC	100%	Registered capital US\$140,000	Manufacturing and processing of stainless steel rods and other accessories
捷豐金屬**	中國		註冊資本140,000美元	製造及加工不銹鋼桿 及其他配件
JF Furniture **	PRC	100%	Registered capital US\$8,500,000 (2007: US\$3,500,000)	Manufacturing and sale of wooden furnishings and home products
捷豐傢俱**	中國		註冊資本8,500,000美元 (二零零七年： 3,500,000美元)	製造及銷售木製傢俱 及家居用品
JF Household Furnishings Macao Commercial Offshore Limited # 捷豐家居用品澳門離岸 商業服務有限公司 #	Macau 澳門	100%	Ordinary shares MOP100,000 普通股100,000澳門幣	General trading 一般貿易
#	Statutory financial statements not audited by RSM Nelson Wheeler		#	法定財務報表未經中瑞岳華(香港) 會計師事務所審核
*	Wholly foreign owned enterprise established in the PRC		*	在中國成立的外商獨資企業

## NOTES TO THE FINANCIAL STATEMENTS

### 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

### 33. Note to the Consolidated Cash Flow Statement 33. 綜合現金流量表附註

#### Major non-cash transaction

Additions to property, plant and equipment during the year of HK\$Nil (2007: HK\$7,921,438) were financed by finance lease.

#### 主要非現金交易

年內，並無添置物業、廠房及設備之費用(二零零七年：7,921,438港元)由融資租賃款項撥付。

### 34. Contingent Liabilities

At 31 December 2008, the Group did not have any significant contingent liabilities (2007: Nil).

### 34. 或然負債

於二零零八年十二月三十一日，本集團並無任何重大或然負債(二零零七年：無)。

### 35. Commitments

#### (a) Operating lease commitments

At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases for leasehold land and buildings falling due as follows:

#### (a) 經營租賃承擔

於結算日，本集團就租賃土地及建築物之不可撤銷經營租賃之未來最低租金總額如下：

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Within one year	一年內	624,467	133,358
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	34,500	72,063
		<b>658,967</b>	205,421

#### (b) Capital commitments

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Construction of the factory premises and acquisition of plant and machinery	興建工廠物業 及購買廠房及機械		
— Contracted but not provided for	— 已訂約但未撥備	248,637	334,041

## NOTES TO THE FINANCIAL STATEMENTS

## 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

## 36. Related Party Transactions

## 36. 關聯人士交易

In addition to those transactions and balances disclosed elsewhere in the financial statements, during the year, in the normal course of business, the Group had the following transactions with its related parties, of which certain directors of the Company are also directors of these companies or held beneficial interests therein, as follows:

除財務報表其他部份所披露的交易及結餘外，於年內，本集團在正常業務過程中與其關聯人士進行以下交易，本公司若干董事亦為該等公司的董事或持有其實益權益，有關資料載列如下：

		2008 二零零八年 HK\$ 港元	2007 二零零七年 HK\$ 港元
Sales to	向以下公司銷售		
— 寧波鑫龍空調器材有限公司 (「寧波鑫龍」) (Ningbo Xinlong Air-Conditioner Equipment Co., Ltd.) ("Ningbo Xinlong")	— 寧波鑫龍空調器材 有限公司	<b>49,668</b>	13,610
— 廣州番禺新速能板式熱交換器 有限公司 (Panyu Multistack Thermal Limited)	— 廣州番禺新速能板式熱 交換器有限公司	—	590,878
— 餘姚捷豐空調設備有限公司 (「餘姚捷豐」) (Yuyao Jiefeng Air Conditioning Equipment Co., Ltd.) ("Yuyao Jiefeng")	— 餘姚捷豐空調設備 有限公司	<b>4,759</b>	59,937
Purchases from	向以下公司購買		
— Ningbo Xinlong	— 寧波鑫龍	<b>1,326</b>	—
— Yuyao Jiefeng	— 餘姚捷豐	<b>596</b>	—
— 餘姚捷豐空調風機有限公司 (Yuyao Jiefeng Fan and Air-conditioning Co., Ltd.)	— 餘姚捷豐空調風機 有限公司	<b>17,722</b>	—
Leasing charges paid to	向以下公司支付租賃費用		
— Yuyao Jiefeng	— 餘姚捷豐	<b>479,346</b>	31,978
Processing charges paid to	向以下公司支付加工費		
— Yuyao Jiefeng	— 餘姚捷豐	—	71,221
License fee paid to- A.C.R. Equipment Supplies Limited	向以下公司支付特許費 — 捷豐冷凍器材有限公司	<b>120,000</b>	85,800
Rental expenses paid to	向以下人士支付租金		
— Senior management	— 高級管理層	<b>78,148</b>	72,000

The executive directors, Mr. Yan Siu Wai and Mr. Leung Kwok Yin, have beneficial interests in the above companies.

執行董事甄兆威先生及梁國賢先生於上述公司擁有實益權益。

## NOTES TO THE FINANCIAL STATEMENTS

### 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

#### 36. Related Party Transactions (cont'd)

In the opinion of the directors, these transactions with the related parties have been conducted on normal commercial terms and the terms are fair and reasonable.

During the year, the key management personnel compensation paid by the Group were disclosed in note 9 to the financial statements.

#### 37. Events After The Balance Sheet Date

On 7 April 2009, the Company proposed to declare a final dividend of HK5 cents per ordinary share to its shareholders, as further detailed in note 13 to the financial statements.

#### 38. Approval of The Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 7 April 2009.

#### 36. 關聯人士交易 (續)

董事認為，該等與關聯人士的交易是按正常商業條款進行，其條款屬公平合理。

於年內，本集團支付予主要管理層人員的酬金於財務報表附註9披露。

#### 37. 結算日後事件

於二零零九年四月七日，本公司擬向其股東宣派每股普通股5港仙的末期股息，進一步詳情載於財務報表附註13。

#### 38. 財務報表的批准

董事會已於二零零九年四月七日批准及授權發表本財務報表。



JF Household Furnishings Limited  
捷豐家居用品有限公司

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立之有限公司)