



POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED
百田石油國際集團有限公司

(Stock Code 股份代號 : 8011)

PPPIG

ANNUAL REPORT 2007 年報

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香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

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以創業板上市之公司新興性質使然，在創業板買賣之證券可能會較於主板買賣之證券承受較大市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

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聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告（百田石油國際集團有限公司（「本公司」）各董事願共同及個別對此負全責）乃遵照聯交所創業板證券上市規則（「創業板上市規則」）之規定而提供有關本公司之資料。各董事經作出一切合理查詢後，確認就彼等所知及所信：(i)本報告所載資料在各重大方面均屬準確及完整，且無誤導成份；(ii)本報告並無遺漏任何其他事實，致使本報告所載任何內容產生誤導；及(iii)本報告內表達之一切意見乃經審慎周詳之考慮後方作出，並以公平合理之基準和假設為依據。

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2 Corporate Information 公司資料

Executive Directors

Mr. Kuai Wei (*Chairman*)
Mr. Lin Zhang
Mr. Cao Xuejun (*CEO*)

Independent Non-Executive Directors

Mr. Chan Kin Cheong *CPA, ACCA*
Mr. Wang Yanhui
Mr. Zhang Xiaobao

Compliance Officer

Mr. Kuai Wei

Company Secretary

Mr. Cheng Yun Sing *FHKICPA (Practising)*

Qualified Accountant

Ms. Chung Ming Yin, Kate *CPA, ACCA*

Authorised Representatives

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Mr. Cheng Yun Sing

Members of the Audit Committee

Mr. Chan Kin Cheong (*Chairman*)
Mr. Wang Yanhui
Mr. Zhang Xiaobao

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曹學軍先生 (*行政總裁*)

獨立非執行董事

陳健昌先生 *CPA, ACCA*
王燕輝先生
張曉寶先生

監察主任

鄺偉先生

公司秘書

鄭潤成先生 *FHKICPA (執業)*

合資格會計師

鍾明諺女士 *CPA, ACCA*

獲授權代表

鄺偉先生
鄭潤成先生

審核委員會成員

陳健昌先生 (*主席*)
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4 Chairman's Statement 主席報告

I am pleased to present to shareholders the annual report of Polyard Petroleum International Group Limited (formerly known as "Kanstar Environmental Paper Products Holdings Ltd.") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2007 ("the year").

The Year of 2007 was another tough but challenging year for the Group in view of the intense competition and weak operational performance in the pulp and paper products industry. As the Directors consider that there is high growth potential in the oil and natural gas exploration and extraction business, the Company intends to focus its corporate resources on oil and gas business, while retaining the sale of pulp and paper products to maintain the income stream of the Group from such business in the coming years.

As a result, the Group disposed its manufacturing function in Yunnan Changning in order to streamline its business and redeploy its resources in a more productive manner. On the other hand, Yunnan Kanstar High Tech Products Development Company Limited, an indirect wholly-owned subsidiary entered into a Supply Agreement with Yunnan Changning Kanstar Paper Co., Ltd., a disposed subsidiary in order to secure supply of pulp and paper products for the Group's ongoing business. Besides, the Group successfully acquired additional 30% equity interest in Polyard Petroleum International Co., Ltd., resulting a holding of 21% of effective interest in an Oil Project in Brunei. It is believed that the acquisition can strengthen the revenue stream and enhance the earnings of the Group. Details of the disposal, supply agreement and acquisition were conveyed in the Company's circular to shareholders dated 6 August 2007.

In the future, the Group will continue to equip and posit itself, and seek suitable opportunities to diversify its business in the exploitation of natural energy resources in other parts of Asia such as Philippines, Indonesia, Thailand and Vietnam. These potential investment opportunities will allow the Group to venture into large oil production and exploitation projects.

本人欣然向各股東提呈百田石油國際集團有限公司(前稱「建星環保紙品控股有限公司」)及其附屬公司(其後統稱「本集團」)截至二零零七年十二月三十一日止年度(「本年度」)之年報。

鑑於漿板及紙品行業競爭激烈且經營表現不理想，二零零七年對本集團而言是另一艱難但充滿挑戰的一年。由於董事認為石油及天然氣勘探及採掘業務具有高增長潛力，故本公司擬將其資源集中投入石油及氣體業務，同時繼續從事漿板及紙品銷售，以維持本集團來年於該業務之收入來源。

因此，本集團出售其位於雲南昌寧之製造部門，以簡化本集團業務，並重新部署資源，以提高生產效率。另一方面，間接全資附屬公司雲南建星新技術產品開發有限公司與已出售附屬公司雲南昌寧建星紙業有限公司訂立供應協議，以保證為本集團之持續業務供應漿板及紙品。此外，本集團成功收購百田石油國際有限公司額外30%之股權，故持有汶萊石油項目之實際權益21%。相信收購可加強本集團之收入來源，並增加盈利。出售、供應協議及收購詳情於本公司於二零零七年八月六日寄發予股東之通函載述。

展望未來，本集團將繼續作出裝備及定位，並物色適當機會使其業務多元化，於其他亞洲地區如菲律賓、印尼、泰國及越南開採天然能源。此等潛在投資機會將讓本集團能夠投資在大型石油生產及開採項目。

On behalf of the Board, I would like to express my sincere gratitude to our fellow directors, staff members and business partners throughout the years. The Company's directors and management will dedicate their best effort to lead the Group to strive for the best interests for its shareholders and business associates.

KUAI Wei
Chairman

本人僅代表董事會向長期支持本集團之董事、員工及業務夥伴致以衷心感謝。本公司董事及管理層將致力領導本集團，為其股東及業務聯繫人士爭取最佳權益。

鄒偉
主席

6 Management Discussion and Analysis 管理層討論及分析

Business Overview

For the year ended 31 December 2007, the Group's turnover increased by 16.4% to HK\$50,378,000 as compared with HK\$43,295,000 in 2006. The Group recorded an audited net profit of approximately HK\$437,115,000 whereas, the Group has recorded an audited loss of approximately HK\$18,428,000 last year. The sharp increase in net profit was attributable to HK\$487,534,000 gain arising from the business combination of Polyard Petroleum International Co., Ltd. ("Polyard Macau") in October 2007.

The directors of the Company ("Directors") do not recommend the payment of a final dividend for the year 2007 (2006: nil).

Administrative and other operating expenses for the year ended 31 December 2007 amounted to approximately HK\$9,860,000 representing an decrease of approximately HK\$10,237,000, equivalent to 50.9% decrease as comparing with last year. There are neither provision for impairment loss on trade and other receivables (2006: HK\$4,556,000) nor revaluation of plant and equipment (2006: revaluation decrease of HK\$10,771,000) during the year. Besides, during the year, approximately HK\$2.3 million legal and professional fee was incurred for the further acquisition of 30% equity interest in Polyard Macau and the disposal of a wholly-owned subsidiary, Yunnan Changning Kanstar Paper Co., Ltd. ("Yunnan Changning").

On 8 January 2007, Modern Lucky International Limited ("Modern Lucky"), an indirect wholly-owned subsidiary of the Company, entered into a conditional sales and purchase agreement (supplemented by an agreement dated 31 May 2007) with Mr. Lam Nam ("Mr. Lam") (a substantial shareholder of the Company), pursuant to which Modern Lucky has further acquired from Mr. Lam 30% of the equity interest in Polyard Macau. Upon completion of the acquisition on 10 October 2007, Modern Lucky, after taking into account the 20% of the capital acquired in the previous acquisition in September 2006, was beneficially interested in 50% of Polyard Macau and Polyard Macau became a subsidiary of the Company.

業務回顧

截至二零零七年十二月三十一日止年度，本集團營業額增加16.4%至港幣50,378,000元，而二零零六年則為港幣43,295,000元。本集團錄得經審核純利約港幣437,115,000元，而去年本集團錄得經審核虧損約港幣18,428,000元。純利急升乃由於於二零零七年十月百田石油國際有限公司（「百田澳門」）業務合併產生之收益港幣487,534,000元所致。

本公司董事（「董事」）不建議派發二零零七年末期股息（二零零六年：無）。

截至二零零七年十二月三十一日止年度，行政及其他營運開支約為港幣9,860,000元，較去年減少約港幣10,237,000元，減幅50.9%。年內，並無應收賬款及其他應收款項之減值虧損撥備（二零零六年：港幣4,556,000元），亦無廠房及設備重估（二零零六年：重估減值港幣10,771,000元）。此外，年內產生法律及專業費約港幣2,300,000元，乃因進一步收購百田澳門30%股權，以及出售全資附屬公司雲南昌寧建星紙業有限公司（「雲南昌寧」）之故。

於二零零七年一月八日，本公司之間接全資附屬公司新運通國際有限公司（「新運通」）與林南先生（「林先生」）（本公司之主要股東）訂立有條件買賣協議（經於二零零七年五月三十一日訂立之協議補充），據此，新運通已進一步向林先生收購百田澳門之30%股權。於二零零七年十月十日收購完成後，連同於二零零六年九月所收購之20%股本，新運通實益擁有百田澳門50%之權益，因而百田澳門成為本公司之附屬公司。

On 8 January 2007, Kanstar Hong Kong Limited (“Kanstar HK”), an indirect wholly-owned subsidiary of the Company, and Sure Carl Investment Limited (“Sure Carl”), wholly owned by Mr. Chim Kim Kiu, Jacky, the previous chairman and previous executive director of the Company, entered into a conditional sales and purchase agreement (“Disposal Agreement”), pursuant to which Kanstar HK has conditionally agreed to dispose of the entire registered capital of Yunnan Changning and related shareholder’s loan to Sure Carl (“disposal”). This transaction was completed on 10 October 2007.

On 26 January 2007, Yunnan Changning, as supplier, and Yunnan Kanstar High Tech Products Development Company Limited (“Kanstar High Tech”), as customer, entered into a conditional supply agreement (“Supply Agreement”) to ensure consistent supply of pulp and paper products to the Group after the disposal. Pursuant to the Supply Agreement, Kanstar High Tech has agreed to purchase from Yunnan Changning pulp and paper products for the Group’s daily operation of the sale of such products. The Supply Agreement is for the period commencing on the date of completion of the Disposal Agreement and expiring on 31 December 2009. In this connection, the Board is of the view that there will be no material impact on the business operations of the Group as a result of the disposal.

On 29 August 2007, a special resolution was passed by the shareholders of the Company to change the Company name from “Kanstar Environmental Paper Products Holdings Limited 建星環保紙品控股有限公司” to “Polyard Petroleum International Group Limited 百田石油國際集團有限公司” in order to better reflect the Group’s emphasis on oil business.

Finance costs for the year ended 31 December 2007 amounted to approximately HK\$4,983,000 (2006: HK\$1,032,000). The increase was mainly derived from increase in the outstanding balance of the bank loan to finance the Group’s development during the year.

於二零零七年一月八日，本公司之間接全資附屬公司建星香港有限公司（「建星香港」），與本公司前任主席兼前任執行董事詹劍嶠先生全資擁有之兆嘉投資有限公司（「兆嘉」）訂立有條件買賣協議（「出售協議」），據此，建星香港有條件地同意出售雲南昌寧之全部註冊資本及相關股東貸款予兆嘉（「出售」）。此項交易已於二零零七年十月十日完成。

於二零零七年一月二十六日，雲南昌寧（作為供應商）與雲南建星新技術產品開發有限公司（「建星新技術」）（作為客戶）訂立有條件供應協議（「供應協議」），以確保出售後繼續向本集團供應漿板及紙品。根據供應協議，建星新技術同意從雲南昌寧採購漿板及紙品，用於本集團銷售該等產品之日常營運。供應協議之期間是由出售協議完成之日起至二零零九年十二月三十一日止。因此，董事會認為出售不會給本集團業務營運造成重大影響。

於二零零七年八月二十九日，本公司股東通過特別決議案擬將本公司之名稱由「Kanstar Environmental Paper Products Holdings Limited 建星環保紙品控股有限公司」改為「Polyard Petroleum International Group Limited 百田石油國際集團有限公司」，得以更貼切地反映本集團著重石油業務。

截至二零零七年十二月三十一日止年度，融資成本約為港幣4,983,000元（二零零六年：港幣1,032,000元）。融資成本增加主要由於於年內本集團發展提供資金之銀行貸款未清償款項之增加所致。

8 Management Discussion and Analysis 管理層討論及分析

Prospects

In view of the intense competition and weak operational performance in the pulp and paper products industry, the Company considers the necessary to streamline the Group's business and redeploy its resources in a more productive manner. On 6 February 2008, Modern Lucky entered into a conditional sales and purchase agreement with Mr. Lam, pursuant to which Modern Lucky has conditionally agreed to further acquire 50% equity interest in Polyard Macau. On the same date, Polyard Macau entered into a conditional sales and purchase agreement with Chinaoil USA Inc., pursuant to which Polyard Macau has conditionally agreed to further acquire 30% equity interest in Chinaoil USA (Macao) Company Limited ("Chinaoil Macao"). Upon completion of these two conditional sales and purchase agreements, Polyard Macau and Chinaoil Macao will become wholly-owned subsidiaries of the Company. Details of these two agreements were conveyed in the Company's announcement dated 19 February 2008. As the Directors consider that there is high growth potential in the oil business, the Company intends to focus its corporate resources on oil business, while retaining the sale of pulp and paper products to maintain the income stream of the Group from such business in the coming years.

On 31 January 2008, Polyard Petroleum (Hong Kong) Limited, an indirect wholly-owned subsidiary of the Company, signed a Co-operative Agreement with North Petroleum & Chemical Group Co., Ltd, a limited company incorporated in the People's Republic of China ("PRC"). Pursuant to the Co-operative Agreement, a petroleum company will be incorporated in the PRC and will principally engage in the trading of petroleum-related products in the PRC. Details of the Co-operative Agreement was conveyed in the Company's announcement dated 5 February 2008.

It is believed that the establishment of the above-mentioned petroleum company would have a synergy effect to the existing oil and natural gas business of the Group and represent a mile stone for the Group to enter into the PRC energy market.

展望

鑑於漿板及紙品行業競爭激烈且經營業績不理想，本公司認為有必要簡化本集團業務並重新部署資源，以提高生產效益。於二零零八年二月六日，新運通與林先生訂立有條件買賣協議，據此，新運通有條件地同意進一步收購百田澳門50%股權。同日，百田澳門與中國聯合石油(美國)有限公司訂立有條件買賣協議，據此，百田澳門有條件地同意進一步收購中國聯合石油(澳門)有限公司(「中聯油澳門」)30%股權。於該兩項有條件買賣協議完成後，百田澳門及中聯油澳門將成為本公司之全資附屬公司。該兩項協議之詳情已載於本公司於二零零八年二月十九日刊發之公佈。由於董事認為石油業務具有高增長潛力，故本公司擬將其公司資源集中投入石油業務，同時繼續從事漿板及紙品銷售，以維持本集團來年於該業務之收入來源。

於二零零八年一月三十一日，本公司之間接全資附屬公司百田石油(香港)有限公司與北方石油化工(集團)有限公司(一間於中華人民共和國(「中國」)註冊成立之有限公司)簽訂合作協議。根據該合作協議，擬於中國註冊成立一間石油公司，並將主要從事於中國買賣石油相關產品。合作協議之詳情已載於本公司於二零零八年二月五日刊發之公佈。

本公司相信上述石油公司之成立，將為本集團之現有石油及天然氣業務帶來協同效應，亦為本集團進入中國能源市場之里程碑。

The Group has set up a technical team, which possesses full expertise in oil projects, to be responsible for the oil business. Details of the technical team is set forth in the “Biographical Details of Directors and Senior Management” section. Given the technical team’s experience in connection with running of oil projects, the Company will endeavour to explore more opportunities in the business of natural energy resources and lead the Group to venture into large oil production and exploitation projects.

Liquidity, Financial Resources, Capital and Gearing

As at 31 December 2007, the Group had net assets amounted to approximately HK\$2,868 million (2006: HK\$253.2 million) and net current liabilities amounted to approximately HK\$19.7 million (2006: HK\$8.4 million). The current ratio was 0.8 (2006: 0.75). The gearing ratio of the Group, based on the net debt to shareholders’ equity, was 8.8% (2006: 7.5%). All outstanding bank borrowings were settled by 31 December 2007.

Operations of the Group are mainly conducted in Renminbi (“RMB”), Hong Kong Dollars (“HK\$”) and United States Dollars (“US\$”) and its revenue, expenses, assets, liabilities and borrowings are principally denominated in RMB, HK\$ and US\$, which do not pose significant foreign currency risk at present.

本集團已成立具備石油全面專業知識之技術隊伍，負責石油業務。該技術隊伍詳情刊載於「董事及高級管理人員簡介」一節。鑑於技術隊伍具備有關經營石油項目之經驗，故本公司將致力開創更多天然能源業務之商機，將帶領本集團發展於大型石油生產及勘探項目。

流動資金、財務資源、資本及資產負債

於二零零七年十二月三十一日，本集團之淨資產約達港幣2,868,000,000元(二零零六年：港幣253,200,000元)及淨流動負債約港幣19,700,000元(二零零六年：港幣8,400,000元)。流動比率為0.8(二零零六年：0.75)。本集團之資產負債比率，按淨負債除以股東權益計算為8.8%(二零零六年：7.5%)。所有未償還銀行借款已於二零零七年十二月三十一日償還。

本集團之業務主要以人民幣(「人民幣」)、港幣(「港幣」)及美元(「美元」)進行，而其收益、開支、資產、負債及借款均主要以人民幣、港幣及美元作為貨幣單位，該等貨幣現時不會構成重大外匯風險。

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Employee Information

The Group had a total staff of approximately 30 (2006: approximately 520 employees). Remuneration packages are reviewed on a periodical basis. Bonus is awarded to employees according to the assessment of individual performance. Besides, a share option scheme was adopted by the Company, pursuant to which the directors may offer to any eligible employees (including executive directors and independent non-executive directors) of the Company and any of its subsidiaries options to subscribe for shares in the Company in accordance with the terms of the share option scheme. However, save for the share option granted prior to the listing, no other options have been granted up to 31 December 2007. Staff cost was approximately HK\$4 million for the year as compared with that of approximately HK\$4 million in 2006.

僱員資料

本集團員工人數合共約為30人(二零零六年：約為520人)，對薪酬組合會作定期檢討，另會依據僱員個別工作表現給予花紅以作獎勵。此外，本公司已採納一項購股權計劃，據此，董事可向本公司及其任何附屬公司之任何合資格僱員(包括執行董事及獨立非執行董事)授出購股權，讓彼等按購股權計劃之條款認購本公司股份。然而，截至二零零七年十二月三十一日，除上市前授出之購股權外，並無其他購股權獲授出。本年度之員工成本約港幣4,000,000元，相比二零零六年約為港幣4,000,000元。

Introduction

The Company has applied the principles and complied with most of the code provisions set out in Appendix 15 to the GEM Listing Rules throughout the year ended 31 December 2007, by establishing formal and transparent procedures to protect and maximize the interests of shareholders.

Directors' Securities Transactions

The Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions in securities of the Company. Upon the Company's specific enquiry, each director had confirmed that during the year ended 31 December 2007, he had fully complied with the required standard of dealings and there was no event of non-compliance.

Board of Directors

The Board, which currently comprises 6 directors, is responsible for supervising the management of the Group. Details of the Chairman and the other directors of the Group are set in the section "Biographical Details of Directors and Senior Management" of this report. All directors give sufficient time and attention to the affairs of the Group.

In November and December 2007, the Company had fewer than 3 independent non-executive directors and did not comply with the requirements under Rule 5.05(1) of the GEM Listing Rules. Following the appointment of a new independent non-executive director in January 2008 within the prescribed period set forth in Rules 5.06 and 5.33 of the GEM Listing Rules, the Company is in compliance with rule 5.05(1) and (2) of the GEM Listing Rules, and has three independent non-executive directors and at least one of whom has appropriate professional qualifications or accounting or related financial management expertise.

序言

於截至二零零七年十二月三十一日止年度，本公司一直採用創業板上市規則附錄15所載原則並遵守其大部分守則條文，制定正統而具透明度程序，以保障及為股東獲取最佳效益。

董事進行證券交易

本公司已就董事進行證券交易採納一套按創業板上市規則第5.48至5.67條所規定交易準則而製定之操守準則。本公司作出詳細查詢後，每一位董事確曾於截至二零零七年十二月三十一日止之年度內，一直遵守有關交易之規定準則及並無違反之事宜。

董事會

本集團之管理層，現時由六名董事組成之董事會負責監察。本集團主席及其他各董事之詳細資料詳載於本報告書中「董事及高級管理人員簡介」一節。所有董事均能付出足夠時間及精神以處理本集團的事務。

於二零零七年十一月及十二月，本公司之獨立非執行董事少於3名，未能遵守創業板上市規則第5.05(1)條之規定。本公司於創業板上市規則第5.06及5.33條所載之指定期間內，於二零零八年一月委任新獨立非執行董事後，本公司已符合創業板上市規則第5.05(1)及(2)條之規定，擁有一名具備適當專業資格或會計或相關財務管理專業知識。

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The Company has received from each independent non-executive director an annual confirmation of his independence, and the Company considers such directors to be independent in accordance with each and the various guidelines set out in rule 5.09 of the GEM Listing Rules.

With the various experience of both the executive directors and the non-executive directors and the nature of the Group's business, the Board considered that the directors have a balance of skills and experience for the business of the Group.

Board Meetings

The Board regularly meets in person or through other means of electronic communication at least four times a year. At least 14 days' notice of regular board meetings were given to all directors, who were all given an opportunity to include matters in the agenda for discussion. The Company Secretary assists the directors in preparing the agenda for the meeting, and ensures that all applicable rules and regulations regarding the meetings are observed.

The attendance record of the individual directors at the Board meetings during the year is set out below:

本公司已從每位獨立非執行董事收到確認其獨立性之年度確認，並根據創業板上市規則第5.09條所列出之每項指引認為每位有關董事均為獨立。

有鑑於各執行董事及非執行董事擁有之經驗及本集團之業務性質，董事會認為各董事於本集團之經營技巧及經驗方面取得適當之平衡。

董事會會議

董事會定期開會，每年最少召開董事會會議四次。董事們皆能親身出席或透過其他電子通訊方法參與。召開定期董事會會議前，董事在不少於14天前收到通知，全體董事皆有機會提出商討事項列入會議議程。公司秘書協助董事為會議準備議程，以確保有關會議均能符合所有適當守則及規例而進行。

本年度，於董事會會議上各董事之出席記錄載列如下：

		Attendance 出席次數
Executive directors:	執行董事：	
Mr. CHIM Kim Kiu, Jacky	詹劍嶠先生	6/14
Mr. SUN Tak Keung	辛德強先生	11/13
Mr. CHENG Kwok Hing, Andy	鄭國興先生	10/10
Mr. KWOK Ching Chung	郭青松先生	1/9
Mr. KUAI Wei	鄧偉先生	9/11
Mr. LIN Zhang	林漳先生	6/6
Mr. CAO Xuejun	曹學軍先生	0/0
Independent non-executive directors:	獨立非執行董事：	
Mr. CHAN Chi Hung, Anthony	陳志雄先生	10/16
Mr. WANG Ai Guo	王愛國先生	0/9
Mr. WAN Hon Keung	溫漢強先生	1/14
Mr. CHAN Kin Cheong	陳健昌先生	2/2
Mr. WANG Yanhui	王燕輝先生	0/2
Mr. Zhang Xiaobao	張曉寶先生	0/0

During regular meetings of the Board, the directors discuss and formulate the overall strategies of the Group, monitor financial performances and discuss the annual and interim and quarterly results, as well as discuss and decide on other significant matters. Execution of daily operational matters is delegated to management.

The Company Secretary records the proceedings of each board meeting in detail by keeping detailed minutes, including all decisions by the Board together with concerns raised and dissenting views expressed (if any). Drafts of board minutes are circulated to all directors for comment and approval as soon as practicable after the meeting. All minutes are open for inspection at any reasonable time on request by any director.

All directors have access to relevant and timely information at all times as the Chairman ensures that management will supply the Board and its committees with all relevant information in a timely manner. They may make further enquiries if in their opinion it is necessary or appropriate to request for further information. They also have unrestricted access to the advice and services of the Company Secretary, who is responsible to the Board for providing directors with Board papers and related materials, and ensuring that all proper Board procedures are followed and that all applicable laws and regulations are complied with. If considered to be necessary and appropriate by the directors, they may retain independent professional advisors at the Group's expense.

In case where a conflict of interest may arise involving a substantial shareholder or a director, such matter will be discussed through an actual meeting and will not be dealt with by written resolutions. Independent non-executive directors with no conflict of interest will be present at meetings dealing with such conflict issues.

The board committees, including the audit committee and the remuneration committee, have all adopted the applicable practices and procedures used in board meetings for all committee meetings.

於董事會定期會議中，董事們商討並釐定本集團之整體策略，監察財政表現及商討年終及中期及季度業績，及商討及作出其他重大決定。管理日常運作之責任則交予管理層執行。

公司秘書就每次董事會會議作出詳細會議記錄，包括董事會提出之一切決定，以及任何疑慮或表達之反對意見（如有）。董事會會議結束後，在實際可行情況下盡快將會議記錄之初稿發送給全體董事，以供表達意見及審批。任何董事可在任何合理時段查閱有關會議記錄。

主席確保管理層向董事會及其轄下委員會提供充足及適應時之資料，以使全體董事能夠隨時掌握有關情況。董事如認為有需要或適當時可自行進一步查詢。所有董事亦可取得公司秘書之意見和獲得其服務，包括向董事提供有關董事會之文件及相關資料，及確保符合適當之董事會程序及一切適用之法律及規例均能遵守。如董事認為有需要及在適當之情況下，可尋求獨立專業意見，費用則由本集團支付。

若可能涉及主要股東或董事之利益衝突時，有關事項不會以書面決議之方式處理，而董事將會就該事項舉行現場會議。而無利益衝突之獨立非執行董事將會出席處理有關衝突事件之會議。

董事會轄下委員會，包括審核委員會及薪酬委員會，均就所有委員會會議採納董事會沿用之適用原則及程序。

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Chairman and Chief Executive Officer

The Chairman of the Group is Mr. Kuai Wei and the Chief Executive Officer of the Group is Mr. Cao Xuejun. The roles of Chairman and Chief Executive Officer are separate and not performed by the same individual to avoid power being concentrated in any one individual. The Chairman of the Group is primarily responsible for the leadership and effective running of the Board, and ensuring that all key and appropriate issues are discussed by the Board in a timely and constructive manner, whereas the Chief Executive Officer is primarily responsible for the running of the Group's business and implementation of the Group's strategy in achieving the overall commercial objectives.

The Chairman also encourages all directors, including the independent non-executive directors, to actively participate in all board and committee meetings.

Non-Executive Directors

All independent non-executive directors, Mr. Chan Kin Cheong, Mr. Wang Yanhui and Mr. Zhang Xiaobao had not entered into any service contract with any member of the Company and are not appointed for a fixed term. They are not entitled to any remuneration, except for a bonus for each financial year which is at the Board's discretion and determined by reference to the Company's results and performance for the financial year concerned. They are subjected to retirement by rotation and re-election at the next following general meeting of the Company in accordance with the Company's articles of association.

Remuneration of Directors

The remuneration committee was established in 2005. On 12 December 2007, Mr. Wan Hon Keung resigned as the chairman of the committee and Mr. Chan Kin Cheong, an independent non-executive director, was appointed to fill the vacancy on the same date. Other members are Mr. Wang Yanhui and Mr. Zhang Xiaobao, both are independent non-executive directors of the Company.

主席及行政總裁

本集團主席乃鄧偉先生，而本集團之行政總裁乃曹學軍先生。主席與行政總裁之角色有區分，並非由一人同時兼任，以確保權力不致過份集中於一位人士。本集團主席主要負責領導及有效控制董事會，及確保於董事會及時及積極地商討重要及適用之事項，而行政總裁則主要負責主持本集團業務及執行本集團策略以達致整體商業目標。

主席亦鼓勵全體董事，包括獨立非執行董事，積極參與所有董事會及委員會會議。

非執行董事

獨立非執行董事陳健昌先生、王燕輝先生及張曉寶先生等並未與本公司任何成員公司訂立任何服務合約及無固定年期。彼等並未能收取任何酬金，惟有權享有各財政年度，及由董事會酌情及參考本公司於有關財政年度之業績及表現釐定之花紅。彼等須根據本公司之組織章程細則於本公司之下屆股東大會上輪值告退但可膺選連任。

董事薪酬

薪酬委員會於二零零五年成立。於二零零七年十二月十二日，溫漢強先生辭任委員會主席職務，於同日，獨立非執行董事陳健昌先生獲委承其缺。其他成員包括王燕輝先生及張曉寶先生，彼等均為本公司之獨立非執行董事。

The role and function of the remuneration committee included the determination of the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the board of the remuneration of non-executive directors. The remuneration committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

During the year, no meeting of the remuneration committee was held as all existing members of the remuneration committee were appointed either in December 2007 or January 2008.

The Board of directors has considered and reviewed the existing terms of employment contracts of the executive directors and considers that the existing terms of employment contracts of the executive directors are fair and reasonable.

Nomination of Directors

In accordance with the Company's articles of association, Mr. Chan Kin Cheong, Mr. Wang Yanhui and Mr. Zhang Xiaobao are subjected to retirement by rotation and re-election at the next following general meeting of the Company.

Further, according to the Company's articles of association, the office of directorship of each of Mr. Lin Zhang and Mr. Cao Xuejun, who was appointed as a director by the directors of the Company during the year, will end at the forthcoming annual general meeting of the Company. Each of Mr. Lin Zhang and Mr. Cao Xuejun, being eligible, will offer himself for re-election at the forthcoming annual general meeting of the Company.

薪酬委員會之角色及職務包括釐定全體執行董事及高級管理人員之特定薪酬組合，包括實物利益、退休權利及補償（包括任何離職或入職補償），以及就非執行董事之薪酬向董事會提供建議。薪酬委員會應考慮之各種因素包括：比較其它同類型公司所付薪金、董事所投注時間及職責、本集團內僱傭條件及按表現發放薪酬之可行性。

年內，由於所有現任薪酬委員會成員於二零零七年十二月或二零零八年一月獲委任，故薪酬委員會並無舉行會議。

董事會已考慮及審閱執行董事僱傭合約之現有條款，並認為執行董事僱傭合約之現有條款屬公平合理。

提名董事

根據本公司之組織章程細則，陳健昌先生、王燕輝先生及張曉寶先生須於本公司下屆股東大會上輪值告退及膺選連任。

此外，按照本公司之組織章程細則，於年內獲本公司董事委任為董事之林漳先生及曹學軍先生各自之董事職務將於本公司應屆股東週年大會上終止。林漳先生及曹學軍先生各自合資格並願意於本公司應屆股東週年大會上膺選連任。

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Audit Committee

The Company has established an audit committee ("Audit Committee") with written terms of reference in compliance with Rule 5.28 and 5.33 of the GEM Listing Rules. The duties of the Audit Committee include reviewing the Company's annual reports and quarterly financial reports and providing advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the Company's financial reporting and internal control procedures.

The Audit Committee comprises the three independent non-executive directors, namely Mr. Chan Kin Cheong, Mr. Wang Yanhui and Mr. Zhang Xiaobao. Mr. Wang Ai Guo, Mr. Wan Hon Keung and Mr. Chan Chi Hung, Anthony were resigned on 7 November 2007, 30 November 2007 and 12 December 2007 respectively. Both Mr. Chan Kin Cheong and Mr. Wang Yanhui were appointed on 12 December 2007 and Mr. Zhang Xiaobao was appointed on 16 January 2008.

The audit committee held 4 meetings during the year under review. Details of the attendance of the audit committee meetings are as follows:

Members

成員

Mr. Chan Chi Hung, Anthony	陳志雄先生
Mr. Wang Ai Guo	王愛國先生
Mr. Wan Hon Keung	溫漢強先生
Mr. Chan Kin Cheong	陳健昌先生
Mr. Wang Yanhui	王燕輝先生
Mr. Zhang Xiaobao	張曉寶先生

The Group's unaudited quarterly and interim results and audited annual results during the year ended 31 December 2007 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

審核委員會

本公司已成立審核委員會（「審核委員會」），並按創業板上市規則第5.28及5.33條以書面列明其職責範圍。審核委員會職責包括審閱本公司年報及季度財務報告，並就此向董事會提出建議及意見。審核委員會亦負責檢討並監督本公司財務報告及內部監控程序。

審核委員會由三名獨立非執行董事組成，分別為陳健昌先生、王燕輝先生及張曉寶先生。王愛國先生、溫漢強先生及陳志雄先生已分別於二零零七年十一月七日、二零零七年十一月三十日及二零零七年十二月十二日辭任。而陳健昌先生及王燕輝先生均於二零零七年十二月十二日獲委任，張曉寶先生則於二零零八年一月十六日獲委任。

審核委員會於回顧年度舉行四次會議。審核委員會會議之出席記錄詳情如下：

Attendance

出席次數

陳志雄先生	4/4
王愛國先生	0/4
溫漢強先生	0/4
陳健昌先生	0/0
王燕輝先生	0/0
張曉寶先生	0/0

本集團於截至二零零七年十二月三十一日止年度之未經審核季度及中期業績以及經審核全年業績已由審核委員會審閱。審核委員會認為，該等業績乃按照適用會計準則及規定編製，已作出充分披露。

Auditors' Remuneration

During the year ended 31 December 2007, the total fee paid/payable in respect of audit and non-audit services provided by the Company's external auditors is set out below:

Types of services	服務種類
Audit services	審核服務
Non-audit services	非審核服務
Total	總計

核數師之酬金

於截至二零零七年十二月三十一日止年度，就本公司外聘核數師提供審核及非審核服務之已付／應付酬金總額載列如下：

2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
港幣千元	港幣千元

	300	200
	610	150
	910	350

Directors' and Auditors' Responsibilities for Financial Statements

The directors acknowledge their responsibility for preparing the financial statements of the Group.

The responsibilities of the external auditors are set out in the Independent Auditor's Report to the shareholders of the Company on pages 34 to 37 of the annual report of the Company.

董事及核數師就財務報表之責任

董事確認其就編製本集團財務報表之責任。

外聘核數師之責任載於本公司年報第34至37頁致本公司股東之獨立核數師報告。

Internal Control

The Company has conducted a review of its system of internal control periodically to ensure the effective and adequate internal control system. The Company convened meeting periodically to discuss financial, operational and risk management control.

內部監控

本公司定期審查其內部監控制度，確保內部監控制度為有效及充分。本公司定期召開會議，討論財務、營運及風險管理監控。

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

Executive Directors

Mr. KUAI Wei (鄺偉), aged 46, is the Chairman and managing executive director of the Company. Mr. Kuai holds a master degree in business administration from the University of South Australia and has over 20 years of experience in banking, electrical transmission and transformation equipment and satellite broadcasting. Mr. Kuai has been involved as a senior management member for strategic planning, business development, operation and overall management of various companies. He joined the Group in July 2007.

Mr. LIN Zhang (林漳), aged 26, holds a bachelor degree in economics from Tianjin University of Commerce. Prior to joining the Company in November 2007, Mr. Lin worked in the Indonesia branch of Chinaoil USA (Macao) Company Limited for two years and was responsible for the petroleum exploitation, development and related trading business.

Mr. CAO Xuejun (曹學軍), aged 62, is also the Chief Executive Officer holds a bachelor degree from the China University of Petroleum (formerly known as "The Beijing Petroleum Institute"). Mr. Cao has over 39 years' working experience in oil and gas development projects, and participated in several big offshore oil and gas field development projects. Prior to joining the Company in December 2007, he was the President of the Shanghai Branch of CNOCC (China) Ltd. Mr. Cao was also a visiting scholar in Alabama State University, United States of America and was engaged as a consultant in a subsidiary of the Company since June 2007.

執行董事

鄺偉先生，46歲，為本公司主席兼常務董事。鄺先生持有南澳大學工商管理碩士學位，彼於銀行、輸電與變電設備以及衛星廣播方面擁有逾20年經驗。鄺先生曾在多間公司出任高級管理人員，負責策略規劃、業務發展、經營及整體管理。彼於二零零七年七月加入本公司。

林漳先生，26歲，持有天津商業大學經濟學學士學位。於二零零七年十一月加盟本公司前，林先生曾於中國聯合石油美國(澳門)有限公司印尼分公司工作兩年，從事於石油勘探、開發及貿易等相關工作。

曹學軍先生，62歲，亦為行政總裁，持有北京石油大學(前稱「北京石油學院」)學士學位。曹先生擁有逾39年油氣田勘探開發項目之經驗，並曾參與數個大型油氣田項目之開發建設項目。彼於二零零七年十二月加入本公司前為中國海洋石油(中國)有限公司上海分公司總經理。曹先生亦曾為美國阿拉巴馬州州立大學訪問學者及由二零零七年六月起曾為本公司一間附屬公司之顧問。

Independent Non-Executive Directors

Mr. WANG Yanhui (王燕輝), aged 45, holds a master degree in Public Administration from Harvard University and a doctor degree in Management from Xi'an Jiaotong University. He was a senior Economist and also an adjunct professor in Xi'an Jiaotong University. Mr. Wang is now the vice president of Shenzhen Ping An Bank (formerly known as Shenzhen Commercial Bank). Mr. Wang was appointed as an independent non-executive director in December 2007.

Mr. CHAN Kin Cheong (陳健昌), aged 42, has over 6 years working experience in accounting and auditing. Mr. Chan holds a bachelor degree in Quantitative Analysis for Business and a master degree of Professional Accounting and Information Systems from City University of Hong Kong. Mr. Chan is an associate member of the Association of Chartered Certified Accountants, and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan was appointed as an independent non-executive director in December 2007.

Mr. ZHANG Xiaobao (張曉寶), aged 50, holds a geological bachelor degree from Changchun Institute of Geology, a master degree in sedimentology and a PhD degree in natural gas geochemistry from Chinese Academy of Sciences. In 2004, he took a position of associate chief geologist in the Research Institute of Petroleum Exploration and Development, Qinghai Oil Field, Chinese National Petroleum Corporation. During his 30 years research experience, he has been responsible for over 20 programs and published over 30 papers. Mr. Zhang was appointed as an independent non-executive director in January 2008.

獨立非執行董事

王燕輝先生，45歲，持有哈佛大學公共管理碩士學位及西安交通大學管理學博士學位。彼為高級經濟師，亦為西安交通大學兼職教授。王先生現為深圳市平安銀行（前稱深圳商業銀行）副行長。王先生於二零零七年十二月受委為獨立非執行董事。

陳健昌先生，42歲，擁有逾6年會計及核數工作經驗。陳先生持有香港城市大學工商數量分析學士學位及專業會計及資訊系統碩士學位。陳先生為英國特許公認會計師公會及香港會計師公會會員。陳先生於二零零七年十二月受委為獨立非執行董事。

張曉寶先生，50歲，持有長春地質學院地質系學士學位、中國科學院沉積學專業碩士學位及天然氣地球化學專業博士學位。張先生於二零零四年任中國石油天然氣總公司青海油田公司勘探開發研究院副總地質師。在其30年之科研工作中，彼先後負責20餘項科研項目及發表30多篇有關論文。張先生於二零零八年一月受委任為獨立非執行董事。

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

Senior Management

Mr. CHENG Yun Sing (鄭潤成), aged 74, was appointed as the company secretary of the Company in November 2007. He is a fellow member of the Hong Kong Institute of Chartered Public Accountants, and has been practicing as a Certified Public Accountant for more than 35 years.

Ms. CHUNG Ming Yin, Kate (鍾明諺), aged 33, joined the Company in December 2007 as the qualified accountant. Prior to joining the Company, she has over 6 years working experience in accounting and auditing. Ms. Chung holds a bachelor degree in Accounting from City University of Hong Kong. She is an associate member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. LAI Chun Liang (來俊良), aged 43, joined Polyard Petroleum International Co., Ltd. as Executive Vice President in 2003. He holds a bachelor degree in Electronic Engineering. Prior to joining the group, he has over 10 years experience in development of angiocardy monitoring instrument and research on GPS and navigation system. He has years of experience in operation and management of companies.

Mr. CHAN Chong Yam, Steven (陳昶欽), aged 53, joined Polyard Petroleum International Co., Ltd. as financial controller in June 2007. He is a member of Certified General Accountants Association of Canada and has over 20 years accounting and financial working experience.

Mr. QIN Han Sheng (覃漢生), aged 45, joined Polyard Petroleum International Co., Ltd. as a Senior Geologist of the Technical Team since December 2007. Mr. Qin has over 22 years working experience in exploration for oil and gas in CNPC of China and was responsible for 18 petroleum exploration projects.

高級管理人員

鄭潤成先生，74歲，於二零零七年十一月獲委任本公司之公司秘書。彼為香港會計師公會資深會員，並持續執業為會計師逾35年。

鍾明諺女士，33歲，於二零零七年十二月加入本公司為會計師。於加入本公司前，彼擁有逾6年會計及核數工作經驗。鍾女士持有香港城市大學會計學士學位。彼為英國特許公認會計師公會會員及香港會計師公會會員。

來俊良先生，43歲，於二零零三年加入百田石油國際有限公司出任行政副總裁。彼持有電子工程學士學位。加入本集團前，彼於發展心血管監察儀器及研究衛星導航系統方面擁有逾10年經驗。彼擁有多多年經營及管理公司經驗。

陳昶欽先生，53歲，於二零零七年六月加入百田石油國際有限公司出任財務總監。彼為加拿大註冊會計師協會會員，擁有逾20年會計及財務工作經驗。

覃漢生先生，45歲，於二零零七年十二月起加入百田石油國際有限公司之技術隊伍出任高級地質學家。覃先生於中國之中國石油集團勘探油氣擁有逾22年經驗，並曾負責18個石油勘探項目。

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

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Ms. LIU Ying (劉瑩), aged 45, joined as a senior geophysicist of the Technical Team of Polyard Petroleum International Co., Ltd. since December 2007. Ms. Liu has previously acted as the Chief for Block D, Oil Exploration and Development project in Irawaddy Basin, a joint venture between Myanmar and SINOPEC. She was awarded for discovery of Yunnan Luliang Nature Gas Field in 1994 and Qujing Basi Nature Gas Field in 2004.

Mr. ZHOU Jin Tang (周金堂), aged 44, joined as a geoscientist of the Technical Team of Polyard Petroleum International Co., Ltd. since December 2007. Mr. Zhou has 22 years petroleum exploring experience and is well versed in geochemical and geophysical techniques.

Mr. ZHANG Yong Qiang, (張永強), aged 40, joined as a Reservoir Engineer of the Technical Team of Polyard Petroleum International Co., Ltd. since December 2007. Prior to joining the company, Mr. Zhang participated in Reservoir Accurate Description project for Shahejie Formation of Liuzan Oilfield in Jidong Oilfield in 2004 and Deep Gas Exploration Potential project of Niuju Oilfield in 2005.

劉瑩女士，45歲，自二零零七年十二月加入百田石油國際有限公司之技術隊伍出任高級地球物理學家。劉女士曾於緬甸與中石化之合營企業於伊洛瓦底江流域之勘探及開發項目D區出任主管。彼於一九九四年發現雲南陸良天然氣田及於二零零四年發現曲靖盆地天然氣田而獲表揚。

周金堂先生，44歲，自二零零七年十二月加入百田石油國際有限公司之技術隊伍出任地球科學家。周先生擁有逾22年勘探石油經驗，並精通地球化學及地球物理技術。

張永強先生，40歲，自二零零七年十二月加入百田石油國際有限公司之技術隊伍出任油藏工程師。加入該公司前，張先生曾於二零零四年參與位於冀東油田之柳贊油田沙河街組油藏精細描述項目及於二零零五年參與牛居油田深層天然氣勘探潛力項目。

22 Report of the Directors 董事報告

The directors submit their report together with the audited financial statements for the year ended 31 December 2007 (“the year”).

Principal Activities

The principal activity of the Company is investment holding. The Group is principally engaged in research and development of paper filling material and the manufacture and sales of pulp and paper. During the year, the Group is further engaged in the exploration of oil and natural gas business, as a result, there are changes in the nature of the Group’s principal activities. The principal activities of its subsidiaries are set out in note 39 to the financial statements.

An analysis of the Group’s performance for the year by business and geographical segments is set out in note 13 to the financial statements.

Results and Appropriations

The results of the Group for the year are set forth in the consolidated income statement on page 38.

The directors do not recommend any payment of a dividend for the year.

Reserves

Movements in the reserves of the Group and the Company during the year are set out in notes 30 to the financial statements.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group are set out in note 14 to the financial statements.

董事謹提呈截至二零零七年十二月三十一日止年度(「本年度」)之報告連同經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團主要從事研究及開發造紙填料以及製造及銷售漿板及紙品。於年內，本集團亦進一步從事勘探石油及天然氣業務。因此，本集團之主要業務性質發生變動。其附屬公司之主要業務載於財務報表附註39。

本集團本年度之業務及地區分部表現分析載於財務報表附註13。

業績及分配

本集團本年度之業績詳列於第38頁之綜合收益表。

董事不建議派發本年度之股息。

儲備

本集團及本公司於年內之儲備變動載於財務報表附註30。

物業、廠房及設備

本集團之物業、廠房及設備變動之詳情載於財務報表附註14。

Share Capital

Details of the movements in share capital of the Company are set out in notes 29 to the financial statements.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Bye-laws and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Five Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 132.

Purchase, Sale or Redemption of Securities

During the year ended 31 December 2007, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

股本

本公司股本變動之詳情載於財務報表附註29。

優先購買權

本公司之公司附則並無有關優先購買權之條文，而開曼群島法例則無有關權利之限制，致促使本公司須按比例向現有股東提呈發售新股份。

五年財務概要

本集團過往五個財政年度之業績、資產及負債概要載於第132頁。

購買、出售或贖回證券

於截至二零零七年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

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Share Options

The Company adopted two share option schemes (hereinafter referred to as the “Pre-IPO Share Option Scheme” and the “Share Option Scheme”) on 26 June 2002 for the purpose of providing incentives to the directors and eligible participants, under which the Company may grant options to the directors and employees of the Group and also other eligible participants to subscribe for shares of the Company. Certain directors and participants have been granted options under the Pre-IPO Share Option Scheme to subscribe for shares at an exercise price of HK\$0.002 (*Note*) per share, details of which are set out as follows:

購股權

本公司於二零零二年六月二十六日採納兩項購股權計劃(以下稱為「首次公開招股前購股權計劃」及「購股權計劃」)，以獎勵董事及合資格參與者，本公司可根據該等計劃向本集團董事及僱員以及其他合資格參與者授出購股權，以認購本公司股份。根據首次公開招股前購股權計劃，若干董事及參與者曾獲授購股權，可按每股港幣0.002元(附註)之行使價認購股份，有關詳情載列如下：

Name of grantee 承授人姓名	Date of grant 授出日期	Exercisable period 可行使期間	Granted 已授出	Number of shares options 購股權數目		
				Outstanding as at 1 January 2007 於二零零七年 一月一日 尚未行使	Exercised/ lapsed during the year under review 於回顧 年度已 行使/失效	Outstanding as at 31 December 2007 於二零零七年 十二月 三十一日 尚未行使
Director 董事						
Mr. Sun Tak Keung (resigned as director of the Company on 28 November 2007) 辛德強先生 (於二零零七年 十一月二十八日 辭任本公司董事)	26 June 2002 二零零二年 六月二十六日	12 July 2002 — 11 July 2007 二零零二年七月十二日至 二零零七年七月十一日	45,000,000	45,000,000	(45,000,000)	—
		12 January 2003 — 11 January 2008 二零零三年一月十二日至 二零零八年一月十一日	30,000,000	30,000,000	(30,000,000)	—
Others 其他	26 June 2002 二零零二年 六月二十六日	12 July 2003 — 11 July 2008 二零零三年七月十二日至 二零零八年七月十一日	48,750,000	500,000	—	500,000
Total 總計				75,500,000	(75,000,000)	500,000

Note: Pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on 7 October 2003, each of the initial issued and unissued Shares having a par value of HK\$0.01 were subdivided into five Subdivided Shares having a par value of HK\$0.002 each with effect from 8 October 2003. This share subdivision gave rise to adjustments to both the exercise price and the number of underlying shares granted under the pre-IPO share option scheme, and accordingly every option originally granted was increased to five options.

No option under the share option scheme adopted by the Company were granted during the year.

Details of the Pre-IPO Share Option Scheme were set out in the Prospectus issued by the Company on 5 July 2002.

Directors

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

Executive Directors:

Mr. CHIM Kim Kiu, Jacky (*Chairman*)
(resigned on 10 December 2007)
Mr. SUN Tak Keung
(resigned on 28 November 2007)
Mr. CHENG Kwok Hing, Andy
(resigned on 12 November 2007)
Mr. KWOK Ching Chung
(resigned on 26 June 2007)
Mr. KUAL Wei (*Chairman*)
(appointed on 13 July 2007)
Mr. LIN Zhang
(appointed on 12 November 2007)
Mr. CAO Xuejun
(appointed on 20 December 2007)

*附註：*根據本公司於二零零三年十月七日舉行之股東特別大會上所通過之一項普通決議案，由二零零三年十月八日起，每股面值港幣0.01元原已發行及未發行之股份，拆細為五股每股面值港幣0.002元之拆細股份。是項股份分拆導致根據首次公開招股前購股權計劃項下之行使價及授出相關股份數目調整。原先授出之每份購股權，增加為五份購股權。

本公司於年內概無根據所採納之購股權計劃授出任何購股權。

首次公開發售前購股權計劃之詳情載於本公司於二零零二年七月五日刊發之招股章程。

董事

本公司於年內及直至本報告日期之董事如下：

執行董事：

詹劍嶠先生 (*主席*)
(於二零零七年十二月十日辭任)
辛德強先生
(於二零零七年十一月二十八日辭任)
鄭國興先生
(於二零零七年十一月十二日辭任)
郭青松先生
(於二零零七年六月二十六日辭任)
鄧偉先生 (*主席*)
(於二零零七年七月十三日獲委任)
林漳先生
(於二零零七年十一月十二日獲委任)
曹學軍先生
(於二零零七年十二月二十日獲委任)

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Independent Non-Executive Directors:

Mr. CHAN Chi Hung, Anthony
(resigned on 12 December 2007)

Mr. WANG Ai Guo
(resigned on 7 November 2007)

Mr. WAN Hon Keung
(resigned on 30 November 2007)

Mr. CHAN Kin Cheong
(appointed on 12 December 2007)

Mr. WANG Yanhui
(appointed on 12 December 2007)

Mr. ZHANG Xiaobao
(appointed on 16 January 2008)

By virtue of article 108 of the Company's Articles of Association, Mr. Kuai Wei who was appointed by the Board of Directors as an executive director and being elected as the Chairman of the Board is not required to retire at the forthcoming annual general meeting.

By virtue of article 112 of the Company's articles of association, the office of directorship of each of Mr. Lin Zhang and Mr. Cao Xuejun, who were appointed as executive directors with effect from 12 November 2007 and 20 December 2007 respectively, and Mr. Wang Yanhui and Mr. Chan Kin Cheong, who were appointed as independent non-executive directors with effect from 12 December 2007 and Mr. Zhang Xiaobao who was appointed as independent non-executive director with effect from 16 January 2008, will end at the forthcoming annual general meeting of the Company. Each of Mr. Lin Zhang, Mr. Cao Xuejun, Mr. Wang Yanhui, Mr. Chan Kin Cheong and Mr. Zhang Xiaobao, being eligible, offer themselves for re-election at the meeting.

Directors' Service Contracts

Mr. Lin Zhang is appointed by the Company for a term of one year commencing from 12 November 2007 which may be terminated by either party thereto giving to the other not less than three calendar months' prior notice in writing. He is subject to retirement by rotation and re-election at the forth coming general meeting of the Company in accordance with the Company's articles of association.

Mr. Kuai Wei signed a service agreement with the Company on 16 January 2008 for a term of one year which may be terminated by either party thereto giving to the other not less than three calendar months' prior notice in writing. By virtue of 108 of the Company's article of association, Mr Kuai who is elected as the Chairman of the Board is not required to retire at the forthcoming annual general meeting.

獨立非執行董事：

陳志雄先生
(於二零零七年十二月十二日辭任)

王愛國先生
(於二零零七年十一月七日辭任)

溫漢強先生
(於二零零七年十一月三十日辭任)

陳健昌先生
(於二零零七年十二月十二日獲委任)

王燕輝先生
(於二零零七年十二月十二日獲委任)

張曉寶先生
(於二零零八年一月十六日獲委任)

根據本公司之組織章程細則第108條，鄧偉先生雖由董事會委任為執行董事，但獲選為董事會主席，故毋須於應屆股東週年大會上退任。

根據本公司之組織章程細則第112條，林漳先生及曹學軍先生(獲委任為執行董事，分別由二零零七年十一月十二日及二零零七年十二月二十日起生效)、王燕輝先生及陳健昌先生(獲委任為獨立非執行董事，均由二零零七年十二月十二日起生效)以及張曉寶先生(獲委任為獨立非執行董事，由二零零八年一月十六日起生效)之各董事職務將於本公司應屆股東週年大會上結束。林漳先生、曹學軍先生、王燕輝先生、陳健昌先生及張曉寶先生合資格於會上膺選連任。

董事服務合約

林漳先生之任期由二零零七年十一月十二日起為期一年，並可由任何一方向對方發出不少於三個月之事先書面通知而終止。彼須根據本公司之組織章程細則於本公司之應屆股東大會上輪值告退及膺選連任。

鄧偉先生與本公司於二零零八年一月十六日簽訂服務協議，任期為期一年，並可由任何一方向對方發出不少於三個月之事先書面通知而終止。根據本公司之組織章程細則第108條，鄧先生乃獲選為董事會主席，故毋須於應屆股東週年大會上退任。

Mr. Cao Xuejun was engaged as a consultant of Polyard Petroleum International Co., Ltd., a subsidiary of the Company, for an initial term of one year commencing from 21 May 2007.

Saved as disclosed above, none of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Biographical details of directors and senior management

Biographical details of directors of the Company and senior management of the Group are set out on pages 18 to 21 of the annual report.

Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations

As at 31 December 2007, the interests and short positions of Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), which were required to be notified to the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 and 5.67 of the GEM Listing Rules relating to the securities transactions by Directors, were as follows:

Name of Director 董事姓名	Capacity 身份	Number of shares held 所持股份數目 (Note 1) (附註1)	Approximate percentage of interests 概約權益百分比
Chim Kim Kiu, Jacky (Note 2) 詹劍嶠 (附註2)	Interest of controlled corporation 受控制公司之權益	1,333,350,000 (L)	24.66

曹學軍先生於本公司之附屬公司百田石油國際有限公司出任顧問，任期由二零零七年五月二十一日起初步為期一年。

除上文所披露者外，所有擬於應屆股東週年大會上膺選連任之董事概無與本公司或其任何附屬公司有未屆期滿之服務合約而該合約不能於一年內被本集團終止而無需給予法定賠償以外之賠償。

董事及高級管理人員簡介

本公司董事及本集團高級管理人員簡介載於年報第18頁至21頁。

董事及最高行政人員於本公司或任何相聯法團之股份、相關股份及債券中之權益及／或淡倉

於二零零七年十二月三十一日，董事及最高行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」))之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會聯交所之權益及淡倉，或根據證券及期貨條例第XV部第352條須記載於該條所述之登記冊內之權益及淡倉，或根據創業板上市規則第5.46至第5.67條有關董事進行證券交易之規定須知會本公司及聯交所之權益及淡倉如下：

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Notes:

1. The letter "L" represents the interests in Shares or underlying Shares of the Directors or chief executive.
2. Mr. Chim Kim Kiu, Jacky resigned as the Chairman and an Executive Director of the Company since 10 December 2007.

附註：

1. 「L」字母指董事或最高行政人員之股份或相關股份權益。
2. 詹劍嶠先生於二零零七年十二月十日辭任本公司主席及執行董事。

Substantial Shareholders' Interests and/or Short Positions in the Shares, Underlying Shares of the Company

主要股東於本公司股份及相關股份之權益及／或淡倉

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2007, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

本公司須根據證券及期貨條例第XV部第336條存置之主要股東登記冊顯示，於二零零七年十二月三十一日，本公司已獲知會以下主要股東之權益及淡倉（即本公司已發行股本之5%或以上）。該等權益與上文披露有關董事及最高行政人員之權益一併載列。

Name of person 人士名稱	Number of shares held 所持股份數目 (Note 1) (附註1)	Capacity 身份	Approximate percentage of interest 概約權益百分比
Mr. Chim Kim Kiu, Jacky 詹劍嶠先生	1,333,350,000 (L) (Note 2) (附註2)	Interest of a controlled corporation 受控制公司之權益	24.66%
Siko Venture Limited (Note 2) (附註2)	1,333,350,000 (L)	Beneficial owner 實益擁有人	24.66%
Lam Nam 林南	1,333,000,000 (L) (Note 3) (附註3)	Interest of a controlled corporation 受控制公司之權益	24.65%
	642,679,607 (L) (Note 4) (附註4)	Beneficial owner 實益擁有人	11.88%
Silver Star Enterprises Holdings Inc. (Note 3) (附註3)	1,333,000,000 (L)	Beneficial owner 實益擁有人	24.65%
Inwood Support Limited (Note 5) (附註5)	500,700,000 (L) (Note 6) (附註6)	Beneficial owner 實益擁有人	9.26%
Wu Bo (Note 5) 吳波 (附註5)	500,700,000 (L)	Interest of a controlled corporation 受控制公司之權益	9.26%
Lin Xuefang (Note 7) (附註7)	500,700,000 (L)	Interest of spouse 配偶權益	9.26%

Notes:

1. The letter "L" represents the person's interests in shares or underlying shares.
2. The entire issued share capital of Siko Venture Limited is beneficially owned by Mr. Chim Kim Kiu, Jacky, the ex-chairman and previous director of the Company.
3. The entire issued share capital of Silver Star Enterprises Holdings Inc. is beneficially owned by Mr. Lam Nam.
4. These shares may be allotted and issued upon exercise of the conversion rights attaching to the convertible bonds that were created and issued upon completion of the acquisition of a further 30% equity interest in Polyard Petroleum International Co., Ltd. by the Company.
5. Inwood Support Limited is wholly owned by Wu Bo.
6. These shares represent the shares to be allotted and issued upon exercise in full of the subscription rights attaching to the warrants held by Inwood Support Limited.
7. Lin Xuefang is the spouse of Wu Bo.

Save as disclosed above, as at 31 December 2007, the directors are not aware of any other person or corporation having an interest or short position in the shares and/or underlying shares of the Company representing 5% or more of the Company's issued share capital.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

附註：

1. 「L」字母指該人士於股份或相關股份之權益。
2. Siko Venture Limited之全部已發行股本由本公司前主席兼前董事詹劍嶠先生實益擁有。
3. Silver Star Enterprises Holdings Inc.之全部已發行股本由林南先生實益擁有。
4. 該等股份因行使於本公司進一步收購百田石油國際有限公司30%股權完成後增設及發行之可換股債券附帶之兌換權而可予配發及發行。
5. Inwood Support Limited由吳波全資擁有。
6. 該等股份指因全面行使由Inwood Support Limited持有之認股權證附帶之認購權而將予配發及發行之股份。
7. Lin Xuefang為吳波之配偶。

除上文所披露者外，於二零零七年十二月三十一日，就董事所知，概無任何其他人士或公司於本公司之股份及／或相關股份中擁有佔本公司已發行股本5%或以上之權益或淡倉。

管理合約

年內並無就本公司全部或任何重大部分業務之管理及行政事務而訂立或現有之合約。

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Major Customers and Suppliers

During the year, approximately 33% and 19% of the Group's total purchases of materials were attributable to the five largest suppliers and the largest supplier respectively.

During the year, approximately 43% and 14% of the Group's total sales were attributable to the five largest customers and the largest customer respectively.

Mr. Chim Kim Kiu, Jacky, a previous director and a substantial shareholder of the Company, became the beneficial owner of the Group's largest supplier, Yunnan Changning Kanstar Paper Co., Ltd ("Yunnan Changning") since the disposal of Yunnan Changning by the Group in October 2007.

Save as disclosed above, none of the directors, their respective associates or any shareholders of the Company (which to the knowledge of the directors owns more than 5% of the issued share capital of the Company) had any interests in the Group's five largest suppliers or customers.

主要客戶及供應商

於年內，本集團之五大供應商及最大供應商分別約佔本集團之總採購額之33%及19%。

於年內，本集團之五大客戶及最大客戶分別約佔本集團之總銷售額之43%及14%。

本集團於二零零七年十月出售本集團之最大供應商雲南昌寧建星紙業有限公司（「雲南昌寧」）後，詹劍嶠先生（本公司之前任董事兼主要股東）成為雲南昌寧之實益擁有人。

除上文所披露者外，根據董事所知，各董事、彼等各自之聯繫人士及任何擁有本公司已發行股本5%以上之股東概無於本集團之五大供應商或五大客戶中擁有任何權益。

Connected Transactions

Certain related party transactions as disclosed in note 33 to the financial statements also constituted connected transactions under the GEM Listing Rules, required to be disclosed in accordance with Chapter 20 of the GEM Listing Rules. The following transactions between certain connected parties (as defined in the GEM Listing Rules) and the Company have been entered into and/or are ongoing for which relevant announcements, if necessary, have been made by the Company in accordance with the requirements of the GEM Listing Rules.

(1) Very Substantial Acquisition and Connected Transaction

On 10 October 2007, the Group acquired further 30% of the share capital of Polyard Petroleum International Co., Ltd. ("Polyard Macau") from Mr. Lam Nam ("Mr. Lam"), a substantial shareholder of the Company, at a consideration of HK\$468,232,231. The consideration was settled through the issue of 533,000,000 ordinary share of the Company at HK\$0.36 each and the issue of HK\$276,352,231 convertible bonds with a conversion price of HK\$0.43 per conversion share to Mr. Lam. Upon the completion of the acquisition, Polyard Macau become a 50%-owned subsidiary of the Company.

(2) Very Substantial Disposal and Connected Transaction

On 10 October 2007, the Group disposed the entire registered capital of Yunnan Changning Kanstar Paper Co., Ltd. ("Yunnan Changning"), a wholly-owned subsidiary of the Company and a wholly-foreign owned enterprise established in the PRC together with HK\$39 million interest-free shareholder's loan due from Yunnan Changning to Kanstar Hong Kong Limited (an indirect wholly-owned subsidiary of the Company) to Sure Carl Investment Limited, which is wholly-owned by Mr. Chim Kim Kiu, Jacky, who resigned as the chairman and a director of the Company on 10 December 2007. The consideration consisted of HK\$26 million in cash and the repayment for the group in the sum of HK\$15.6 million being principal amount due and payable by the Group under the banking facilities as at the date of completion of the Disposal Agreement.

關連交易

根據創業板上市規則，於財務報表附註33所披露之若干關連人士交易亦構成須按創業板上市規則第20章披露之關連交易。本公司已根據創業板上市規則之規定就下列若干關連人士(定義見創業板上市規則)與本公司已進行及/或正進行之交易作出相關公佈(如有需要)。

(1) 非常重大收購及關連交易

於二零零七年十月十日，本集團進一步向本公司主要股東林南先生(「林先生」)收購百田石油國際有限公司(「百田澳門」)30%股本，代價為港幣468,232,231元。代價乃以按每股港幣0.36元而發行533,000,000股本公司普通股，以及按每股兌換股份港幣0.43元之兌換價向林先生發行港幣276,352,231元之可換股債券支付。收購完成後，百田澳門成為本公司擁有50%之附屬公司。

(2) 非常重大出售及關連交易

於二零零七年十月十日，本集團向兆嘉投資有限公司(由詹劍嶠先生全資擁有，彼於二零零七年十二月十日辭任本公司主席及董事)出售雲南昌寧建星紙業有限公司(「雲南昌寧」)，本公司之全資附屬公司及為一間於中國成立之全外資企業)之全部註冊資本及雲南昌寧結欠建星香港有限公司(本公司之間接全資附屬公司)之免息股東貸款港幣39,000,000元。代價包括現金港幣26,000,000元及代本集團償還根據銀行融資於出售協議完成日期所結欠及應付之本金額港幣15,600,000元之款項。

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(3) Continuing Connected Transaction

On 26 January 2007, Yunnan Changning as supplier and Yunnan Kanstar High Tech Products Development Company Limited, an indirect wholly-owned subsidiary of the Company as customer entered into a Supply Agreement to ensure consistent supply of pulp and paper products to the Group after the disposal of Yunnan Changning for a period from the date of completion of the Disposal Agreement up to 31 December 2009. The price is to be determined on an annual basis with reference to the prevailing market price of the products concerned.

The directors of the Company, including the independent non-executive directors, considered that all of the above transactions were in the ordinary and usual course of business of the Group, on normal commercial terms and fair and reasonable so far as the Company and its shareholders are concerned. Patrick Ng & Company, the auditors of the Company, had reviewed the transactions and reported that:

- (a) the transactions have been approved by the Board of Directors;
- (b) the pricing of the transactions are in accordance with the pricing policies of the Company;
- (c) the transactions have been entered into in accordance with the relevant agreements governing the transactions; and
- (d) the amounts of the transactions have not exceeded the relevant caps.

(3) 持續關連交易

於二零零七年一月二十六日，雲南昌寧（作為供應商）與本公司之間接全資附屬公司雲南建星新技術產品開發有限公司（作為客戶）訂立供應協議，以確保於出售雲南昌寧後，自出售協議完成日期至二零零九年十二月三十一日止期間向本集團繼續供應漿板及紙品。價格將參考有關產品之現行市價每年釐定。

本公司之董事（包括獨立非執行董事）認為，上述全部交易乃於本集團之一般及日常業務過程中按一般商業條款進行，且就本公司及其股東而言屬公平合理。本公司之核數師吳永鏗會計師行已審閱交易，並報告：

- (a) 交易已由董事會批准；
- (b) 交易乃按本公司之定價政策作出定價；
- (c) 交易已按規管交易之相關協議進行；及
- (d) 交易金額並無超過有關上限。

Sufficiency of Public Float

Based on the information that is publicly available to and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares at the latest practicable date prior to the issue of this report.

Competing Business

Mr. Chim Kim Kiu, Jacky, the ex-chairman and a previous director of the Company (resigned on 10 December 2007), is a director of Riches Good Limited ("Riches Good"), the entire issued share capital of which is held by Mr. Chim Kim Kiu, Jacky. In October 2004, Riches Good purchased the assets and production machines from a bankrupted paper manufacturing plant. As the products produced by Riches Good are different from those of the Group, the Directors consider the impact of such similar business on the Group is minimal.

Save as disclosed above, none of the directors, the management shareholders or substantial shareholders of the Company (as defined in the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group.

Auditors

The financial statements for the year have been audited by Messrs. Patrick Ng & Company. Messrs. Patrick Ng & Company retire and offer themselves for re-appointment in name of NCN CPA Limited, which was incorporated to carry on the office of Messrs. Patrick Ng & Company, as auditors.

On behalf of the Board

Kuai Wei

Chairman

Hong Kong, 5 March 2008

足夠公眾持股量

根據公眾所得資料及就董事所知，已確定於本報告刊發前之最後實際可行日期有足夠公眾持股量，其最少佔本公司已發行股份之25%。

競爭業務

本公司前任主席兼前董事詹劍嶠先生(於二零零七年十二月十日辭任)為庫悅有限公司(「庫悅」)之董事，詹劍嶠先生持有庫悅全部已發行股本。於二零零四年十月，庫悅收購一已破產之造紙廠之資產及生產機器。由於庫悅所生產之產品與本集團不同，董事認為該類似業務對本集團影響輕微。

除上文所披露者外，本公司各董事、管理層股東或主要股東(定義見創業板上市規則)概無擁有任何業務權益，對本集團業務構成競爭或可能與本集團業務競爭。

核數師

本年度之財務報表已由吳永鏗會計師行審核。吳永鏗會計師行將退任，並以NCN CPA Limited名義膺選連任為核數師，NCN CPA Limited註冊成立之目的乃辦理吳永鏗會計師行之核數師業務。

代表董事會

鄺偉

主席

香港，二零零八年三月五日

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TO THE SHAREHOLDERS OF
POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED

(formerly known as "Kanstar Environmental Paper Products Holdings Limited")

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Polyard Petroleum International Group Limited (formerly known as "Kanstar Environmental Paper Products Holdings Limited") set out on pages 38 to 132, which comprise the consolidated and company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

致百田石油國際集團有限公司全體股東
(前稱「建星環保紙品控股有限公司」)
(於開曼群島註冊成立之有限公司)

本核數師行已審核百田石油國際集團有限公司(前稱「建星環保紙品控股有限公司」)載於第38頁至第132頁之綜合財務報表，當中包括於二零零七年十二月三十一日之綜合及公司資產負債表、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附註解釋。

董事就財務報表須承擔之責任

貴公司董事須負責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》披露規定，編製及真實而公平地列報該等財務報表。該責任包括設計、實施及維護與編製及真實而公平地列報財務報表有關之內部監控，以確保並無重大錯誤陳述(不論是否因欺詐或錯誤引起)；選擇並應用適當之會計政策；及在不同情況下作出合理之會計估算。

核數師之責任

本行之責任是根據本行審核工作之結果，對該等財務報表表達意見。本報告乃僅向全體股東出具，及不作其他用途。本行概不就本報告之內容向任何其他人士負上任何責任或承擔法律責任。

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

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 judgment, 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.

除保留意見之基準等段所述者外，本行是按照香港會計師公會所頒佈之香港核數準則進行審核工作。該等準則規定本行須遵守道德規定以及計劃及進行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核包括進程序以取得與財務報表所載金額及披露事項有關之審核憑證。選取之該等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（不論是是否因欺詐或錯誤引起）之風險。在作出該等風險評估時，核數師考慮與公司編製及真實而公平地呈列財務報表有關之內部監控，以設計在不同情況下屬適當之審核程序，但並非為對公司之內部監控之有效性表達意見。審核亦包括評價董事所採用之會計政策之合適性及所作之會計估算之合理性，以及評價財務報表之整體呈列方式。

本行相信，本行已取得充分恰當之審核憑證，為本行之審核意見提供基礎。

36 Independent Auditors' Report 獨立核數師報告

Basis for Qualified Opinion

The Group's share of results of associates as stated in the consolidated income statement was determined for the period from 1 January 2007 to 10 October 2007, being the date when the associates became subsidiaries of the Company. The figure included the share of results of a jointly controlled entity of the associates in respect of the operation of an oil project in Brunei (the "Oil Project") up to 23 May 2007, being the date immediately before the operations of the Oil Project were suspended and the operatorship of the Oil Project was taken over by the holder of the mineral rights pending the process of a restructuring exercise as detailed in note 36. The holder of the mineral rights did not provide any financial reports for accounting periods subsequent to 23 May 2007. Accordingly, there were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the Group's share of results of associates for the period from 1 January 2007 to 10 October 2007 amounted to a loss of HK\$2.2 million was properly stated and free from material misstatements.

Interests in the jointly controlled entity were initially recognised on 10 October 2007. As the operations of the Oil Project have been suspended and no financial reports were provided by the holder of the mineral rights who took over the operatorship of the Oil Project, there were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the Group's interests in jointly controlled entity as at 31 December 2007 amounted to HK\$3,143.8 million were free from material misstatements.

保留意見之基準

誠如綜合收益表所述，貴集團於二零零七年一月一日至二零零七年十月十日（即聯營公司成為本公司附屬公司之日期）期間所釐定之應佔聯營公司之業績，包括就於汶萊營運之石油項目（「石油項目」）直至二零零七年五月二十三日（即緊接暫停營運石油項目及礦產權持有人接管石油項目營運權以待進行重組活動程序（詳情載於附註36）前當日）應佔聯營公司之一間共同控制實體之業績。礦產權持有人並無提供二零零七年五月二十三日後會計期間之任何財務報告。因此，於二零零七年一月一日至二零零七年十月十日期間，概無其他令人滿意之審核程序可予採納，使本行信納貴集團應佔聯營公司業績總計虧損額港幣2,200,000元為恰當陳述且並無重大錯誤陳述。

於共同控制實體之權益於二零零七年十月十日初步確認。由於石油項目之營運已被暫停，而接管石油項目營運權之礦產權持有人並無提供財務報告，故於二零零七年十二月三十一日概無其他令人滿意之審核程序可予採納，使本行信納貴集團於共同控制實體之權益港幣3,143,800,000元並無重大錯誤陳述。

Qualified Opinion Arising from Limitation of Audit Scope

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the Group's share of results of associates and interests in jointly controlled entity, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

In respect alone of the limitation on our work relating to the Group's share of results of associates and interests in jointly controlled entity:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper books of accounts had been kept.

PATRICK NG & COMPANY
Certified Public Accountants

20th Floor, Hong Kong Trade Centre
161-167 Des Voeux Road
Central, Hong Kong
Hong Kong S.A.R., China

5 March 2008

審核範圍限制產生之保留意見

本行認為，除因本行為信納貴集團應佔聯營公司業績及共同控制實體權益而認為必要之該等調整(如有)之影響外，綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零零七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溢利和現金流量，並已按照香港《公司條例》之披露規定而妥善編製。

僅就本行有關貴集團應佔聯營公司業績及共同控制實體權益之工作限制而言：

- 本行並無取得本行認為就本行之審核而言屬必要之所有資料及解釋；及
- 本行未能確定是否已保存妥善賬簿。

吳永鏗會計師行
執業會計師

中國香港特區
香港中環
德輔道中161-167號
香港貿易中心20樓

二零零八年三月五日

38 Consolidated Income Statement 綜合收益表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Notes 附註	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Turnover	營業額	5(a)	50,378	43,295
Cost of sales	銷售成本		(45,791)	(38,321)
Gross profit	毛利		4,587	4,974
Other income	其他收入	5(b)	2,058	818
Gain arising on business combination	業務合併產生之收益	19	487,534	—
Loss on disposal of subsidiary	出售附屬公司之虧損	6	(3,283)	—
Selling and distribution expenses	銷售與分銷開支		(1,018)	(1,807)
Administrative and other operating expenses	行政及其他營運開支		(9,860)	(20,097)
Profit/(loss) from operations	經營溢利／(虧損)		480,018	(16,112)
Finance costs	融資成本	7	(4,983)	(1,032)
Share of results of associates	應佔聯營公司業績		(2,201)	(1,284)
Profit/(loss) before tax	除稅前溢利／(虧損)	8	472,834	(18,428)
Income tax	所得稅	9	281	—
Profit/(loss) for the year	本年度溢利／(虧損)		473,115	(18,428)
Profit/(loss) for the year attributable to:	應佔本年度溢利／(虧損)：			
Equity holders of the company	本公司股權持有人		473,961	(18,428)
Minority interests	少數股東權益		(846)	—
			473,115	(18,428)
Earnings/(loss) per share	每股溢利／(虧損)	11		
— Basic	— 基本		9.56 cents 仙	(0.43 cents 仙)
— Diluted	— 攤薄		9.55 cents 仙	N/A 不適用
Dividend	股息	12	—	—

Consolidated Balance Sheet 綜合資產負債表

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As at 31 December 2007 於二零零七年十二月三十一日

		Notes 附註	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	202	35,111
Prepaid lease payments	預付土地租金	15	—	2,245
Interests in associates	於聯營公司權益	17	—	224,316
Interests in jointly controlled entity	於共同控制實體權益	18	3,143,824	—
			3,144,026	261,672
CURRENT ASSETS	流動資產			
Inventories	存貨	21	—	11,087
Trade and other receivables	應收賬款及其他應收款項	22	9,448	11,520
Cash and bank deposits	現金及銀行存款	23	71,100	3,809
			80,548	26,416
CURRENT LIABILITIES	流動負債			
Bank and other borrowings	銀行及其他借貸	24	(133)	(18,901)
Trade and other payables	應付賬款及其他應付款項	25	(100,147)	(12,672)
Amount due to directors	應付董事款項	26	—	(3,284)
			(100,280)	(34,857)
NET CURRENT LIABILITIES	流動負債淨值		(19,732)	(8,441)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		3,124,294	253,231
NON-CURRENT LIABILITIES	非流動負債			
Convertible bonds	可換股債券	27	(253,211)	—
Deferred tax liabilities	遞延稅項負債	28	(3,479)	—
			(256,690)	—
NET ASSETS	淨資產		2,867,604	253,231
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	29	10,816	9,600
Reserves	儲備	30	840,116	243,631
Equity attributable to shareholders of the Company	本公司股東應佔權益		850,932	253,231
Minority interests	少數股東權益		2,016,672	—
TOTAL EQUITY	總權益		2,867,604	253,231

Approved and authorised for issue by the board of directors on 5 March 2008.

經董事會於二零零八年三月五日核准及授權刊印。

KUAI Wei
Director

LIN Zhang
Director

鄧偉
董事

林漳
董事

40 Balance Sheet 資產負債表

As at 31 December 2007 於二零零七年十二月三十一日

		Notes 附註	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	44	53
Investments in subsidiaries	於附屬公司之投資	16	24,895	24,895
Amount due from subsidiaries	應收附屬公司款項	20	638,844	267,862
			663,783	292,810
CURRENT ASSETS	流動資產			
Trade and other receivables	應收賬款及其他應收款項	22	767	209
Cash and bank deposits	現金及銀行存款	23	53	1,142
			820	1,351
CURRENT LIABILITIES	流動負債			
Bank and other borrowings	銀行及其他借貸	24	(133)	(3,201)
Trade and other payables	應付賬款及其他應付款項	25	(4,296)	(206)
Amount due to director	應付董事款項	26	—	(2,302)
			(4,429)	(5,709)
NET CURRENT LIABILITIES	流動負債淨值		(3,609)	(4,358)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		660,174	288,452
NON-CURRENT LIABILITIES	非流動負債			
Convertible bonds	可換股債券	27	(253,211)	—
Deferred tax liabilities	遞延稅項負債	28	(3,479)	—
			(256,690)	—
NET ASSETS	淨資產		403,484	288,452
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	29	10,816	9,600
Reserves	儲備	30	392,668	278,852
TOTAL EQUITY	總權益		403,484	288,452

Approved and authorised for issue by the board of directors on 5 March 2008.

經董事會於二零零八年三月五日核准及授權刊印。

KUAI Wei
Director

LIN Zhang
Director

劄偉
董事

林漳
董事

Consolidated Statement of Changes in Equity 綜合權益變動表

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Share capital	Share premium	Special reserve	Re-valuation reserve	Exchange reserve	Retained Profits/ (accumulated losses)	Warrant reserve	Convertible bonds reserve	Total	Minority interests	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	保留溢利/ (累計虧損)	認股權證 儲備	可換股債券 儲備	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2006	於二零零六年一月一日	8,000	35,770	985	23,509	160	(13,246)	—	—	55,178	—	55,178
Issue of ordinary shares on acquisition of interests in associates	因收購聯營公司權益而發行普通股	1,600	224,000	—	—	—	—	—	—	225,600	—	225,600
Exchange differences arising from translation of foreign operations	換算對外營運產生之匯兌差額	—	—	—	—	(118)	—	—	—	(118)	—	(118)
Reversal of deferred tax liabilities upon revaluation of plant and equipment	於重估廠房及設備時撥回遞延稅項負債	—	—	—	8,151	—	—	—	—	8,151	—	8,151
Reversal of surplus on revaluation of plant and equipment	於重估廠房及設備時撥回盈餘	—	—	—	(31,660)	—	—	—	—	(31,660)	—	(31,660)
Surplus on revaluation of buildings	於重估樓宇時之盈餘	—	—	—	14,508	—	—	—	—	14,508	—	14,508
Loss for the year	本年度虧損	—	—	—	—	—	(18,428)	—	—	(18,428)	—	(18,428)
At 31 December 2006	於二零零六年十二月三十一日	9,600	259,770	985	14,508	42	(31,674)	—	—	253,231	—	253,231
At 1 January 2007	於二零零七年一月一日	9,600	259,770	985	14,508	42	(31,674)	—	—	253,231	—	253,231
Issue of ordinary shares on exercise of share options	因行使購股權而發行普通股	150	—	—	—	—	—	—	—	150	—	150
Issue of warrants	發行認股權證	—	—	—	—	—	—	4,423	—	4,423	—	4,423
Issue of ordinary shares on acquisition of interests in a subsidiary	因收購一間附屬公司權益而發行普通股	1,066	100,204	—	—	—	—	—	—	101,270	—	101,270
Issue of convertible bonds on acquisition of interests in a subsidiary	因收購一間附屬公司權益而發行可換股債券	—	—	—	—	—	—	—	21,491	21,491	—	21,491
Deferred tax liability on issue of convertible bonds	發行可換股債券之遞延稅項負債	—	—	—	—	—	—	—	(3,761)	(3,761)	—	(3,761)
Release of exchange reserve on disposal of a subsidiary	於出售一間附屬公司時撥回匯兌儲備	—	—	—	—	(144)	—	—	—	(144)	—	(144)
Minority interests arising on acquisition of interests in a subsidiary	收購一間附屬公司權益產生之少數股東權益	—	—	—	—	—	—	—	—	—	2,017,518	2,017,518
Transfer of surplus on revaluation of buildings on disposal	於出售重估樓宇時轉撥盈餘	—	—	—	(14,508)	—	14,508	—	—	—	—	—
Exchange difference arising from translation of foreign operations	換算對外營運產生之匯兌差額	—	—	—	—	311	—	—	—	311	—	311
Profit for the year	本年度溢利	—	—	—	—	—	473,961	—	—	473,961	(846)	473,115
At 31 December 2007	於二零零七年十二月三十一日	10,816	359,974	985	—	209	456,795	4,423	17,730	850,932	2,016,672	2,867,604

Special reserve represents the difference between the paid up capital of the previous holding company of the Group acquired and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation for the listing of the Company's shares on the Growth Enterprise Market in 2002.

特別儲備指被收購本集團以往控股公司之繳足股本與於為準備本公司股份於二零零二年在創業板上市進行集團重組時就收購事項而發行本公司股份面值之差額。

42 Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
	Notes 附註		
OPERATING ACTIVITIES	經營業務		
Profit/(loss) before tax	除稅前溢利／(虧損)	472,834	(18,428)
Adjustments for:	調整：		
Interest income	利息收入	(548)	(5)
Interest expenses	利息支出	4,983	1,032
Gain arising on business combination	業務合併產生之收益	(487,534)	—
Loss on disposal of subsidiary	出售附屬公司之虧損	3,283	—
Impairment loss on trade and other receivables	應收賬款及其他應收款項之減值虧損	—	4,556
Impairment loss on inventories	存貨之減值虧損	—	239
Decrease in revaluation	重估減值	—	10,771
Depreciation	折舊	1,121	1,776
Amortisation for prepaid lease payments	預付土地租金攤銷	37	47
Share of results of associates	應佔聯營公司業績	2,201	1,284
Operating (loss)/profit before movements in working capital	營運資金變動前之經營(虧損)／溢利	(3,623)	1,272
Decrease/(increase) in inventories	存貨減少／(增加)	3,130	(1,714)
Increase in trade and other receivables	應收款項及其他應收賬款增加	(3,963)	(5,560)
(Decrease)/increase in trade and other payables	應付賬款及其他應付款項(減少)／增加	(27,312)	2,402
NET CASH USED IN OPERATING ACTIVITIES	經營業務所耗現金淨額	(31,768)	(3,600)
INVESTING ACTIVITIES	投資活動		
Interest received on bank deposits	已收銀行存款利息	548	5
Purchase of property, plant and equipment	購置物業、廠房及設備	(984)	(1,419)
Acquisition of subsidiary	收購附屬公司	73,070	—
Disposal of subsidiary	出售附屬公司	22,545	—
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	投資活動所得／(所耗) 現金淨額	95,179	(1,414)
FINANCING ACTIVITIES	融資活動		
Proceeds from new bank and other loans	新增銀行及其他貸款之所得款項	3,958	7,901
Proceeds from issue of ordinary shares	發行普通股之所得款項	150	—
Proceeds from issue of warrants	發行認股權證之所得款項	4,423	—
Interests paid	已付利息	(3,372)	(1,032)
Advance (to)/from directors	(給予)／來自董事墊款	(360)	2,646
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所得現金淨額	4,799	9,515

Consolidated Cash Flow Statement 綜合現金流量表

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

			2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
		Notes 附註		
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物 增加淨額		68,210	4,501
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值物		3,809	863
Effect of foreign exchange rate changes	外幣匯率變動之影響		(1,052)	(1,555)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終之現金及現金等值物		70,967	3,809
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物之結餘分析			
Cash and bank deposits	現金及銀行存款	23	71,100	3,809
Bank overdraft	銀行透支	24	(133)	—
			70,967	3,809

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For the year ended 31 December 2007 截至二零零七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 and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

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

The principal activities of the Company and its subsidiaries (the “Group”) are the development, manufacture and sale of pulp and paper products and exploration of oil and natural gas.

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current year, the Group has applied a number of new standard, amendment and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are relevant to its operations and are effective for accounting periods beginning on or after 1 January 2007. The adoption of the new HKFRSs has no significant effect on the Group’s accounting policies and amounts reported for the current and prior accounting periods in these financial statements.

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

1. 一般資料

本公司於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司創業板上市。本公司之註冊辦事處及主要營業地點地址乃披露於年報公司資料一節。

財務報表乃以港幣呈列，本公司之功能貨幣亦為港幣。

本公司及其附屬公司（「本集團」）之主要業務為開發、製造及銷售漿板及紙品，以及勘探石油及天然氣業務。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已應用香港會計師公會（「香港會計師公會」）頒佈之多項新訂準則、修訂本及詮釋（「新香港財務報告準則」），有關準則與本集團業務相關，並於二零零七年一月一日或以後開始之會計期間生效。採納新香港財務報告準則不會對本集團之會計政策及該等財務報表於本會計期間及過往會計期間所報金額產生重大影響。

本集團尚未提早應用下列已頒佈但尚未生效之新訂及經修訂準則或詮釋。董事預計，應用該等新訂及經修訂準則或詮釋將不會對本集團之業績及財務狀況產生重大影響。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

HKAS 1 (Revised)	Presentation of Financial Statements ⁴	香港會計準則第1號（經修訂）	財務報表之呈列 ⁴
HKAS 23 (Revised)	Borrowing Costs ⁴	香港會計準則第23號（經修訂）	借貸成本 ⁴
HKFRS 8	Operating Segments ²	香港財務報告準則第8號	經營分類 ²
HK(IFRIC)-Int 11	HKFRS 2 — Group and Treasury Share Transactions ¹	香港（國際財務報告詮釋委員會）— 詮釋第11號	香港財務報告準則第2號— 集團及庫存股份交易 ¹
HK(IFRIC)-Int 12	Service Concession Arrangements ²	香港（國際財務報告詮釋委員會）— 詮釋第12號	服務經營權安排 ²
HK(IFRIC)-Int 13	Customer Loyalty Programmes ³	香港（國際財務報告詮釋委員會）— 詮釋第13號	客戶忠誠計劃 ³
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ²	香港（國際財務報告詮釋委員會）— 詮釋第14號	香港會計準則第19號— 界定福利資產之限制、最低資金要求及兩者之互動關係 ²

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

² Effective for annual periods beginning on or after 1 January 2008

³ Effective for annual periods beginning on or after 1 July 2008

⁴ Effective for annual periods beginning on or after 1 January 2009

¹ 於二零零七年三月一日或以後開始之年度期間生效

² 於二零零八年一月一日或以後開始之年度期間生效

³ 於二零零八年七月一日或以後開始之年度期間生效

⁴ 於二零零九年一月一日或以後開始之年度期間生效

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies

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

The measurement basis used in the preparation of the financial statements is the historical cost basis except for certain property, plant and equipment, interests in jointly controlled entity and financial instruments, which are measured at revalued amounts or fair values.

A summary of the significant accounting policies adopted by the Group is set out below.

(a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (entities controlled by the Company).

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

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

3. 主要會計政策

財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈一切適用之香港財務報告準則（「香港財務報告準則」，包括一切適用之個別香港財務報告準則、香港會計準則及詮釋）、香港公認會計原則及香港公司條例之披露規定編製。財務報表亦符合香港聯合交易所有限公司證券上市規則之適用披露條文。

除若干物業、廠房及設備、於共同控制實體權益以及財務工具按重估金額或公平值計量之外，編製財務報表所採用之計量基準為歷史成本基準。

下文載列本集團所採納之主要會計政策概要。

(a) 綜合賬目基準

綜合財務報表包括本公司及其附屬公司（本公司控制之實體）之財務報表。

於本年度購入或售出之附屬公司業績自收購生效日期起或截至出售生效日期止（如適用）列入綜合收益表內。

附屬公司之財務報表已作適當調整，以令其會計政策與本集團其他成員公司採用之會計政策一致。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(a) Basis of Consolidation (Continued)

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

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

(b) Business Combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

(a) 綜合賬目基準 (續)

所有集團內交易、結存、收入及開支均於綜合賬目時撇銷。

少數股東權益應佔之綜合附屬公司淨資產於賬目內與本集團之權益分開呈列。少數股東權益所佔淨資產包括原有業務合併日期之權益金額，以及自合併日期起少數股東應佔之權益變動。少數股東應佔虧損超出少數股東應佔附屬公司權益之金額與本集團權益對銷，惟於少數股東具有約束力責任及其有能力作出額外投資以彌補該等虧損則除外。

(b) 業務合併

收購附屬公司使用收購會計法列賬。收購成本乃按本集團為換取被收購公司控制權而於交換日期所給予資產、所產生或所承擔之負債及所發行之股本工具之公平總值，加上業務合併之直接應佔成本計算。被收購公司之可識別資產、負債及或然負債，若符合香港財務報告準則第3號「業務合併」之確認條件，則按收購當日之公平值確認，惟根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」被歸類為持作出售之非流動資產（或出售組別）按公平值減銷售成本確認及計量則除外。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

3. 主要會計政策 (續)

(b) Business Combinations (Continued)

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(c) Goodwill

Goodwill arising on an acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Goodwill arising on an acquisition of an associate or a jointly controlled entity represents the excess of the cost of the acquisition over the Group's share of the relevant associate's or jointly controlled entity's net assets at the date of acquisition.

Capitalised goodwill is presented separately in the consolidated balance sheet and is carried at cost less any accumulated impairment losses.

(b) 業務合併 (續)

收購產生之商譽乃確認為資產並初步按成本(即業務合併之成本超出本集團於已確認可識別資產、負債及或然負債之公平淨值所佔權益之金額)計量。於重新評估後，倘本集團於被收購公司之可識別資產、負債及或然負債之公平淨值所佔權益超出業務合併之成本，則該超出金額立即於損益確認。

被收購公司之少數股東權益初步按少數股東佔已確認資產、負債及或然負債之公平淨值比例計量。

(c) 商譽

收購一間附屬公司所產生之商譽指收購成本超出本集團應佔有關附屬公司於收購當日之可識別資產、負債及或然負債公平值之權益之金額。收購一間聯營公司或共同控制實體所產生之商譽指收購成本超出本集團應佔有關聯營公司或共同控制實體於收購當日之淨資產之金額。

資本化商譽於綜合資產負債表分開呈列，並按成本減去任何累計減值虧損入賬。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

3. 主要會計政策 (續)

(c) Goodwill (Continued)

(c) 商譽 (續)

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

On subsequent disposal of a subsidiary, an associate or a jointly controlled entity, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

就減值測試而言，收購所產生之商譽分配至預期將受惠於收購協同效益之各有關現金產生單位或現金產生單位組別。獲分配商譽之現金產生單位於每年及如有跡象顯示該單位可能已經減值時進行減值測試。就於財政年度因收購而產生之商譽而言，獲分配商譽之現金產生單位於該財政年度結束之前進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值時，減值虧損首先分配作減低該單位獲分配之任何商譽之賬面值，其後根據該單位中各項資產賬面值之比例分配予該單位之其他資產。商譽之任何減值虧損直接於綜合收益表確認。商譽之減值虧損不會於隨後期間撥回。

其後出售一間附屬公司、聯營公司或共同控制實體時，釐定出售損益金額時計入應佔資本化商譽之金額。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(d) Investments in Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

In the Company's balance sheet, investments in subsidiaries are stated at cost less any impairment losses, unless it is classified as held for sale.

(e) Investments in Associates and Jointly Controlled Entities

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group and other parties, where the contractual arrangement establishes that the Group and one or more of the other parties share joint control over the economic activity of the entity.

(d) 於附屬公司之投資

附屬公司乃本公司控制之實體。當本公司有權直接或間接監管某實體之財務及營運政策從而受惠於其業務時，存在控制權。當評估控制權時，計及現時可行使之潛在投票權。

於本公司之資產負債表內，於附屬公司之投資乃按成本減去任何減值虧損列賬，除非有關投資被歸類為持作出售。

(e) 於聯營公司及共同控制實體之投資

聯營公司乃本集團於其中有重大影響力，但不控制或共同控制其管理（包括參與財務及營運決策）之實體。

共同控制實體乃根據本集團與其他方之訂約安排經營之實體，其中該訂約安排規定本集團與一名或多名其他方分享對該實體經濟活動之共同控制權。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(e) Investments in Associates and Jointly Controlled Entities (Continued)

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the associate's or the jointly controlled entity's net assets, unless it is classified as held for sale. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates and jointly controlled entities for the year, including any impairment loss on goodwill relating to the investment in associates and jointly controlled entities recognised for the year.

When the Group's share of losses exceeds its interest in the associate or the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or the jointly controlled entity. For this purpose, the Group's interest in the associate or the jointly controlled entity is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the jointly controlled entity.

3. 主要會計政策 (續)

(e) 於聯營公司及共同控制實體之投資 (續)

於一間聯營公司或共同控制實體之投資於綜合財務報表按權益會計法入賬，初步按成本記賬，隨後則按本集團應佔該聯營公司或共同控制實體之購入後應佔淨資產變動作出調整，除非有關投資歸類為持作出售。綜合收益表包括本年度本集團應佔聯營公司及共同控制實體購入後除稅後之業績，包括任何於本年度就於聯營公司及共同控制實體之投資確認之商譽減值虧損。

除不超出本集團代聯營公司或共同控制實體作出之法定或推定義務或支付之款項外，當本集團應佔聯營公司或共同控制實體之虧損超出本集團於聯營公司或共同控制實體之權益時，本集團之權益將減至零，而其他虧損之確認將予終止。為此，本集團於聯營公司或共同控制實體之權益即按權益會計法計算之投資賬面值，連同實質上構成本集團於聯營公司或共同控制實體之投資淨額之其他長期權益。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(e) Investments in Associates and Jointly Controlled Entities (Continued)

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the associate or jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Company's balance sheet, investments in associates and jointly controlled entities are stated at cost less impairment losses, unless it is classified as held for sale.

(f) Non-current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

3. 主要會計政策 (續)

(e) 於聯營公司及共同控制實體之投資 (續)

本集團與其聯營公司及共同控制實體交易所產生之未變現損益，以本集團於聯營公司或共同控制實體之權益為限對銷，除非有證據顯示未變現虧損屬轉讓資產之減值，則須立即於損益確認。

於本公司之資產負債表內，於聯營公司及共同控制實體之投資乃按成本減去減值虧損列賬，除非有關投資歸類為持作出售。

(f) 持作出售之非流動資產

倘賬面值將主要透過銷售交易而非透過持續使用收回，則非流動資產及出售組別歸類為持作出售。該條件視為僅於極有可能進行銷售時達致，及資產(或出售組別)可於其現狀下立即出售。

歸類為持作出售之非流動資產(及出售組別)乃按資產(出售組別)過往賬面值與公平值減銷售成本之較低者計量。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(g) Revenue Recognition

Income from sale of goods are recognised when goods are delivered and title has passed.

Service income is recognised when services are provided.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding using the effective interest method.

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

(h) Property, Plant and Equipment

Property, plant and equipment are stated at cost or valuation less subsequent depreciation and impairment losses.

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

(g) 收益確認

貨品之銷售收入乃於交付貨品及轉移所有權時確認。

服務收入乃於提供服務時確認。

利息收入乃參考未償還本金並採用實際利率法按時間比例基準累計。

來自投資之股息收入於確立股東收取款項之權利時確認。

(h) 物業、廠房及設備

物業、廠房及設備乃按成本或估值減去隨後折舊及減值虧損列賬。

持有可用於生產或提供貨物或服務，或作為行政用途之樓宇乃根據其重估金額於綜合資產負債表入賬，重估金額乃重估當日之公平值減去任何隨後累計折舊及任何隨後累計減值虧損。重估乃充分定期進行，以使賬面值不會與於結算日用公平值釐定者有重大差異。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

3. 主要會計政策 (續)

(h) Property, Plant and Equipment (Continued)

(h) 物業、廠房及設備 (續)

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

重估樓宇而產生之任何重估增值會撥入物業重估儲備內，除非其撥回同一資產於過往確認為支出之重估減值，在此情況下，此增值按以過往列支之減值為限撥入綜合收益表。資產重估產生之賬面淨值減少，若超出與該資產過往重估有關之物業重估儲備之結存(如有)，則按其超出額列支。對於已重估資產隨後之銷售或報廢，將其應佔重估盈餘轉為保留溢利。

Depreciation is provided to write off the cost or fair value of items of property, plant and equipment, after taking into account of their estimated residual value, if any, using the straight-line method over their estimated useful lives commencing on the date of completion of construction for the intended use, at the following rates:

物業、廠房及設備項目之折舊，按其於完成擬定建築用途之日起估計可使用年期並計及其估計剩餘價值(如有)，以直線法按下列年率撇銷其成本或公平值：

Property	
— buildings situated on leasehold land	Over the shorter of the unexpired term of lease or 30 years
Plant and equipment	3 $\frac{1}{3}$ % to 20% per annum

物業	
— 位於租約土地之樓宇	於租約未屆滿期限或三十年之較短期限內
廠房及設備	每年3 $\frac{1}{3}$ %至20%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

根據融資租約持有之資產乃於其預期可使用年期或相關租期(取較短者)按與自置資產相同之基準折舊。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(h) Property, Plant and Equipment (Continued)

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

(i) Intangible Assets (Other than Goodwill)

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

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

(h) 物業、廠房及設備 (續)

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

(i) 無形資產(除商譽外)

研究活動開支乃於產生期間確認為開支。倘產品或程序在技術及商業上均具可行性，而本集團亦有充裕資源及意向完成發展，有關發展活動之費用則資本化處理。資本化開支包括材料成本、直接工資及按適當比例之間接費用及借貸成本(倘適用)。資本化開發成本按成本減去累計攤銷與任何累計減值虧損列賬。其他開發開支乃於產生期間確認為開支。

本集團所購入其他無形資產於資產負債表按成本減去累計攤銷(倘估計可使用年期確定)及任何累計減值虧損列賬。內部產生之商譽及品牌開支於產生期間確認為開支。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(i) Intangible Assets (Other than Goodwill) (Continued)

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. Period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(j) Leases

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

(i) 無形資產(除商譽外) (續)

有確定可使用年期之無形資產攤銷按資產估計可使用年期以直線法自損益扣除。每年須檢討其期限及攤銷方法。

無形資產不予攤銷，而其可使用年期評估為不確定。每年檢討有關無形資產之可使用年期為不確定之任何結論以釐定事件及情況是否繼續支持該資產之不確定可使用年期評估。倘不繼續支持，則可使用年期評估由不確定變為確定自變化之日起並根據上述有確定年期之無形資產攤銷政策作出前瞻性記賬。

(j) 租約

凡租約條款將有關擁有權之絕大部份風險及回報轉嫁予承租人之租約，均列為融資租約。所有其他租約均列為經營租約。

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3. Significant Accounting Policies (Continued)

3. 主要會計政策 (續)

(j) Leases (Continued)

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

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

Interest in leasehold land is amortised over the lease term on a straight-line basis.

(k) Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Hong Kong dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

(j) 租約 (續)

根據融資租約持有之資產按租約起初之公平值或最低租金現值之較低者確認為本集團資產。出租人之相應負債於資產負債表列作融資租約承擔。租金按比例於融資費用及租約承擔減少之間分配，從而就計算該等負債應付餘額得出固定息率。融資費用直接自損益扣除，惟直接源自合資格資產則除外，在此情況下，根據本集團之一般借貸成本政策資本化。

經營租約之應付租金於有關租期按直線法自損益扣除。作為訂立經營租約優惠已收及應收之利益亦按租期以直線法確認為租金支出減少。

租賃土地權益按直線法於租期內攤銷。

(k) 外幣

各集團實體之個別財務報表均以該實體營運所在主要經濟環境之貨幣(其功能貨幣)列值。就綜合財務報表而言，各實體之業績及財務狀況均以港幣列值，港幣乃本公司之功能貨幣及綜合財務報表之呈列貨幣。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(k) Foreign Currencies (Continued)

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

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

3. 主要會計政策 (續)

(k) 外幣 (續)

編製個別實體之財務報表時，以該實體功能貨幣之外貨幣（外幣）進行之交易乃以交易日期之現行匯率記錄。於各結算日，以外幣列值之貨幣項目以結算日之現行匯率重新換算。以外幣結算且按公平值列賬之非貨幣項目以釐定公平值當日之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額會於產生期間計入損益，惟貨幣項目所產生之匯兌差額構成本公司於海外業務之淨投資則除外，於此情況下，該等匯兌差額確認入綜合財務報表之權益中。重新換算按公平值列賬之非貨幣項目所產生之匯兌差額計入期間損益，惟重新換算非貨幣項目產生之差額有關之盈虧直接於權益確認則除外，於此情況下，匯兌差額亦直接確認入權益。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(k) Foreign Currencies (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Hong Kong dollars using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case, the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are included in the exchange reserve as a separate component of equity. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate prevailing on the balance sheet date. Exchange differences arising are included in the exchange reserve.

(l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which 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 the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(k) 外幣 (續)

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按結算日之現行匯率換算為港幣。收入及開支項目乃按期間平均匯率換算，除非期內匯率出現重大波動，於此情況下，則採用交易當日之匯率。所產生匯兌差額(如有)以獨立權益部份計入匯兌儲備。有關匯兌差額於該項海外業務出售期間在損益確認。

收購海外業務時產生之商譽及所收購可識別資產公平值調整將視為海外業務之資產與負債處理，並按結算日之現行收市匯率換算。所產生之匯兌差額記入匯兌儲備。

(l) 借貸成本

與收購、建造或生產需要長時間方能達致計劃用途或推出銷售之合資格資產直接有關之借貸成本，均資本化為該等資產之部份成本，直至該等資產大致可作擬定用途或銷售為止。特定借貸用以支付合資格資產之經費前作出之暫時投資所賺取投資收益，從合資格資本化之借貸成本中扣除。

一切其他借貸成本均於其產生期間在損益確認。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(m) Employee benefits

(i) Short Term Employee Benefits and Contributions to Defined Contribution Retirement Plans

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

(ii) Share-based Payments

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

(m) 僱員福利

(i) 短期僱員福利及定額供款退休計劃之供款

薪金、年度花紅、有薪年假、定額供款退休計劃之供款及非貨幣福利之成本乃於僱員提供相關服務之年度內計提。倘付款或結算被遞延，而其影響可能屬重大，則該等數額乃按其現值列賬。

(ii) 以股份支付之支出

授予僱員之購股權之公平值乃作為僱員成本予以確認，而相應增加於權益內之資本儲備內入賬。公平值乃於授出日期計及購股權授出之條款及條件後計量。倘僱員須符合歸屬條件後方可無條件享有購股權，則購股權之估計公平總值經計及購股權將歸屬之成數後按歸屬期分攤。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(m) Employee Benefits (Continued)

(ii) Share-based Payments (Continued)

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

(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) 僱員福利 (續)

(ii) 以股份支付之支出 (續)

於歸屬期內，預期歸屬之購股權數目予以檢討。除非原來僱員費用合資格確認為一項資產，而相應調整計入資本儲備，否則於過往年度內確認之累計公平值之任何調整乃計入檢討年度之損益。於歸屬日期，確認為一項開支之金額予以調整，以反映歸屬購股權之實際數目（於資本儲備內作出相應調整），惟倘沒收僅由於未能達到與本公司股份市價有關之歸屬條件則除外。權益數額於資本儲備內確認，直至購股權獲行使（當其轉撥至股份溢價賬時）或購股權屆滿（當其直接撥回保留溢利時）為止。

(iii) 終止福利

終止福利乃當及僅當本集團明確地承諾自身終止僱用或透過實際上不可能撤回之詳細正式計劃而向自願辭職之僱員提供福利時予以確認。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(n) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or 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 can be utilised. Deferred tax 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 and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(n) 稅項

所得稅開支指本期應付稅項及遞延稅項之總和。

本期應付稅項乃按年內應課稅溢利計算。應課稅溢利與收益表中所報純利不同，乃由於前者不包括其他年度之應課稅或可扣稅收入或開支，亦不包括毋須課稅或不能扣稅之項目。本集團之本期稅項負債乃用截至結算日已制定或大致制定之稅率計算。

遞延稅項乃就財務報表內資產及負債賬面值及計算應課稅溢利所用相應稅基之差額而確認，並以資產負債表負債法列賬。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現可運用可扣稅暫時差額對銷應課稅溢利時確認。若因商譽或因在不影響應課稅溢利或會計溢利之交易(業務合併除外)中初步確認其他資產及負債而引致暫時差額，則不會確認遞延稅項資產及負債。

遞延稅項負債乃按於附屬公司及聯營公司之投資以及於合營企業權益所產生應課稅暫時差額予以確認，惟若本集團可控制撥回暫時差額之時間及暫時差額有可能於可見將來不會撥回之情況除外。

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3. Significant Accounting Policies (Continued)

(n) Taxation (Continued)

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

(o) Impairment of Tangible and Intangible Assets Other than Goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets 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 the impairment loss (if any). 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.

3. 主要會計政策 (續)

(n) 稅項 (續)

遞延稅項資產之賬面值於每個結算日作檢討，並於不再可能有足夠應課稅溢利恢復全部或部份資產價值時作調減。

遞延稅項乃按預期於償還負債或變現資產期間應用而於結算日已制定或大致制定之稅率計算。遞延稅項扣除於或計入損益，惟當遞延稅項與直接扣除於或計入權益之項目相關時，遞延稅項亦於權益中處理則除外。

(o) 商譽以外之有形及無形資產減值

於每個結算日，本集團檢討其有形及無形資產之賬面值，以確定該等資產有否任何跡象顯示出現減值虧損。倘任何該跡象存在，則估計資產之可收回金額，以確定減值虧損(如有)之程度。倘無法估計個別資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。

可收回金額乃公平值減銷售成本及使用價值之較高者。於評估使用價值時，估計日後現金流量乃採用稅前貼現率貼現至其現值，貼現率可反映資產獨有之貨幣時間價值及風險於當時之市場評估。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

(o) Impairment of Tangible and Intangible Assets Other than Goodwill (Continued)

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 profit or loss, unless the relevant asset is carried at a revalued amount under other standard, in which case the impairment loss is treated as revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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 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 profit or loss, unless the relevant asset is carried at a revalued amount under other standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

Impairment losses recognised in an interim financial report prepared in compliance with HKAS 34 *Interim Financial Reporting* are not reversed at the end of the financial year to which the interim period relates even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of that financial year.

3. 主要會計政策 (續)

(o) 商譽以外之有形及無形資產減值 (續)

倘資產(或現金產生單位)之可收回金額估計少於其賬面值，則資產(或現金產生單位)之賬面值削減至其可收回金額。除非有關資產乃根據其他準則按重估金額列賬，於此情況下，減值虧損根據該準則作重估減值處理，否則減值虧損即時於損益內確認。

倘減值虧損隨後撥回，資產(或現金產生單位)之賬面值將調高至經修訂之估計可收回金額，但增加之賬面值不超過資產(或現金產生單位)假設於以往年度並無已確認減值虧損之賬面值。除非有關資產乃根據其他準則按重估金額入賬，於此情況下，減值虧損撥回根據該準則作重估增值處理，否則減值虧損撥回會即時於損益內確認。

遵照香港會計準則第34號「中期財務報告」編製之中期財務報告中確認之減值虧損不會於該中期期間之相關財政年度終結時撥回，即使假如減值僅於該財政年度終結時作評估將不會確認虧損或確認較少虧損。

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3. Significant Accounting Policies (Continued) **3. 主要會計政策 (續)****(p) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and the estimated costs to be incurred in marketing, selling and distribution.

(q) Financial Instruments

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

(p) 存貨

存貨乃按成本及可變現淨值之較低者列賬。成本包括直接材料及(如合適)直接勞動成本及使存貨運至其現在工作地點及達致其運作狀況所產生之間接費用。成本乃採用加權平均法計算。可變現淨值乃指估計銷售價格減完成之所有估計成本以及市場推廣、銷售及分銷過程中所產生之估計成本。

(q) 財務工具

當本集團參與訂立有關工具之合約時，財務資產及財務負債於綜合資產負債表確認入賬。財務資產及財務負債首先以公平值計量。初步確認時，收購或發行財務資產及財務負債(以公平值計入損益之財務資產及財務負債除外)直接產生之交易成本將視乎情況加入或扣除自財務資產或財務負債之公平值。收購以公平值計入損益之財務資產或財務負債直接產生之交易成本即時確認入損益。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(q) Financial Instruments (Continued)

(i) Trade and Other Receivables

Trade and other receivables are subsequently measured at amortised cost, using the effective interest method, less any impairment losses for bad and doubtful debts except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less any impairment losses for bad and doubtful debts.

(ii) 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.

Investments which are non-derivatives with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity are classified as held-to-maturity investments and are measured at subsequent reporting dates at amortised cost, using the effective interest method, less any impairment losses recognised to reflect irrecoverable amounts.

Investments held for trading are classified as investments at fair value through profit and loss and are measured at subsequent reporting dates at fair value with changes in fair value recognised in profit or loss in the period in which they arise.

(q) 財務工具 (續)

(i) 應收賬款及其他應收款項

應收賬款及其他應收款項隨後採用實際利率法按攤銷成本減去任何呆壞賬之減值虧損計量，惟應收款項為授予關連方且無固定償還期限之免息貸款或貼現影響並不重大之情況除外。在此等情況下，應收款項以成本減去任何呆壞賬之減值虧損列賬。

(ii) 投資

倘投資買賣根據合約條款須於有關市場規定之限期內交收，則投資於交易日確認及取消確認。

付款數額固定或可釐定，訂有固定到期日，及本集團管理層有積極意向及能力持有至到期日之投資歸類為持有至到期日之投資，於隨後報告日期採用實際利率法按攤銷成本減去任何減值虧損計量，以反映不可收回金額。

持作買賣之投資歸類為以公平值計入損益之投資，並於隨後報告日期按公平值計量，公平值變動於產生期間確認入損益。

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3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(q) Financial Instruments (Continued)

(ii) Investments (Continued)

Investments which are non-derivatives and classified neither as held-to-maturity investments nor investments at fair value through profit and loss are classified as available-for-sale investments and are measured at subsequent reporting dates at fair value. Changes in fair value are recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Impairment losses are recognised in profit or loss. For available-for-sale equity investments, impairment losses will not be reversed in profit and loss in subsequent periods.

(iii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(iv) Bank Borrowings

Interest-bearing bank loans and overdrafts are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

(q) 財務工具 (續)

(ii) 投資 (續)

屬非衍生工具之投資，若非歸類為持有至到期日之投資或以公平值計入損益之投資，則歸類為可供出售之投資，並於隨後報告日期按公平值計量。公平值變動直接確認入權益，直至投資被售出或決定減值，此時，過往確認入權益之累計盈虧從權益扣除並確認入損益。減值虧損乃確認入損益。就可供出售之股本投資而言，減值虧損不會於隨後期間撥回損益。

(iii) 現金及現金等值物

現金及現金等值物包括手頭現金、活期存款及其他短期高流通性投資，該等投資可隨時轉換為已知金額現金且價值變動風險極低。

(iv) 銀行借貸

計息銀行貸款及透支隨後採用實際利率法按攤銷成本計量。根據本集團之借貸成本會計政策，所得款項(扣除交易成本)與結算或贖回借貸之任何差額於借貸期內確認。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(q) Financial Instruments (Continued)

(v) Convertible Bonds

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

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

(q) 財務工具 (續)

(v) 可換股債券

可換股債券由本公司發行，當中包括負債及轉換購股權，各項目於初步確認時於有關項目獨立分類。倘轉換購股權將透過以定額現金或其他財務資產，交換固定數目本公司本身股本工具，則歸類為股本工具。

於初步確認時，負債部份公平值按類似非轉換債務現行市場利率釐定。發行可換股債券所得款項與撥至負債部份公平值間差額，即持有人將貸款票據轉換為權益之轉換購股權，作為獨立權益項目計入可換股債券權益儲備。

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3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(q) Financial Instruments (Continued)

(v) Convertible Bonds (Continued)

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

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

(q) 財務工具 (續)

(v) 可換股債券 (續)

於隨後期間，可換股債券負債部份採用實際利率法按攤銷成本列賬。權益部份為轉換負債部份為本公司普通股之購股權，將繼續於可換股債券權益儲備列賬，直至轉換購股權已行使（於該情況下，可換股債券權益儲備結存將轉撥至股份溢價）。倘購股權於屆滿日期仍然未獲行使，則於可換股債券權益儲備之結存將撥回保留溢利。購股權轉換或屆滿前，概無收益或虧損確認入損益。

與發行可換股債券有關之交易成本，按所得款項分配比例分配至負債及權益部份。有關權益部份之交易成本直接計入權益。有關負債部份之交易成本計入負債部份賬面值，採用實際利率法於可換股債券期間攤銷。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(q) Financial Instruments (Continued)

(vi) Trade and Other Payables

Trade and other payables are 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.

(vii) Equity Instruments

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

Consideration paid to reacquire the Company's own equity instruments are deducted from equity. No gain or loss is recognised in profit or loss.

(r) Financial Guarantees, Provisions and Contingent Liabilities

(i) Financial Guarantees

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

(q) 財務工具 (續)

(vi) 應付賬款及其他應付款項

應付賬款及其他應付款項隨後採用實際利率法以攤銷成本計量，惟於貼現影響不大之情況下以成本列賬則除外。

(vii) 股本工具

本公司發行之股本工具乃按已收取之所得款項減直接發行成本入賬。

為購回本公司本身股本工具已付之代價從權益中扣除。概無收益或虧損確認入損益。

(r) 財務擔保、撥備及或然負債

(i) 財務擔保

財務擔保乃指由簽發人(即擔保人)須於擔保受益人(「持有人」)因指定債務人未能根據債務工具之條款支付到期款項而蒙受損失時，向持有人償付指定款項之合約。

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3. Significant Accounting Policies (Continued)

(r) Financial Guarantees, Provisions and Contingent Liabilities (Continued)

(i) Financial Guarantees (Continued)

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

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 3(r)(iii) if and when (1) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (2) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee, i.e. the amount initially recognised less accumulated amortisation.

3. 主要會計政策 (續)

(r) 財務擔保、撥備及或然負債 (續)

(i) 財務擔保 (續)

當本集團發出財務擔保時，該擔保之公平值(即交易價格，惟公平值能可靠地估計除外)初步確認為應付賬款及其他應付款項內之遞延收入。當就發行有關擔保已收或應收代價時，代價乃根據本集團適用於該資產類別之政策確認。倘並無有關代價屬已收或應收，則於初步確認任何遞延收入時於損益確認即時開支。

初步確認為遞延收入之擔保額會於擔保期內在損益攤銷，作為發出財務擔保之收入。此外，倘(1)擔保持有人有可能省視擔保下之本集團；及(2)本集團之申索款額預期超過現時列於該擔保之應付賬款及其他應付款項(即初步確認之金額，減累計攤銷)，則撥備根據附註3(r)(iii)確認。

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3. Significant Accounting Policies (Continued)

(r) Financial Guarantees, Provisions and Contingent Liabilities (Continued)

(ii) Contingent Liabilities Acquired in Business Combinations

Contingent liabilities acquired as part of a business combination are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 3(r)(iii). Contingent liabilities acquired in a business combination that cannot be reliably fair valued are disclosed in accordance with note 3(r)(iii).

(iii) Other Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event, and 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 expenditure expected to settle the obligation.

3. 主要會計政策 (續)

(r) 財務擔保、撥備及或然負債 (續)

(ii) 於業務合併中收購之或 然負債

作為業務合併一部分，收購之或然負債初步以公平值確認，惟公平值需能夠可靠地計量。於其以公平值初步確認後，該等或然負債以初步確認金額減適用之累計攤銷，以及根據附註3(r)(iii)釐定金額之較高者確認。於業務合併中收購之或然負債若未能可靠地計量公平值，則根據附註3(r)(iii)披露。

(iii) 其他撥備及或然負債

倘本集團因過去事件須承擔現時責任，而且履行該責任很可能需要流出經濟利益且能作出可靠估計，則確認撥備。倘金錢之時間價值重大，撥備會以履行責任預期所需支出之現值列賬。

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3. Significant Accounting Policies (Continued)

3. 主要會計政策 (續)

(r) Financial Guarantees, Provisions and Contingent Liabilities (Continued)

(r) 財務擔保、撥備及或然負債 (續)

(iii) Other Provisions and Contingent Liabilities (Continued)

(iii) 其他撥備及或然負債 (續)

Present obligation is disclosed as a contingent liability where it is not probable that an outflow of economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as a contingent liability unless the probability of outflow of economic benefits is remote.

倘可能毋須流出經濟利益以履行責任，或責任數額未能充分可靠估計，則現有責任須披露為或然負債。因過往事件產生且其存在僅以發生或不發生一項或多項未來事件確定之可能責任，除非經濟利益流出可能性極低，否則亦同時披露為或然負債。

(s) Related Parties

(s) 關連方

A party is considered to be related to the Group if:

一方被視為與本集團有關連，倘：

- (i) The party, directly or indirectly through one or more intermediaries, (1) controls, is controlled by, or is under common control with, the Group; (2) has an interest in the Group that gives it significant influence over the Group; or (3) has joint control over the Group;

- (i) 該方直接或間接透過一間或多間中介公司，(1) 控制本集團、受本集團控制或與本集團受共同控制；(2) 於本集團擁有權益，因而對本集團有重大影響；或(3) 共同控制本集團；

- (ii) The party is an associate;

- (ii) 該方為聯營公司；

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. Significant Accounting Policies (Continued) 3. 主要會計政策 (續)

(s) Related Parties (Continued)

- (iii) The party is a jointly controlled entity;
- (iv) The party is a member of the key management personnel of the Group 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 which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

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

(t) Segment Reporting

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

(s) 關連方 (續)

- (iii) 該方為共同控制實體；
- (iv) 該方為本集團或其母公司主要管理人員之成員；
- (v) 該方為(i)或(iv)所述任何個人之近親；
- (vi) 該方為受(iv)或(v)所述任何個人直接或間接控制、共同控制或重大影響之實體，或上述個人直接或間接擁有其重大投票權之實體；或
- (vii) 該方為以本集團或任何屬本集團關連方之實體之僱員為受益人之僱用後福利計劃。

個人之近親預期在與該實體交易中影響個人或受個人影響。

(t) 分部報告

分部指本集團內從事供應產品或提供服務(業務分部)，或於特定經濟環境內供應產品或提供服務(地區分部)之可分辨部份，而各分部所受風險及所獲回報並不相同。

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3. Significant Accounting Policies (Continued)

3. 主要會計政策 (續)

(t) Segment Reporting (Continued)

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

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

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

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

(t) 分部報告 (續)

根據本集團之內部財務報告制度，本集團已選定將業務分部資料作為此等財務報表之主要報告形式，並將地區分部資料作為次要報告形式。

分部收益、支出、業績、資產及負債包括能直接歸屬於某一分部以及能按合理標準分配至該分部之項目。例如，分部資產可包括存貨、應收賬款及物業、廠房及設備。分部收益、支出、資產及負債均於綜合賬目須予抵銷之集團內結存及集團內交易之前釐定，除非該等集團內結存及交易乃於集團實體中之單一分部。分部間之定價乃基於其他外方可用之類似條款。

分部資本支出乃期內為購買預期將用於多個期間之有形及無形分部資產而產生之總成本。

未分配項目主要包括財務及企業資產、計息貸款、借貸、稅項結餘、企業及融資支出。

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4. Critical Accounting Judgments and Estimates

4. 重大會計判斷及估計

(a) Judgments

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations as discussed below, which have the most significant effect on the amounts recognised in the financial statements.

(i) Impairment of Assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgment in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may effect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

(a) 判斷

於應用本集團會計政策之過程中，除下文討論涉及估計之判斷外，管理層已作出下列判斷，而該等判斷對財務報表內所確認之金額構成之影響最為重大。

(i) 資產減值

於釐定資產是否已減值或過往導致減值之事件是否不再存在時，本集團需就資產減值行使判斷，尤其是評估：(1)是否發生可能影響資產價值之事件或該影響資產價值之事件是否不存在；(2)資產之賬面值能否以未來現金流量之淨現值作支持，而該淨現值乃根據持續使用資產或取消確認而作出估計；及(3)於編製現金流量預測時將採用之適當主要假設，包括該等現金流量預測是否採用適當比率貼現。管理層選擇以釐定減值程度之假設(包括用於現金流量預測之貼現率或增長率假設)之變動可能對減值測試所採用之淨現值產生重大影響。

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4. Critical Accounting Judgments and Estimates (Continued)

4. 重大會計判斷及估計 (續)

(a) Judgments (Continued)

(a) 判斷 (續)

(ii) Income Taxes

(ii) 所得稅

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

遞延稅項乃採用負債法於結算日就財務報告所用資產與負債之課稅基礎與其賬面值之所有暫時差額作出撥備。

Deferred tax assets are recognised for unused tax losses carried forward to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised, based on all available evidence. Recognition primarily involves judgement regarding the future performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amount of deferred tax assets and related financial models and budgets are reviewed at each balance sheet date and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilisation periods to allow utilisation of the carry forward tax losses, the asset balance will be reduced and charged to the income statement.

遞延稅項資產就結轉之未動用稅務虧損而予以確認，惟以根據所有可獲取之憑證顯示可能有未來應課稅溢利可以未動用稅務虧損予以抵銷為限。確認主要涉及之判斷乃有關確認遞延稅項資產之特定法律實體或稅務團體之未來表現。於考慮是否有可信服之憑證顯示可能有部份或全部遞延稅項資產最終將獲變現時，將會評估多項其他因素，如存在應課稅暫時差額、稅務規劃策略及可動用估計稅務虧損之期間。本集團會於各結算日檢討遞延稅項資產之賬面值及有關財務模型與預算，而倘有充分可信服之憑證顯示於動用期內將有足夠應課稅溢利以容許動用結轉之稅務虧損，則資產結存將會減少，並自收益表扣除。

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4. Critical Accounting Judgments and Estimates (Continued)

4. 重大會計判斷及估計 (續)

(b) 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 the Group's assets and liabilities within the next financial year are discussed below.

(i) Impairment Test of Assets

The Group determines whether an asset is impaired at least on an annual basis or where an indication of impairment exists. This requires an estimation of the value in use of the asset. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(ii) Income Taxes

The Group reviews the carrying amount of deferred tax assets at each balance sheet date and reduces the amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. This requires an estimation of the future taxable profits. Estimating the future taxable profits requires the Group to make an estimate of the expected future earnings from the Group and also to choose a suitable discount rate in order to calculate the present value of the earnings.

(b) 估計之不明朗因素

於結算日有關未來估計及其他主要估計來源之不明朗因素之主要假設於下文論述，該等假設涉及須對本集團於下個財政年度之資產及負債賬面值作出重大調整之重大風險。

(i) 資產減值測試

本集團最少每年或於出現減值跡象時釐定資產是否經已減值。此舉需要對資產之使用價值作出估計，而估計使用價值需要本集團對預期資產所產生之未來現金流量作出估計，並選用適當之貼現率以計算該等現金流量之現值。

(ii) 所得稅

本集團於各結算日檢討遞延稅項資產之賬面值，並以不再可能有足夠應課稅溢利以容許動用全部或部份遞延稅項資產為限將金額減少。此舉需對未來應課稅溢利作出估計，而估計未來應課稅溢利需要本集團對預期本集團所產生之未來盈利作出估計，並選用適當之貼現率以計算盈利之現值。

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4. Critical Accounting Judgments and Estimates (Continued)

(b) Estimation Uncertainty (Continued)

(iii) Depreciation of Property, Plant and Equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account of their estimated residual value. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual value and the useful life of the property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year when the estimate is changed and the future period.

5. Revenue

- (a) An analysis of the Group's turnover for the year is as follows:

	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Sales of pulp and paper products 銷售漿板及紙品	50,378	43,295

- (b) An analysis of the Group's other income for the year is as follows:

	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Bank interest income 銀行利息收入	548	5
Net foreign exchange gain 匯兌收益淨額	1,315	569
Sundry income 雜項收入	195	244
	2,058	818

4. 重大會計判斷及估計 (續)

(b) 估計之不明朗因素 (續)

(iii) 物業、廠房及設備折舊

物業、廠房及設備經考慮其估計剩餘價值後採用直線法於其估計可使用年期內折舊。釐定可使用年期及剩餘價值涉及管理層之估計。本集團每年評估物業、廠房及設備之剩餘價值及可使用年期，而倘所作出之預期與原先之估計有所不同，則該差額可能對估計出現變動之年度及未來期間之折舊構成影響。

5. 收益

- (a) 本集團於本年度之營業額分析如下：

	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Sales of pulp and paper products 銷售漿板及紙品	50,378	43,295

- (b) 本集團於本年度之其他收入分析如下：

	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Bank interest income 銀行利息收入	548	5
Net foreign exchange gain 匯兌收益淨額	1,315	569
Sundry income 雜項收入	195	244
	2,058	818

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6. Disposal of Subsidiary

The Group disposed of a wholly-owned subsidiary, Yunnan Changning Kanstar Paper Company Limited, during the year. An analysis of the financial effects arising on the disposal is as follows:

6. 出售附屬公司

年內，本集團出售一間全資附屬公司雲南昌寧建星紙業有限公司。出售所產生之財務影響分析如下：

		2007 二零零七年 HK\$'000 港幣千元
Net assets disposed of:	所出售之淨資產：	
Property, plant and equipment	物業、廠房及設備	36,194
Prepaid lease payments	預付租金	2,290
Inventories	存貨	7,957
Trade and other receivables	應收賬款及其他應收款項	17,410
Cash and bank deposits	現金及銀行存款	3,455
Other short term loans	其他短期貸款	(7,258)
Trade and other payables	應付賬款及其他應付款項	(13,708)
Amount due to directors	應付董事款項	(1,313)
		45,027
Release of exchange reserve	外匯儲備撥回	(144)
		44,883
Total consideration, satisfied by:	總代價，支付方式為：	
Cash	現金	26,000
Settlement of bank loans	償還銀行貸款	15,600
		41,600
Loss on disposal	出售虧損	3,283
Net cash inflow arising on disposal:	出售所產生之現金流入淨額：	
Cash received	已收現金	26,000
Cash and bank deposit disposed of	出售之現金及銀行存款	(3,455)
		22,545

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7. Finance Costs

7. 融資成本

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Interest and charges on bank loans and advances	銀行貸款及墊款利息及費用	1,487	1,023
Effective interest on convertible bonds	可換股債券之實際利息	3,496	—
Interest on other loans and advances	其他貸款及墊款利息	—	9
		4,983	1,032

8. Profit/(loss) Before Tax

8. 除稅前溢利／(虧損)

Profit/(loss) before tax has been arrived at after charging:

除稅前溢利／(虧損)已扣除以下項目：

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Staff costs (including directors' remuneration)	員工成本(包括董事酬金)		
— Salaries and other benefits	— 薪金及其他福利	3,957	3,859
— Retirement scheme contributions	— 退休計劃供款	7	178
		3,964	4,037
Auditors' remuneration	核數師酬金	300	200
Amortisation of lease payments for land	土地租金攤銷	37	47
Depreciation	折舊	1,121	1,776
Revaluation decrease of plant and equipment	廠房及設備重估減值	—	10,771
Impairment loss on trade and other receivables	應收賬款及其他應收款項減值虧損	—	4,556
Impairment loss on inventories	存貨減值虧損	—	239
Carrying amount of inventories sold	售出存貨賬面值	45,791	38,321

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9. Income Tax

9. 所得稅

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Current tax:	本期稅項：		
Hong Kong	香港	—	—
Other jurisdictions	其他司法權區	—	—
Deferred tax	遞延稅項	281	—
Income tax credit for the year	本年度所得稅抵免	281	—

Hong Kong profits tax is calculated at 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

香港利得稅乃按本年度估計應課稅溢利之 17.5% (二零零六年：17.5%) 計算。其他司法權區之稅項按相關司法權區之通行稅率計算。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

9. Income Tax (Continued)

9. 所得稅 (續)

The total charge/(credit) for the year can be reconciled to the accounting profit/(loss) as follows:

本年度總支出／(抵免)可與會計溢利／(虧損)對賬如下：

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Profit/(loss) before tax	除稅前溢利／(虧損)	473,115	(18,428)
Notional tax charge/(credit) on profit/(loss) before tax, calculated at the tax rates applicable to profit in the jurisdictions concerned	按有關司法權區溢利適用稅率計算之除稅前溢利／(虧損)之名義稅項支出／(抵免)	83,030	(5,483)
Tax effect on share of results of associates	對應佔聯營公司業績之稅務影響	385	225
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	915	5,231
Tax effect of non-taxable income	無需課稅收入之稅務影響	(85,554)	(13)
Tax effect of losses not deductible	不可扣稅虧損之稅務影響	1,115	510
Tax effect of utilisation of tax losses not previously recognised	動用先前未確認稅項虧損之稅務影響	(172)	(470)
Income tax credit for the year	本年度之所得稅抵免	(281)	—

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

10. Directors' and Employees' Emoluments 10. 董事及僱員薪酬

(i) Directors' Emoluments

The emoluments paid or payable to each of the 12 (2006: 9) directors were as follows:

2007

(i) 董事薪酬

已支付或應支付予十二名(二零零六年：九名)董事之薪酬如下：

二零零七年

	Fees	Salaries and other benefits	Retirement scheme contributions	Total
	袍金	薪金及其他福利	退休計劃供款	總計
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Executive directors:				
CHIM Kim Kiu, Jacky	—	—	—	—
IP Kai Cheung	—	—	—	—
SUN Tak Keung	—	—	—	—
CHENG Kwok Hing, Andy	—	—	—	—
KWOK Ching Chung	—	—	—	—
KUAI Wei	—	—	—	—
LIN Zhang	—	33	—	33
Independent non-executive directors:				
CHAN Chi Hung, Anthony	—	—	—	—
WANG Ai Guo	—	—	—	—
WAN Hon Keung	—	—	—	—
WANG Yanhui	—	—	—	—
CHAN Kin Cheong	—	—	—	—
	—	33	—	33

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

10. Directors' and Employees' Emoluments (Continued) 10. 董事及僱員薪酬 (續)

(i) Directors' Emoluments (Continued)

(i) 董事薪酬 (續)

2006

二零零六年

		Fees	Salaries and other benefits	Retirement scheme contributions	Total
		袍金	薪金及其他福利	退休計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Executive directors:	執行董事：				
CHIM Kim Kiu, Jacky	詹劍嶠	—	—	—	—
LI Gang	李剛	—	145	—	145
IP Kai Cheung	葉啟昌	—	—	—	—
SUN Tak Keung	辛德強	—	—	—	—
CHENG Kwok Hing, Andy	鄭國興	—	—	—	—
KWOK Ching Chung	郭青松	—	—	—	—
Independent non-executive directors:	獨立非執行董事：				
CHAN Chi Hung, Anthony	陳志雄	—	—	—	—
WANG Ai Guo	王愛國	—	—	—	—
WAN Hon Keung	溫漢強	—	—	—	—
		—	145	—	145

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

10. Directors' and Employees' Emoluments (Continued)

10. 董事及僱員薪酬 (續)

(ii) Of the 5 individuals with the highest emoluments in the Group, none (2006: 1) was a director of the Company. The emoluments of the 5 non-director individuals (2006: 4) were as follows:

(ii) 本集團五名最高薪酬人士中並無(二零零六年：一名)本公司董事。五名非董事人士(二零零六年：四名)之薪酬如下：

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他福利	601	278
Retirement scheme contributions	退休計劃供款	8	11
		609	289

The emoluments of those 5 (2006: 4) non-director individuals with the highest emoluments are within the following bands:

該五名(二零零六年：四名)薪酬最高非董事人士之薪酬介乎下列範圍：

		Number of individuals 人數	
		2007 二零零七年	2006 二零零六年
HK\$0 to HK\$1,000,000	港幣0元至港幣1,000,000	5	4

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

11. Earnings/(loss) Per Share

11. 每股溢利／（虧損）

The calculations of the basic and diluted earnings/(loss) per share are based on the following data:

每股基本及攤薄溢利／（虧損）乃根據下列數據計算：

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Earnings/(loss) for purpose of basic earnings/(loss) per share (profit/(loss) for the year attributable to equity holders of the Company)	就每股基本溢利／（虧損）（本年度本公司股權持有人應佔溢利／（虧損））之溢利／（虧損）	473,961	(18,428)
Effect of dilutive potential ordinary shares — interest on convertible bonds (note (a))	攤薄潛在普通股之影響 — 可換股債券利息 (附註(a))	—	—
Earnings/(loss) for the purpose of diluted earnings/(loss) per share	就每股攤薄溢利／（虧損）之溢利／（虧損）	473,961	(18,428)
		'000 千股	'000 千股
Number of ordinary shares:	普通股數目：		
Issued ordinary shares at 1 January	於一月一日之已發行普通股	4,800,000	4,000,000
Effect of ordinary shares issued	發行普通股之影響	160,222	243,288
Weighted average number of ordinary shares at 31 December used in the calculation of basic earnings/(loss) per share	計算每股基本溢利／（虧損）所採用於十二月三十一日之加權平均普通股數目	4,960,222	4,243,288
Effect of dilutive potential ordinary shares — share options	潛在攤薄普通股之影響 — 購股權	497	153,023
— convertible bonds (note (a))	— 可換股債券 (附註(a))	—	—
— warrants (note (b))	— 認股權證 (附註(b))	—	—
Weighted average number of ordinary shares at 31 December used in the calculation of diluted earnings/(loss) per share	計算每股攤薄溢利／（虧損）所採用於十二月三十一日之加權平均普通股數目	4,960,719	4,396,311

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

11. Earnings/(loss) Per Share (Continued)

Notes:

- (a) Effect of dilutive potential ordinary shares on convertible bonds is considered to be nil as the average market price of ordinary shares during the period is below the conversion price of the convertible bonds.
- (b) Effect of dilutive potential ordinary shares on warrants is considered to be nil as the average market price of ordinary shares during the period is below the exercise price of the warrants.
- (c) The diluted loss per share for the year ended 31 December 2006 has not been disclosed as the potential shares arising from the exercise of the Company's share options would decrease the loss per share of the Group for the year 2006, and is regarded as anti-dilutive.

12. Dividend

No dividend has been paid or proposed for the year (2006: Nil).

11. 每股溢利／(虧損) (續)

附註：

- (a) 由於期內普通股之平均市價低於可換股債券之兌換價，故攤薄潛在普通股對可換股債券之影響被視為零。
- (b) 由於期內普通股之平均市價低於認股權證之行使價，故潛在攤薄普通股對認股權證之影響被視為零。
- (c) 由於行使本公司購股權產生之潛在股份將減少本集團於二零零六年度之每股虧損而被視為反攤薄，故並無披露截至二零零六年十二月三十一日止年度之每股攤薄虧損。

12. 股息

本年度並無派付或建議派付任何股息(二零零六年：無)。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

13. Business and Geographical Segments

13. 業務及地區分部

(a) Business Segments

2007

The Group is currently organised into 2 major business divisions — (1) development, manufacture and sale of pulp and paper products, and (2) exploration of oil and natural gas. There are no sales or other transactions between the business segments. These business divisions are the basis on which the Group reports its primary segment information as presented below:

Income Statement

		Development, manufacture and sale of pulp and paper products 研發、 製造及銷售 漿板及紙品 HK\$'000 港幣千元	Exploration of oil and natural gas 勘探石油及 天然氣 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Revenue	收益	50,378	—	50,378
Segment results	分部業績	701	(1,173)	(472)
Unallocated corporate income	未分配企業收入			493,683
Unallocated corporate expenses	未分配企業開支			(13,193)
Finance costs	融資成本			(4,983)
Share of results of associates	應佔聯營公司業績			(2,201)
Income tax	所得稅			281
Profit for the year	本年度溢利			473,115

(a) 業務分部

二零零七年

本集團現時分為兩個主要業務分部 — (1)研發、製造及銷售漿板及紙品，以及(2)勘探石油及天然氣。業務分部間並無銷售或其他交易。此等業務分部乃本集團報告其主要分部資料之基礎，資料呈列如下：

收益表

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

13. Business and Geographical Segments 13. 業務及地區分部 (續) (Continued)

(a) Business Segments (Continued)

2007 (Continued)

Balance Sheet

(a) 業務分部 (續)

二零零七年 (續)

資產負債表

		Development, manufacture and sale of pulp and paper products 研發、 製造及銷售 漿板及紙品 HK\$'000 港幣千元	Exploration of oil and natural gas 勘探石油及 天然氣 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Assets:	資產：			
Segment assets	分部資產	1,594	3,222,110	3,223,704
Unallocated corporate assets	未分配企業資產			870
Total assets	總資產			3,224,574
Liabilities:	負債：			
Segment liabilities	分部負債	1,527	95,755	97,282
Unallocated corporate liabilities	未分配企業負債			259,688
Total liabilities	總負債			356,970

Other Information

其他資料

		Development, manufacture and sale of pulp and paper products 研發、 製造及銷售 漿板及紙品 HK\$'000 港幣千元	Exploration of oil and natural gas 勘探石油及 天然氣 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Capital expenditure	資本開支	957	26	1	984
Depreciation	折舊	1,111	9	1	1,121

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

13. Business and Geographical Segments (Continued) 13. 業務及地區分部 (續)

(a) Business Segments (Continued)

2006

The Group was principally engaged in the development, manufacture and sale of pulp and paper products without division(s) organised for other business.

Income Statement

(a) 業務分部 (續)

二零零六年

本集團過往主要從事開發、製造及銷售漿板及紙品，並無就其他業務組織分部。

收益表

		Development, manufacture and sale of pulp and paper products 研發、 製造及銷售 漿板及紙品 HK\$'000 港幣千元
Revenue	收益	43,295
Segment results	分部業績	(14,221)
Unallocated corporate income	未分配企業收入	576
Unallocated corporate expenses	未分配企業開支	(2,467)
Finance costs	融資成本	(1,032)
Share of results of associates	應佔聯營公司業績	(1,284)
Loss for the year	本年度虧損	(18,428)

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

13. Business and Geographical Segments (Continued) 13. 業務及地區分部 (續)

(a) Business Segments (Continued)

2006 (Continued)

Balance Sheet

(a) 業務分部 (續)

二零零六年 (續)

資產負債表

		Development, manufacture and sale of pulp and paper products 研發、 製造及銷售 漿板及紙品 HK\$'000 港幣千元
Assets:	資產：	
Segment assets	分部資產	60,925
Unallocated corporate assets	未分配企業資產	227,163
Total assets	總資產	288,088
Liabilities:	負債：	
Segment liabilities	分部負債	16,057
Unallocated corporate liabilities	未分配企業負債	18,800
Total liabilities	總負債	34,857

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

13. Business and Geographical Segments (Continued) 13. 業務及地區分部 (續)

(a) Business Segments (Continued)

2006 (Continued)

Other Information

		Development, manufacture and sale of pulp and paper products 研發 製造及銷售 漿板及紙品 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Capital expenditure	資本開支	1,413	6	1,419
Depreciation	折舊	1,684	92	1,776

(a) 業務分部 (續)

二零零六年 (續)

其他資料

(b) Geographical Segments

The Group's 2 major business divisions are operated in 2 principal geographical areas — (1) the People's Republic of China, including Hong Kong and Macau (the "PRC"), and (2) other Asia Pacific countries. These geographical areas are the basis on which the Group reports its secondary segment information as presented below:

2007

		Turnover 營業額 HK\$'000 港幣千元	Segment assets 分部資產 HK\$'000 港幣千元	Capital expenditure 資本開支 HK\$'000 港幣千元
PRC	中國	50,378	80,750	984
Other Asia Pacific countries	其他亞太國家	—	3,143,824	—
		50,378	3,224,574	984

(b) 地區分部

本集團兩個主要業務分部於兩個主要地區經營 — (1) 中華人民共和國 (包括香港及澳門, 「中國」), 以及 (2) 其他亞太國家。此等地區乃本集團報告其次要分部資料之基礎, 資料呈列如下:

二零零七年

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

13. Business and Geographical Segments 13. 業務及地區分部 (續) (Continued)

(b) Geographical Segments (Continued)

2006

		Turnover 營業額 HK\$'000 港幣千元	Segment assets 分部資產 HK\$'000 港幣千元	Capital expenditure 資本開支 HK\$'000 港幣千元
PRC	中國	43,295	288,088	1,419
Other Asia Pacific countries	其他亞太國家	—	—	—
		43,295	288,088	1,419

(b) 地區分部 (續)

二零零六年

14. Property, Plant and Equipment

The Group

		Buildings 樓宇 HK\$'000	Plant and equipment 廠房及設備 HK\$'000	Construction in progress 在建工程 HK\$'000	Total 總計 HK\$'000
Cost or valuation:	成本或估值：				
At 1 January 2006	於二零零六年 一月一日	4,139	63,144	1,668	68,951
Additions	添置	—	665	754	1,419
Transfer	轉調	—	2,489	(2,489)	—
Revaluation adjustments	重估調整	13,695	(50,429)	—	(36,734)
Exchange adjustments	匯兌調整	166	1,242	67	1,475
At 31 December 2006 and 1 January 2007	於二零零六年 十二月三十一日及 二零零七年 一月一日	18,000	17,111	—	35,111
Additions	添置	—	584	400	984
Acquired on business combination	於業務合併時購入	—	166	—	166
Disposals	出售	(18,664)	(18,171)	(400)	(37,235)
Exchange adjustments	匯兌調整	664	655	—	1,319
At 31 December 2007	於二零零七年 十二月三十一日	—	345	—	345

14. 物業、廠房及設備

本集團

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

14. Property, plant and equipment (Continued) 14. 物業、廠房及設備 (續)

The Group (Continued)

本集團 (續)

		Buildings 樓宇 HK\$'000 港幣千元	Plant and equipment 廠房及設備 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Comprising:	包括：				
At 31 December 2006	於二零零六年 十二月三十一日				
— cost	— 成本	—	—	—	—
— valuation 2006	— 二零零六年 估值	18,000	17,111	—	35,111
		18,000	17,111	—	35,111
At 31 December 2007	於二零零七年 十二月三十一日				
— cost	— 成本	—	234	—	234
— valuation 2006	— 二零零六年 估值	—	111	—	111
		—	345	—	345
Depreciation and impairment:	折舊及減值：				
At 1 January 2006	於二零零六年 一月一日	658	6,253	—	6,911
Provided for the year	本年度撥備	125	1,651	—	1,776
Revaluation adjustments	重估調整	(813)	(7,998)	—	(8,811)
Exchange adjustments	匯兌調整	30	94	—	124
At 31 December 2006 and 1 January 2007	於二零零六年 十二月三十一日 及於二零零七年 一月一日	—	—	—	—
Provided for the year	本年度撥備	518	603	—	1,121
Acquired on business combination	於業務合併時購入	—	25	—	25
Written back on disposals	於出售時撥回	(525)	(516)	—	(1,041)
Exchange adjustments	匯兌調整	7	31	—	38
At 31 December 2007	於二零零七年 十二月三十一日	—	143	—	143
Carrying amounts:	賬面值：				
At 31 December 2007	於二零零七年 十二月三十一日	—	202	—	202
At 31 December 2006	於二零零六年 十二月三十一日	18,000	17,111	—	35,111

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

14. Property, Plant and Equipment (Continued) 14. 物業、廠房及設備 (續)

The Group (Continued)

The valuation of property, plant and equipment was determined as follows:

本集團 (續)

物業、廠房及設備之估值釐定如下：

		Buildings 樓宇 HK\$'000 港幣千元	Plant and Equipment 廠房及設備 HK\$'000 港幣千元
As 31 December 2007	於二零零七年十二月三十一日		
Valuation 2006 made by the directors of the Company on a continued existing use basis as at 31 December 2006	於二零零六年十二月三十一日 由本公司董事按持續 現有用途基準作出之 二零零六年估值	—	111
As 31 December 2006	於二零零六年十二月三十一日		
Valuation 2006 made by B.I. Appraisals Limited, a firm of professional valuers, on an open market value for continued existing use basis as at 31 December 2006	於二零零六年十二月 由專業估值師保柏 國際評估有限公司按現 行使用之公開市值基準 作出之二零零六年估值	18,000	17,000
Valuation 2006 made by the directors of the Company on a continued existing use basis as at 31 December 2006	於二零零六年十二月 由本公司董事按現行使用 基準作出之二零零六年估值	—	111
		<u>18,000</u>	<u>17,111</u>

The directors considered the carrying amounts of property, plant and equipment at 31 December 2007 were not significantly different from their fair value at that date.

董事認為，物業、廠房及設備於二零零七年十二月三十一日之賬面值與當日之公平值並無重大差異。

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14. Property, Plant and Equipment (Continued) 14. 物業、廠房及設備 (續)**The Company**

本公司

		Plant and equipment 廠房及設備 HK\$'000 港幣千元
Cost or valuation:	成本或估值：	
At 1 January 2006	於二零零六年一月一日	105
Additions	添置	6
Revaluation adjustment	重估調整	(58)
		<hr/>
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日 及於二零零七年一月一日	53
Additions	添置	14
		<hr/>
At 31 December 2007	於二零零七年十二月三十一日	67
		<hr/>
Comprising:	包括：	
At 31 December 2006	於二零零六年十二月三十一日	
— valuation 2006	— 二零零六年估值	53
		<hr/>
At 31 December 2007	於二零零七年十二月三十一日	
— cost	— 成本	53
— valuation 2006	— 二零零六年估值	14
		<hr/>
		67
		<hr/>
Depreciation and impairment:	折舊及減值：	
At 1 January 2006	於二零零六年一月一日	37
Provided for the year	本年度撥備	21
Revaluation adjustment	重估調整	(58)
		<hr/>
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日 及於二零零七年一月一日	—
Provided for the year	本年度撥備	23
		<hr/>
At 31 December 2007	於二零零七年十二月三十一日	23
		<hr/>
Carrying amount:	賬面值：	
At 31 December 2007	於二零零七年十二月三十一日	44
		<hr/>
At 31 December 2006	於二零零六年十二月三十一日	53
		<hr/>

The valuation 2006 was made by the directors of the Company on a continued existing use basis as at 31 December 2006.

二零零六年估值於二零零六年十二月三十一日由本公司董事按持續現有用途基準進行。

The directors considered the carrying amount of property, plant and equipment at 31 December 2007 was not significantly different from its fair value at that date.

董事認為，物業、廠房及設備於二零零七年十二月三十一日之賬面值與當日之公平值並無重大差異。

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15. Prepaid Lease Payments

Prepaid lease payments comprise:

15. 預付土地租金

預付土地租金包括：

		The Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Land held under medium-term lease outside Hong Kong in the People's Republic of China:	根據中期租約在中華人民共和國香港以外地區持有之土地：		
At beginning of the year (note (a))	於年初 (附註(a))	2,245	2,206
Amortised during the year	年內攤銷	(37)	(47)
Exchange adjustments	匯兌調整	82	86
Disposals	出售	(2,290)	—
At end of the year	於年終	—	2,245

Note:

- (a) In 2006, adjustment was made, in order to comply with the Group's accounting policies to recognise the cost of interest in leasehold land in the year of commencement of lease and the amortisation over the lease term, to restate the amortised cost of prepaid lease payments as at 1 January 2006 to HK\$2,206,000 in respect of the interest in leasehold land in the People's Republic of China acquired by a wholly-owned subsidiary of the Company, Yunnan Changning Kanstar Paper Company Limited, in December 2002 for a term of 30 years at a consideration of RMB2,440,330 but the cost of acquisition had not been recognised and amortised until 2005 when the cost was paid although the lease was operating since December 2002.

附註：

- (a) 於二零零六年，為遵照本集團關於於租約開始年度確認及於租期內攤銷成本之會計政策，本集團作出調整，將二零零六年一月一日之預付土地租金攤銷成本重列為港幣2,206,000元。該金額乃有關本公司之全資附屬公司雲南昌寧建星紙業有限公司於二零零二年十二月按代價人民幣2,440,330元所購入於中華人民共和國為期30年之租賃土地權益。儘管租約自二零零二年十二月起生效，惟收購成本直至二零零五年方獲支付，並隨後予以確認及攤銷。

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16. Investments in Subsidiaries

16. 於附屬公司之投資

		The Company 本公司	
		2007 二零零七年	2006 二零零六年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Unlisted shares, at cost	非上市股份，按成本	24,895	24,895

Details of principal subsidiaries as at 31 December 2007, which materially affected the Group's results or net assets, are set out in note 39.

於二零零七年十二月三十一日，對本集團之業績或淨資產具有重大影響之主要附屬公司之詳情載列於附註39。

17. Interests in Associates

17. 於聯營公司權益

		The Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Share of net assets of associates (note (a))	應佔聯營公司淨資產 (附註(a))	—	382
Goodwill arising on acquisition of associates (note (b))	收購聯營公司產生之商譽 (附註(b))	—	223,934
		—	224,316

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

17. Interests in Associates (Continued)

17. 於聯營公司權益 (續)

Name 名稱	Place of incorporation/ operation 註冊/ 營業地點	Registered Capital 註冊資本	Attributable equity interest of the Group 應佔 本集團股權		Principal activities 主要業務
			2007 二零零七年	2006 二零零六年	
Polyard Petroleum International Company Limited 百田石油國際有限公司	Macau 澳門	MOP10,000,000 10,000,000澳門元	50%(#)	20%	Investment holding 控股投資
Chinaoil USA (Macao) Company Limited 中國聯合石油美國(澳門)有限公司	Macau 澳門	MOP10,000,000 10,000,000澳門元	35%(#)	14%	Exploration of oil and gas 勘探石油及氣體

(#): It became a subsidiary of the Company on 10 October 2007 (note (c))

(#): 於二零零七年十月十日成為本公司之附屬公司(附註(c))

Notes:

附註:

(a) Share of net assets/(liabilities) of associates

(a) 應佔聯營公司淨資產/(負債)

		HK\$'000 港幣千元
At 1 January 2006	於二零零六年一月一日	—
Acquisition of 20% interests in associates	收購聯營公司20%權益	1,666
Share of results of associates for the year (note (d))	本年度應佔聯營公司業績(附註(d))	(1,284)
Share of net assets of associates at 31 December 2006	於二零零六年十二月三十一日 應佔聯營公司淨資產	382
At 1 January 2007	於二零零七年一月一日	382
Share of results of associates for the period from 1 January 2007 to 10 October 2007 (note (d))	二零零七年一月一日至 二零零七年十月十日期間 應佔聯營公司業績(附註(d))	(2,201)
Share of net liabilities of associates at 10 October 2007	於二零零七年十月十日 應佔聯營公司淨負債	(1,819)
Recognised as cost of business combination at 10 October 2007 (note 19)	於二零零七年十月十日 確認為業務合併成本(附註19)	1,819
At 31 December 2007	於二零零七年十二月三十一日	—

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17. Interests in Associates (Continued)**17. 於聯營公司權益 (續)**

Notes: (Continued)

附註：(續)

(b) Goodwill arising on acquisition of associates**(b) 收購聯營公司產生之商譽**

		HK\$'000 港幣千元
At 1 January 2006	於二零零六年一月一日	—
Acquisition of 20% interests in associates	收購聯營公司20%權益	223,934
At 31 December 2006	於二零零六年十二月三十一日	223,934
At 1 January 2007	於二零零七年一月一日	223,934
Recognised as cost of business combination at 10 October 2007 (note 19)	於二零零七年十月十日 確認為業務合併成本(附註19)	(223,934)
At 31 December 2007	於二零零七年十二月三十一日	—

(c) On 10 October 2007, Modern Lucky International Limited ("Modern Lucky"), a wholly-owned subsidiary of the Company, acquired from the Mr. Lam Nam ("Mr. Lam") (a substantial shareholder of the Company) a further 30% of the equity interest in Polyard Petroleum International Company Limited ("Polyard Macau"). Then Modern Lucky, after taking into account the 20% of the equity interest in Polyard Macau acquired in the previous acquisition in September 2006, was beneficially interested in 50% of Polyard Macau and Polyard Macau become a subsidiary of the Company.

(c) 於二零零七年十月十日，本公司之全資附屬公司新運通國際有限公司(「新運通」)向本公司之主要股東林南先生(「林先生」)收購百田石油國際有限公司(「百田澳門」)之額外30%股權。連同先前於二零零六年九月收購百田澳門之20%股權，新運通實益擁有百田澳門之50%權益，而百田澳門成為本公司之附屬公司。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

17. Interests in Associates (Continued)

17. 於聯營公司權益 (續)

Notes: (Continued)

附註：(續)

(d) The summarized financial information in respect of the Group's share of results of Polyard Macau Group as associates are set out below:

(d) 本集團應佔百田澳門集團作為聯營公司之業績載列如下：

		HK\$'000 港幣千元
2006	二零零六年	
Turnover	營業額	—
Loss for the year	本年度虧損	(10,039)
Loss attributable to the Group from 12 September 2006 (date of acquisition) to 31 December 2006	自二零零六年九月十二日 (收購日期)至二零零六年 十二月三十一日 本集團應佔虧損	(1,284)
2007	二零零七年	
Turnover	營業額	—
Loss of the year	本年度虧損	(10,072)
Loss attributable to the Group from 1 January 2007 to 10 October 2007 (date of business combination)	自二零零七年一月一日至 二零零七年十月十日 (業務合併日期) 本集團應佔虧損	(2,201)

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18. Interests in Jointly Controlled Entity

18. 於共同控制實體權益

		The Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Joint venture (note (a))	合營企業(附註(a))	3,143,824	—

Notes:

- (a) The interests in jointly controlled entity, which were recognised on a business combination at 10 October 2007 (note 19), represented a 60% participating interest in a consortium formed by an indirect non-wholly owned subsidiary, Chinaoil USA (Macao) Company Limited, with two independent venturers for the operation of a production sharing agreement in respect of a project for the exploration of oil and natural gas in Brunei (the "Oil Project").
- (b) No share of results of the jointly controlled entity was recognised after initial recognition on 10 October 2007 while the operations of the Oil Project have been suspended and the operatorship of the Oil Project has been taken over by the holder of the mineral rights pending the process of a restructuring exercise as detailed in note 36.
- (c) The valuation of the Oil Projection as at 31 December 2007 was US\$776,123,000, as per a valuation prepared by Greater China Appraisal Limited, a firm of professional valuers, of which approximately US\$465,673,800 (approximately HK\$3,632,255,640) was attributable to the interests held by the Group.

附註：

- (a) 於共同控制實體權益乃於二零零七年十月十日進行業務合併(附註19)時確認，指間接非全資附屬公司中國聯合石油美國(澳門)有限公司與兩名獨立合營方就經營有關於汶萊勘探石油及天然氣項目(「石油項目」)之生產攤分協議組成財團之60%參與權益。
- (b) 於二零零七年十月十日初步確認後並無確認應佔共同控制實體業績，而石油項目之經營暫停，石油項目之經營權亦已由礦產權持有人取得，以待進行附註36所詳述之重組事宜。
- (c) 根據專業估值師行漢華評估有限公司所編製之估值，石油項目於二零零七年十二月三十一日之估值為776,123,000美元，其中約465,673,800美元(約港幣3,632,255,640元)歸屬於本集團所持權益。

19. Business Combination

On 10 October 2007, Modern Lucky International Limited ("Modern Lucky"), a wholly-owned subsidiary of the Company, acquired a further 30% of the equity interest in Polyard Petroleum International Company Limited ("Polyard Macau") at a total consideration of HK\$468,232,231, satisfied by ordinary shares at a total amount of HK\$191,880,000 and convertible bonds at a total amount of HK\$276,352,231 issued by the Company.

19. 業務合併

於二零零七年十月十日，本公司之全資附屬公司新運通國際有限公司(「新運通」)收購百田石油國際有限公司(「百田澳門」)額外30%股權，總代價為港幣468,232,231元，以本公司發行總額港幣191,880,000元普通股及總額港幣276,352,231元可換股債券支付。

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19. Business Combination (Continued)

Together with the 20% of the equity interest in Polyard Macau previously acquired by Modern Lucky in September 2006, Modern Lucky was beneficially interested in 50% of Polyard Macau and Polyard Macau become a subsidiary of the Company on 10 October 2007. The acquisition was accounted for as a business combination at 10 October 2007 and measured as follows:

19. 業務合併 (續)

連同新運通先前於二零零六年九月收購百田澳門之20%股權，新運通實益擁有百田澳門之50%權益，而百田於二零零七年十月十日成為本公司之附屬公司。收購於二零零七年十月十日入賬列作業務合併，計算如下：

		Acquiree's carrying amount before combination	Fair value adjustment	Fair value
		合併前被 收購公司 之賬面值 HK\$'000 港幣千元	公平值調整 HK\$'000 港幣千元	公平值 HK\$'000 港幣千元
Net assets acquired:	所收購之淨資產：			
Property, plant and equipment	物業、廠房及設備	141	—	141
Interests in jointly controlled entity	於共同控制實體權益	32,132	3,111,692	3,143,824
Trade and other receivables	應收賬款及 其他應收款項	7,678	—	7,678
Amount due from related parties	應收關連方款項	300	—	300
Amount due from shareholders	應收股東款項	3,398	—	3,398
Cash and bank deposits	現金及銀行存款	73,070	—	73,070
Trade and other payables	應付賬款及 其他應付款項	(17,722)	—	(17,722)
Amount due to related parties	應付關連方款項	(81,675)	—	(81,675)
Amount due to shareholders	應付股東款項	(27,486)	—	(27,486)
		(10,164)	3,111,692	3,101,528
Fair value of acquiree's net assets attributable to minority interests	少數股東權益應佔被收購公司之淨資產公平值			(2,017,518)
Fair value of net assets attributable to interests acquired by the Company	本公司所收購權益應佔淨資產公平值			1,084,010
Total cost on business combination (note (a))	業務合併總成本 (附註(a))			(596,476)
Gain arising on business combination	業務合併產生之收益			487,534
Net cash inflow arising on business combination:	業務合併產生之現金流入淨額：			
Cash and bank deposits	現金及銀行存款			73,070

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19. Business Combination (Continued)**19. 業務合併 (續)**

Note:

附註：

(a) Total cost on business combination was determined as follows:

(a) 業務合併總成本釐定如下：

		HK\$'000 港幣千元
20% of the equity interest in Polyard Macau previously acquired	先前收購之百田澳門20% 股權	
— share of net liabilities	— 應佔淨負債	(1,819)
— goodwill	— 商譽	223,934
30% of the equity interest in Polyard Macau further acquired	進一步收購之百田澳門30% 股權	
— fair value of ordinary shares issued	— 發行普通股之公平值	101,270
— fair value of convertible bonds issued	— 發行可換股債券之公平值	273,091
		596,476

20. Amount due from Subsidiaries**20. 應收附屬公司款項**

		The Company 本公司	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Amount due from subsidiaries	應收附屬公司款項	638,844	267,862

The amount is unsecured and non-interest bearing. The Company will not demand repayment within 1 year after the balance sheet date and the amount is therefore classified as a non-current asset.

此款項為無抵押及免息。本公司將不會要求於結算日後一年內還款，故此款項被歸類為非流動資產。

21. Inventories**21. 存貨**

		The Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Raw materials	原材料	—	6,386
Semi-finished goods	半製成品	—	1,247
Finished goods	製成品	—	3,454
		—	11,087

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22. Trade and Other Receivables

The Group has a policy of allowing average credit period ranging from 2 weeks to 1 month to its trade customers. In additions, for certain customers with long-established relationship and good past repayment histories, a longer credit period may be granted.

22. 應收賬款及其他應收款項

本集團之政策為給予其貿易客戶介乎兩週至一個月之平均記賬期。此外，若干已建立悠久關係，並有良好過往還款記錄之客戶，可獲更長之記賬期。

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
An aged analysis of trade receivables is as follows:	應收賬款之賬齡分析如下：				
0 — 30 days	0至30天	5,749	3,141	—	—
31 — 60 days	31至60天	—	—	—	—
61 — 90 days	61至90天	—	58	—	—
91 — 120 days	91至120天	—	—	—	—
Over 120 days	逾120天	—	4	—	—
		5,749	3,203	—	—
Other debtors, deposits and prepayments	其他應收款項、按金及預付款項	786	8,317	767	209
Amount due from subsidiary's shareholders	應收附屬公司股東款項	2,913	—	—	—
		9,448	11,520	767	209

The amounts due from subsidiary's shareholders are unsecured, interest-free and have no fixed terms of payment.

應收附屬公司股東款項為無抵押、免息及無固定還款期。

23. Cash and Bank Deposits

23. 現金及銀行存款

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Deposits with banks and other financial institutions	銀行及其他金融機構存款	21,149	3,686	52	1,130
Deposits with bank — pledged	銀行存款 — 已抵押	49,950	—	—	—
Cash in hand	手頭現金	1	123	1	12
		71,100	3,809	53	1,142

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23. Cash and Bank Deposits (Continued)

Included in cash and bank deposits in the balance sheet are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

23. 現金及銀行存款 (續)

下列計入資產負債表之現金及銀行存款乃按實體之相關功能貨幣以外之貨幣計值：

		The Group 本集團	
		2007 二零零七年 千元 '000	2006 二零零六年 千元 '000
Macao Pataca	澳門幣	MOP澳門幣73,128	MOP澳門幣—
Renminbi	人民幣	RMB人民幣37	RMB人民幣1,340

24. Bank and Other Borrowings

24. 銀行及其他借貸

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Bank loans — secured	銀行貸款 — 有抵押	—	16,901	—	3,201
Other loans — secured	其他貸款 — 有抵押	—	2,000	—	—
Bank overdraft	銀行透支	— 133	18,901 —	— 133	3,201 —
		133	18,901	133	3,201

The borrowings bore interest at prevailing market rates.

該等借貸按現行市場利率計息。

The Group's bank loans were revolving loans repayable not exceeding 90 days at the time of drawing.

本集團之銀行貸款為循環貸款，並須在提取後不超過90天內償還。

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25. Trade and Other Payables

25. 應付賬款及其他應付款項

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
An aged analysis of trade payables is as follows:	應付賬款之賬齡分析如下：				
0 — 30 days	0至30天	450	1,221	—	—
31 — 60 days	31至60天	—	2,406	—	—
61 — 90 days	61至90天	—	352	—	—
91 — 120 days	91至120天	—	—	—	—
Over 120 days	逾120天	—	3,263	—	—
		450	7,242	—	—
Other creditors and accrued charges	其他應付款項及應計費用	19,288	5,430	2,323	206
Amount due to related parties	應付關連方款項	51,311	—	—	—
Amount due to subsidiary's shareholders	應付附屬公司股東款項	27,487	—	—	—
Amount due to shareholder	應付股東款項	1,611	—	1,973	—
		100,147	12,672	4,296	206

The amounts due to related parties, subsidiary's shareholders and shareholder are unsecured, interest-free and have no fixed terms of repayment.

應付關連方、附屬公司股東及一名股東之款項為無抵押、免息及無固定還款期。

26. Amount due to Directors

The amount due to directors is unsecured, interest-free and has no fixed term of repayment.

26. 應付董事款項

應付董事款項為無抵押、免息及無固定還款期。

27. Convertible Bonds

The convertible bonds at an interest rate of 3% per annum accrued on a day to day basis (the "Convertible Bonds") were issued on 10 October 2007 to Mr. Lam Nam (the "Bondholder") at a nominal value of HK\$276,352,231 for a term of 36 months.

27. 可換股債券

按年利率3%每日累計之可換股債券(「可換股債券」)於二零零七年十月十日按面值港幣276,352,231元發行予林南先生(「債券持有人」)，為期36個月。

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27. Convertible Bonds (Continued)

The Bondholder may at any business day after the date of issue of the Convertible Bonds convert the whole or any part at an amount in an integral multiple of HK\$100,000 of the principal amount of the Convertible Bonds into ordinary shares of HK\$0.002 each in the share capital of the Company at the conversion price of HK\$0.43 per conversion share.

The fair value of the liability component of the Convertible Bonds was measured using a market interest rate of approximately 6.25% for an equivalent non-convertible bond; the remaining balance represented the equity conversion component, is included in shareholders' equity under convertible bonds reserve.

The Group and the Company

27. 可換股債券 (續)

債券持有人可於發行可換股債券日期後任何營業日按可換股債券本金額港幣100,000元之完整倍數之金額，按兌換價每股兌換股份港幣0.43元兌換全部或任何部份為本公司股本中每股面值港幣0.002元之普通股。

可換股債券負債部份之公平值乃採用同等非可換股債券之市場利率約6.25%計算；餘額指權益兌換部份，計入可換股債券儲備之股東權益內。

本集團及本公司

		HK\$'000 港幣千元
At 1 January 2007	於二零零七年一月一日	—
Liability component of the Convertible Bonds issued	發行可換股債券負債部份	251,600
Interest charged	已徵收利息	3,496
Interest paid	已付利息	(1,885)
At 31 December 2007	於二零零七年十二月三十一日	<u>253,211</u>

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28. Deferred Taxation

The Group's major deferred tax liabilities/(assets) recognised and movements thereon during the current and prior years are summarized below:

The Group

		Revaluation of plant and equipment	Convertible bonds	Total
		廠房及 設備重估	可換股債券	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At 1 January 2006	於二零零六年 一月一日	8,151	—	8,151
Credit to equity for the year	本年度計入權益	(8,151)	—	(8,151)
At 31 December 2006 and 1 January 2007	於二零零六年 十二月三十一日 及於二零零七年 一月一日	—	—	—
Charge to equity for the year	本年度扣除自權益	—	3,761	3,761
Credit to profit and loss for the year	本年度計入損益	—	(282)	(282)
At 31 December 2007	於二零零七年 十二月三十一日	—	3,479	3,479

The Group has no significant deferred tax assets or liabilities not recognised at the balance sheet date.

28. 遞延稅項

本集團於本年度及過往年度確認之重大遞延稅項負債／(資產)及其變動概述如下：

本集團

		Revaluation of plant and equipment	Convertible bonds	Total
		廠房及 設備重估	可換股債券	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At 1 January 2006	於二零零六年 一月一日	8,151	—	8,151
Credit to equity for the year	本年度計入權益	(8,151)	—	(8,151)
At 31 December 2006 and 1 January 2007	於二零零六年 十二月三十一日 及於二零零七年 一月一日	—	—	—
Charge to equity for the year	本年度扣除自權益	—	3,761	3,761
Credit to profit and loss for the year	本年度計入損益	—	(282)	(282)
At 31 December 2007	於二零零七年 十二月三十一日	—	3,479	3,479

於結算日，本集團並無未確認重大遞延稅項資產或負債。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

28. Deferred Taxation (Continued)

28. 遞延稅項 (續)

The Company

本公司

		Convertible bonds 可換股債券 HK\$'000 港幣千元
At 1 January 2006	於二零零六年一月一日	—
Charge/(credit) to equity for the year	本年度扣除自／(計入) 權益	—
At 31 December 2006 and 1 January 2007	於二零零六年 十二月三十一日 及於二零零七年 一月一日	—
Charge to equity for the year	本年度扣除自權益	3,761
Credit to profit and loss for the year	本年度計入損益	(282)
At 31 December 2007	於二零零七年十二月三十一日	3,479

The Company has no significant deferred tax assets or liabilities not recognised at the balance sheet date.

於結算日，本公司並無未確認重大遞延稅項資產或負債。

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29. Share Capital

29. 股本

	Number of shares 股份數目		Amount 金額	
	2007 二零零七年 '000 千股	2006 二零零六年 '000 千股	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Authorised:				
Ordinary shares of HK\$0.002 each				
— At beginning and end of the year	10,000,000	10,000,000	20,000	20,000
Issued and fully paid:				
Ordinary shares of HK\$0.002 each				
— At beginning of the year	4,800,000	4,000,000	9,600	8,000
— Shares issued on exercise of options	75,000	—	150	—
— Shares issued on acquisition of interests in associates/subsidiaries	533,000	800,000	1,066	1,600
— At end of the year	5,408,000	4,800,000	10,816	9,600

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30. Reserves

30. 儲備

The Group

本集團

		Share premium 股份溢價 HK\$'000 港幣千元	Special reserve 特別儲備 HK\$'000 港幣千元	Revaluation reserve 重估儲備 HK\$'000 港幣千元	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Retained profits/ (accumulated losses) 保留溢利/ (累計虧損) HK\$'000 港幣千元	Warrants reserve 認股權證儲備 HK\$'000 港幣千元	Convertible bonds reserve 可換股債券儲備 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 January 2006	於二零零六年一月一日	35,770	985	23,509	160	(13,246)	—	—	47,178
Issue of ordinary shares on acquisition of interests in associates	因收購聯營公司權益 而發行普通股	224,000	—	—	—	—	—	—	224,000
Exchange differences arising on translation of foreign operations	換算對外營運所產生之 匯兌差額	—	—	—	(118)	—	—	—	(118)
Reversal of deferred tax liabilities on revaluation of plant and equipment	於重估廠房及設備時撥回 遞延稅項負債	—	—	8,151	—	—	—	—	8,151
Reversal of surplus on revaluation of plant and equipment	於重估廠房及設備時 撥回盈餘	—	—	(31,660)	—	—	—	—	(31,660)
Surplus on revaluation of buildings	於重估樓宇時之盈餘	—	—	14,508	—	—	—	—	14,508
Loss for the year	本年度虧損	—	—	—	—	(18,428)	—	—	(18,428)
At 31 December 2006	於二零零六年十二月三十一日	259,770	985	14,508	42	(31,674)	—	—	243,631
At 1 January 2007	於二零零七年一月一日	259,770	985	14,508	42	(31,674)	—	—	243,631
Issue of warrants	發行認股權證	—	—	—	—	—	4,423	—	4,423
Issuance of ordinary shares on acquisition of interests in subsidiaries	因收購附屬公司 權益而發行普通股	100,204	—	—	—	—	—	—	100,204
Issuance of convertible bonds on acquisition of interests in subsidiaries	因收購附屬公司權益 而發行可換股債券	—	—	—	—	—	—	21,491	21,491
Deferred tax liabilities on issue of convertible bonds	發行可換股債券之 遞延稅項負債	—	—	—	—	—	—	(3,761)	(3,761)
Release of exchange reserve on disposal of subsidiary	出售附屬公司之 匯兌儲備撥回	—	—	—	(144)	—	—	—	(144)
Transfer of surplus on revaluation of plant and equipment on disposal	出售之廠房及設備 重估盈餘轉撥	—	—	(14,508)	—	14,508	—	—	—
Exchange differences arising on translation of foreign operations	換算對外營運所 產生之匯兌差額	—	—	—	311	—	—	—	311
Profit for the year	本年度溢利	—	—	—	—	473,961	—	—	473,961
At 31 December 2007	於二零零七年十二月三十一日	359,974	985	—	209	456,795	4,423	17,730	840,116

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30. Reserves (Continued)

30. 儲備 (續)

The Company

本公司

		Share premium	Accumulated losses	Warrants reserve	Convertible bonds reserve	Total
		股份溢價	累計虧損	認股權證 儲備	可換股 債券儲備	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2006	於二零零六年一月一日	60,650	(4,062)	—	—	56,588
Issue of ordinary shares on acquisition of interests in associates	因收購聯營公司權益而發行普通股	224,000	—	—	—	224,000
Loss for the year	本年度虧損	—	(1,736)	—	—	(1,736)
At 31 December 2006	於二零零六年十二月三十一日	284,650	(5,798)	—	—	278,852
At 1 January 2007	於二零零七年一月一日	284,650	(5,798)	—	—	278,852
Issue of warrants	發行認股權證	—	—	4,423	—	4,423
Issue of ordinary shares on acquisition of interests in subsidiaries	因收購附屬公司權益而發行普通股	100,204	—	—	—	100,204
Issue of convertible bonds on acquisition of interests in subsidiaries	因收購附屬公司權益而發行可換股債券	—	—	—	21,491	21,491
Deferred tax liabilities on issue of convertible bonds	發行可換股債券之遞延稅項負債	—	—	—	(3,761)	(3,761)
Loss for the year	本年度虧損	—	(8,541)	—	—	(8,541)
At 31 December 2007	於二零零七年十二月三十一日	384,854	(14,339)	4,423	17,730	392,668

Under the Companies Law (Revised) Chapter 22 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 or 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. At the balance sheet date, in the opinion of the directors, the Company's reserves available for distribution to shareholders amounted to approximately HK\$370,515,000 (2006: HK\$278,852,000).

根據開曼群島公司條例(經修訂)第22章,本公司之股份溢價可用以分派或派付股息予股東,惟須按照公司組織章程大綱或細則之規定,及於緊隨分派或派付股息後,本公司須有能力償還其日常業務中之到期債務。於結算日,董事認為本公司可供分派予股東之儲備約為港幣370,515,000元(二零零六年:港幣278,852,000元)。

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31. Share Option Schemes

The Company adopted two share option schemes (hereinafter referred to as the “Pre-IPO Share Option Scheme” and the “Share Option Scheme”) on 26 June 2002 for the purpose of providing incentives to the directors and eligible participants, under which the Company may grant options to the directors and employees of the Group and also other eligible participants to subscribe for shares of the Company. The Scheme became effective on 12 July 2002 and, unless otherwise cancelled or amended, will remain in effect for 10 years from that date.

Eligible participants of the Share Option Scheme include the following:

- (i) any employee or proposed employee (whether full time or part time) of the Group or any entity (“Invested Entity”) in which any member of the Group holds any equity interest (including any executive director but excluding any non-executive director of the Group or any Invested Entity);
- (ii) any non-executive director (including independent non-executive director) of the Group or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iv) any customer of the Group or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;

31. 購股權計劃

為獎勵若干董事及合資格參與者，本公司於二零零二年六月二十六日採納兩項購股權計劃（下文稱為「首次公開發售前購股權計劃」及「購股權計劃」），據此，本公司可向本集團之董事及員工及其他合資格參與者授予購股權以供認購本公司股份。該計劃於二零零二年七月十二日生效，且除被取消或修訂外，將自該日起於十年內有效。

購股權計劃之合資格參與者包括以下人士：

- (i) 本集團或本集團任何成員公司擁有任何股本權益之任何實體（「投資實體」）之任何僱員或擬聘用僱員（全職或兼職），包括本集團或任何投資實體之任何執行董事，但不包括本集團或任何投資實體之任何非執行董事；
- (ii) 本集團或任何投資實體之任何非執行董事（包括獨立非執行董事）；
- (iii) 向本集團任何成員公司或任何投資實體提供產品或服務之任何供應商；
- (iv) 本集團或任何投資實體之任何客戶；
- (v) 向本集團或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；

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31. Share Option Schemes (Continued)

- (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- (viii) any company wholly owned by one or more of the eligible participants referred to in (i) to (vii) above.

The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 30% of the shares of the Company in issue from time to time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue from time to time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors or their associates in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

As at 31 December 2007, no options had been granted under the Share Option Scheme.

31. 購股權計劃 (續)

- (vi) 本集團任何成員公司或任何投資實體之任何股東，或本集團任何成員公司或任何投資實體發行之任何證券之任何持有人；
- (vii) 本集團任何成員公司或任何投資實體任何業務或業務發展範圍之任何顧問(專業顧問或其他顧問)或諮詢人；及
- (viii) 由上述(i)至(vii)項所提述之一個或多個合資格參與者全資擁有之任何公司。

除非本公司股東事先批准，否則購股權計劃項下可授出之購股權所涉及之股份總數不得超過本公司不時已發行股份之30%。除非本公司股東事先批准，否則任何個別人士於任何一個年度內可獲授之購股權所涉及之股份數目不得超過本公司不時已發行股份之1%。倘授予主要股東及獨立非執行董事或彼等之聯繫人士之購股權超過本公司股本0.1%或價值超過港幣5,000,000元，則須經本公司股東預先批准。

於二零零七年十二月三十一日，並無根據購股權計劃可授出購股權。

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31. Share Option Schemes (Continued)

The offer of a grant of share options may be accepted within 21 days from the date of the offer. A nominal consideration of HK\$1 is payable on acceptance of each grant. Options may be exercised at any time during a period which may commence on a day after the date of grant of the share options but shall end at any event not later than ten years from the date of grant of the options. The exercise price is determined by the directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five trading days immediately preceding the date of grant, and (iii) the nominal value of the shares.

On 26 June 2002, prior to its listing, the Company granted options to certain executive directors and employees of the Group to subscribe for an aggregate of 251,100,000 shares (note) in the Company under the Pre-IPO Share Option Scheme. The terms of the Pre-IPO Share Option Scheme are the same as the Share Option Scheme as described above except that:

- (i) the eligible participants are confined to certain directors, senior management, employees, consultants and advisers of the Group;
- (ii) there is no minimum subscription price;
- (iii) the general scheme limit, the individual limit applicable to each proposed grantee and the restrictions on grant of options to a connected person do not apply; and
- (iv) The directors may only grant options under the Pre-IPO Share Option Scheme at any time within a period from 26 June 2002 to 12 July 2002.

31. 購股權計劃 (續)

授出購股權之建議可於建議日期起計21日內接納。於接納每次授出時，應付象徵式代價港幣1元。購股權可於期內任何時間行使，有關期間可自購股權授出日期後任何一日起開始，惟無論如何不得遲於購股權授出日期起計十年完結。行使價由本公司董事釐定，並將至少為(i)本公司股份於授出日期之收市價、(ii)股份緊接授出日期前五個交易日之平均收市價，以及(iii)股份面值中之最高者。

於二零零二年六月二十六日，本公司透過首次公開發售前購股權計劃，於上市前向本集團若干執行董事及員工授出購股權以認購合共251,100,000股股份(附註)。該首次公開發售前購股權計劃之條款與上述購股權計劃之條款相同，惟除了：

- (i) 合資格參與者只限本集團若干董事、高級管理層、僱員、諮詢人及顧問；
- (ii) 並無最低認購價；
- (iii) 一般計劃限額，適用於每個準承授人之個人限額及向關連人士授出購股權之限制均不適用；及
- (iv) 董事只可於二零零二年六月二十六日至二零零二年七月十二日期內任何時間，根據首次公開發售前購股權計劃授出購股權。

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31. Share Option Schemes (Continued)

Details of share options granted under the Pre-IPO Share Option Scheme to certain directors and employees to subscribe for shares in the Company are as follows:

31. 購股權計劃 (續)

根據首次公開發售前購股權計劃授予若干董事及僱員購股權，以認購本公司股份之詳情如下：

	Exercisable period 可行使期限	Number of options 購股權數目			
		Outstanding as at 1 January 2007 於 二零零七年 一月一日 未行使 (Note) (附註)	Exercised during the year 本年度 已行使 (Note) (附註)	Cancelled during the year 本年度 已註銷 (Note) (附註)	Outstanding as at 31 December 2007 於 二零零七年十 二月三十一日 未行使 (Note) (附註)
Directors 董事	12 July 2002 — 11 July 2007 二零零二年七月十二日至二零零七年七月十一日	45,000,000	(45,000,000)	—	—
	12 January 2003 — 11 January 2008 二零零三年一月十二日至二零零八年一月十一日	30,000,000	(30,000,000)	—	—
Employees 僱員	12 July 2002 — 11 July 2008 二零零二年七月十二日至二零零八年七月十一日	500,000	—	—	500,000
		75,500,000	(75,000,000)	—	500,000

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recognised in the income statement in respect of the value of options granted in the year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

直至購股權被行使之有關時間，授出購股權並無使本公司或本集團之資產負債表錄得財務影響，且本年度授出之購股權價值並無於收益表確認扣除。在行使購股權時，所產生之已發行股份由本公司按股份面值記錄為額外股本，而每股行使價高於股份面值之金額則由本公司記錄於股份溢價賬內。在其行使日期前失效或或註銷之購股權將於未行使購股權之登記冊內刪除。

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31. Share Option Schemes (Continued)

Note:

Pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on 7 October 2004, each of the initial issued and unissued shares having a par value of HK\$0.01 were subdivided into five subdivided shares having a par value of HK\$0.002 each with effect from 8 October 2004. This share subdivision gave rise to adjustments to both the exercise price and the number of underlying shares granted under the Pre-IPO Share Option Scheme, and accordingly every option originally granted was increased to five options.

32. Retirement Benefit Schemes

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions at HK\$1,000 or 5% of the relevant payroll costs, whichever is the lower, to the scheme. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

The employees of the Group's subsidiaries in the People's Republic of China are members of a state-managed retirement benefit scheme operated by the local government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

31. 購股權計劃 (續)

附註：

根據本公司二零零四年十月七日舉行之股東特別大會通過之普通決議案，自二零零四年十月八日起，每股票面值為港幣0.01元之原來已發行及未發行股份將拆細為五股每股票面值為港幣0.002元之拆細股份。是項股份分拆導致根據首次公開招股計劃前購股權計劃項下之行使價及授出相關股份數目作為調整，因此原先授出之每份購股權增加為五份購股權。

32. 退休福利計劃

本集團為香港所有合資格僱員經營一項強制公積金計劃（「公積金計劃」）。公積金計劃之資產乃由獨立受託人控制之基金持有，與本集團無關。根據公積金計劃之規定，僱主及其僱員均須各自向該計劃繳納港幣1,000元或相關薪金成本5%（以較低者為準）之供款。本集團就公積金計劃具有之唯一責任為根據該計劃繳納所需供款。

本集團於中華人民共和國境內附屬公司之僱員是一項由當地政府經營之國家管理退休福利計劃之成員。該等附屬公司須按薪金成本之指定百分比向該退休福利計劃供款，以便為該等福利提供資金。本集團就該退休福利計劃具有之唯一責任為繳納指定供款。

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33. Related Party Transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Remuneration for key management personnel of the Group, including the Company's directors and certain highest paid employees, is set out in note 10.

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following material related party transactions during the year:

- (a) Personal guarantees given by Mr. Chim Kim Kiu, Jacky, a director of the Company resigned on 10 December 2007, to the extent of HK\$19,500,000 to different banks for granting banking facilities, which had been released during the year, to the Group.
- (b) Personal guarantees given by a close member of the family of Mr. Sun Tak Keung, a director of the Company resigned on 28 November 2007, to the extent of HK\$15,000,000 to a bank for granting banking facilities, which had been released during the year, to a subsidiary.
- (c) Disposal of an indirect wholly-owned subsidiary, Yunnan Changning Kanstar Paper Company Limited, to Sure Carl Investment Limited, a company owned by Mr. Chim Kim Kin, Jacky, at a total consideration of HK\$41,600,000.
- (d) Purchase of pulp and paper products of approximately HKD8,484,000 from Yunnan Changning Kanstar Paper Company Limited ("Yunnan Changning"), a company owned by Mr. Chim Kim Kiu, Jacky; and incurrence of expense of HKD152,000 for selling services provided by Yunnan Changning.

33. 關連方交易

本公司與其附屬公司(為本公司關連方)之交易已於綜合賬目撇銷及並無在本附註中披露。

本集團主要管理人員(包括本公司董事及若干最高薪酬僱員)之酬金載於附註10。

除本財務報表其他地方披露之交易及結存外，本集團於本年度進行下列重大關連方交易：

- (a) 為使本集團獲得銀行信貸(已於年內獲解除)，本公司董事詹劍嶠先生(於二零零七年十二月十日辭任)向多間銀行提供港幣19,500,000元之個人擔保。
- (b) 為使一間附屬公司獲得銀行信貸(已於年內獲解除)，本公司董事辛德強先生(於二零零七年十一月二十八日辭任)之一位近親家族成員向一間銀行提供港幣15,000,000元之個人擔保。
- (c) 按總代價港幣41,600,000元，向兆嘉投資有限公司(詹劍嶠先生擁有之公司)出售一間間接全資附屬公司雲南昌寧建星紙業有限公司。
- (d) 以約港幣8,484,000元向雲南昌寧建星紙業有限公司(「雲南昌寧」，由詹劍嶠先生擁有之公司)購買漿板及紙品；及就雲南昌寧所提供之銷售服務產生開支港幣152,000元。

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34. Contingent Liabilities

34. 或然負債

At the balance sheet date, the Company had contingent liabilities as follows:

於結算日，本公司之或然負債如下：

		The Company 本公司	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Guarantees given to a bank in respect of banking facilities utilised by a subsidiary	就一間附屬公司動用之銀行信貸向一間銀行提供之擔保	—	13,700

35. Commitments

35. 承擔

(a) Capital Commitments

(a) 資本承擔

At the balance sheet date, the capital commitments outstanding contracted for but not provided for in these financial statements are as follows:

於結算日，已訂約惟未於本財務報表撥備之尚未履行資本承擔如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Acquisition of property, plant and equipment	收購物業、廠房及設備	816	2,665	816	—
Contributions to a joint controlled entity	出資予一間共同控制實體	92,589	—	—	—

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35. Commitments (Continued)

(b) Operating Lease Commitments

At the balance sheet date, the total future minimum lease payments under non-cancelable operating leases are as follows:

	The Group 本集團		The Company 本公司	
	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Properties 物業				
— Within 1 year — 一年內	651	—	651	—
— After 1 year but within 5 years — 一年後但五年內	—	—	—	—
	651	—	651	—

35. 承擔 (續)

(b) 經營租約承擔

於結算日，根據不可撤銷經營租約須於未來支付之最低租金總額如下：

36. Events after the Balance Sheet Date

The following agreements were entered into by the Group in respect of a proposed corporate restructuring:

- (i) On 6 February 2008, Modern Lucky International Limited (“Modern Lucky”), an indirect wholly-owned subsidiary of the Company, entered into an agreement (the “Polyard Macau Agreement”) with Mr. Lam Nam (“Mr. Lam”), a substantial shareholder of the Company, pursuant to which Mr. Lam shall sell, and Modern Lucky shall purchase, 50% of the entire capital of Polyard Petroleum International Company Limited (“Polyard Macau”), an indirect non-wholly owned subsidiary of the Company, (the “Polyard Macau Acquisition”). The consideration of the Polyard Macau Acquisition shall be satisfied by Modern Lucky to procure Chinaoil USA (Macao) Company Limited (“Chinaoil Macao”), an indirect non-wholly owned subsidiary of the Company, to unconditionally and irrevocably transfer to Mr. Lam 21% of the participating interest in the production sharing agreement relating to the oil project in Brunei (the “Oil Project”).

Upon completion of the Polyard Macau Acquisition, Polyard Macau will become a wholly-owned subsidiary of Modern Lucky.

36. 結算日後事項

本集團就建議企業重組訂立以下協議：

- (i) 於二零零八年二月六日，本公司之間接全資附屬公司新運通國際有限公司（「新運通」）與本公司之主要股東林南先生（「林先生」）訂立協議（「百田澳門協議」），據此，林先生將出售而新運通將購買本公司之間接非全資附屬公司百田石油國際有限公司（「百田澳門」）全部股本之50%（「收購百田澳門」）。收購百田澳門之代價將以新運通促使本公司之間接非全資附屬公司中國聯合石油美國（澳門）有限公司（「中聯油澳門」）無條件及不可撤回地向林先生轉讓於有關汶萊石油項目（「石油項目」）之生產攤分協議之21%參與權益之方式支付。

於收購百田澳門完成後，百田澳門將成為新運通之全資附屬公司。

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36. Events after the Balance Sheet Date (Continued)

- (ii) On 6 February 2008, Polyard Macau entered into an agreement (the "Chinaoil Macao Agreement") with Chinaoil (USA) Inc. pursuant to which Chinaoil (USA) Inc. shall sell, and Polyard Macau shall purchase, 30% of the entire capital of Chinaoil Macao (the "Chinaoil Macao Acquisition"). The consideration of the Chinaoil Macao Acquisition shall be satisfied by Polyard Macau to procure Chinaoil Macao to unconditionally and irrevocably transfer to Chinaoil (USA) Inc. 18% of the participating interest in the production sharing agreement relating to the Oil Project.

Upon completion of the Chinaoil Macao Acquisition, Chinaoil Macao will become a wholly-owned subsidiary of Polyard Macau.

- (iii) On 7 February 2008, the Company entered into an arrangement agreement (the "Arrangement Agreement") to secure the proper execution of the Polyard Macao Agreement and the Chinaoil Macao Agreement (the "Proposed Corporate Restructuring") and to secure a new independent venturer (the "New Venturer") to become an investment party in the Oil Project.

Pursuant to the Arrangement Agreement, Mr. Lam and Chinaoil (USA) Inc. shall assign to the New Venturer 21% and 18% participating interest in the Oil Project respectively upon obtaining shareholders' approval for the Proposed Corporate Restructuring. Should the shareholders' approval for the Proposed Corporate Restructuring not be obtained, the New Venturer shall be entitled to obtain the ownership of the 50% of the entire capital of Polyard Macau and the 30% of the entire capital of Chinaoil Macao from Mr. Lam and Chinaoil (USA) Inc. respectively under the Arrangement Agreement.

Mr. Lam has agreed to bear all the costs and expenses and to cover any loss that may arise in/from the Proposed Corporate Restructuring.

36. 結算日後事項 (續)

- (ii) 於二零零八年二月六日，百田澳門與中國聯合石油(美國)有限公司訂立協議(「中聯油澳門協議」)，據此，中國聯合石油(美國)有限公司將出售而百田澳門將購買中聯油澳門全部股本之30%(「收購中聯油澳門」)。收購中聯油澳門之代價將以百田澳門促使中聯油澳門無條件及不可撤回地向中國聯合石油(美國)有限公司轉讓於有關石油項目之生產攤分協議之18%參與權益之方式支付。

於收購中聯油澳門完成後，中聯油澳門將成為百田澳門之全資附屬公司。

- (iii) 於二零零八年二月七日，本公司訂立安排協議(「安排協議」)，以確保恰當地執行百田澳門協議及中聯油澳門協議(「建議企業重組」)，以及確保新獨立合營方(「新合營方」)成為石油項目之投資者。

根據安排協議，林先生及中國聯合石油(美國)有限公司須於取得建議企業重組之股東批准後分別向新合營方轉讓於石油項目之21%及18%參與權益。倘未能就建議企業重組取得股東批准，則新合營方將有權根據安排協議分別自林先生及中國聯合石油(美國)有限公司取得百田澳門全部股本之50%及中聯油澳門全部股本之30%之擁有權。

林先生已同意承擔建議企業重組可能產生之一切成本及開支以及補償任何虧損。

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37. Change of Company Name

Pursuant to a special resolution passed on 29 August 2007, the company name was changed from Kanstar Environmental Paper Products Holdings Limited to Polyard Petroleum International Group Limited. The Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 12 October 2007. The Certificate of Registration of Change of Name of Oversea Company was issued by the Registrar of Companies in Hong Kong on 15 November 2007.

38. Financial Risk and Capital Risk Management

(a) Financial risk management

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The board of directors and management meet periodically to analyse and formulate strategies to manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives or other instruments for hedging purposes.

37. 更改公司名稱

根據二零零七年八月二十九日通過之特別決議案，本公司之名稱由 Kanstar Environmental Paper Products Holdings Limited 建星環保紙品控股有限公司更改為 Polyard Petroleum International Group Limited 百田石油國際集團有限公司。開曼群島公司註冊處已於二零零七年十月十二日發出公司更改名稱之註冊成立證書。香港公司註冊處已於二零零七年十一月十五日發出海外公司更改名稱之登記證明書。

38. 財務風險及資本風險管理

(a) 財務風險管理

本集團面對多項因其經營及投資活動而導致之財務風險。董事會及管理層定期舉行會議，以分析及制定管理及監察該等風險之策略，以確保適時實行有效之適當措施。整體而言，本集團就風險管理引用保守策略。由於本集團承受之有關風險維持於最低程度，故本集團並無採用任何衍生工具或其他工具作對沖用途。

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38. Financial Risk and Capital Risk Management (Continued)

(a) Financial risk management (Continued)

The Group's major financial instruments include cash and bank deposits, trade and other receivables, trade and other payables and short-term borrowings. Details of these financial instruments are disclosed in respective notes. The main risks associated with these financial instruments and the policies on how to mitigate these risks are set out below:

(i) Credit Risk

The carrying amounts of trade receivables included in the consolidated balance sheet represent the Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2007 in relation to its financial assets. No other financial assets carry a significant exposure to credit risk.

In order to minimize the credit risk, the management of the Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The management has also delegated personnel responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

38. 財務風險及資本風險管理 (續)

(a) 財務風險因素 (續)

本集團之主要財務工具包括現金及銀行存款、應收賬款及其他應收款項、應付賬款及其他應付款項及短期借貸。該等財務工具之詳情於各附註內披露。與該等財務工具有關之主要風險及如何減低該等風險之政策載於下文：

(i) 信貸風險

計入綜合資產負債表之應收賬款賬面值指本集團於對方未能於二零零七年十二月三十一日履行其責任時就財務資產所承受之最高信貸風險。概無其他財務資產帶有重大信貸風險。

為減低信貸風險，本集團管理層已實行政策，以確保向具備適當信貸紀錄之客戶銷售貨物。管理層亦已授權一支隊伍，負責釐定信貸限額、信貸批核及其他監察程序，以確保採取跟進行動收回逾期債項。此外，本集團於各結算日均會檢討各個別貿易債項之可收回金額，以確保已就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為，本集團之信貸風險已大大減低。

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38. Financial Risk and Capital Risk Management (Continued)

38. 財務風險及資本風險管理 (續)

(a) Financial risk management (Continued)

(a) 財務風險因素 (續)

(i) Credit Risk (Continued)

(i) 信貸風險 (續)

The Group's concentration of credit risk by geographical locations is mainly in the People's Republic of China ("PRC") with exposure spread over a number of customers.

本集團按地區劃分之信貸風險主要集中於中華人民共和國(「中國」)，有關風險分散於多名客戶。

(ii) Currency Risk

(ii) 貨幣風險

The Group's main trading operations are in the PRC and have no significant exposure to any specific foreign currency other than Renminbi.

本集團之主要貿易業務位於中國，而除人民幣外，並無承受任何特定外幣之重大風險。

The Group's main investment is in Brunei and has no significant exposure to any specific foreign currency other than US dollars.

本集團之主要投資位於汶萊，而除美元外，並無承受任何特定外幣之重大風險。

All the Group's cash and cash equivalents are deposits with major banks located in the PRC, including Hong Kong and Macau.

本集團全部現金及現金等值物均為存放在中國(包括香港及澳門)主要銀行之存款。

Certain trade and other receivables and borrowings of the Group are denominated in Renminbi. The Group currently does not have a foreign currency hedging policy. However, the management does closely monitor foreign exchange exposure and will consider undertaking foreign exchange hedging activities to neutralize the impact of foreign exchange rate movements on the Group's operating results.

本集團若干應收賬款及其他應收款項及借貸乃以人民幣為單位。本集團現時並無外匯對沖政策。然而，管理層密切監察外匯風險，惟將會考慮進行外匯對沖活動以中和外幣匯率變動對本集團經營業績構成之影響。

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38. Financial Risk and Capital Risk Management (Continued)

(a) Financial risk management (Continued)

(iii) Liquidity Risk

The Group will consistently implement a prudent liquidity risk management and ensure that it maintains sufficient cash and cash equivalents to meet its liquidity requirements. Banking facilities have also been arranged with different banks in order to fund the liquidity requirements. The management monitors the utilization of borrowings and ensures compliance with loan covenants.

(iv) Fair Value and Cash Flow Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to fair value and cash flow interest risks is minimal as the Group has no significant long-term financial assets and liabilities, as such its income and operating cash flows are substantially independent of changes in market interest rates.

38. 財務風險及資本風險管理 (續)

(a) 財務風險因素 (續)

(iii) 流動資金風險

本集團將貫徹實行審慎之流動資金風險管理，並確保其維持充裕現金及現金等值物以應付其流動資金需求。銀行融資亦已安排於不同銀行進行，以滿足流動資金需求。管理層監控借款之動用並確保遵守貸款契諾。

(iv) 公平值及現金流量利率風險

公平值利率風險為財務工具價值將因應市場利率變動而波動之風險。現金流量利率風險為財務工具之未來現金流量將因應市場利率變動而波動之風險。

由於本集團並無重大長期財務資產及負債，故本集團承受之公平值及現金流量利率風險並不重大，因此其收益及經營現金流量大部份均獨立於市場利率變動。

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38. Financial Risk and Capital Risk Management (Continued)**(b) Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

Consistent with others in the industry, the Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (including current and non-current liabilities as shown in the consolidated balance sheet) less cash and cash equivalents. Total equity represents the equity as shown in the consolidated balance sheet.

38. 財務風險及資本風險管理 (續)**(b) 資本風險管理**

本集團管理資本之目的為保障本集團持續經營之能力，以為股東提供回報及為其他利益相關者提供利益，並維持最佳資本架構以減低資本成本。

為維持或調整資本架構，本集團可調整已付予股東之股息金額、退還資本予股東、發行新股份或出售資產以減少債務。

於業內其他人士一致，本集團按淨負債對權益比率監察資本。比率以淨債務除以總權益計算。淨債務以總債務（包括綜合資產負債表所示之流動及非流動債務）減現金及現金等值物計算。總權益指綜合資產負債表所示之「權益」。

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

38. Financial Risk and Capital Risk Management (Continued)

38. 財務風險及資本風險管理 (續)

(b) Capital risk management (Continued)

(b) 資本風險管理 (續)

During 2007, the Group's strategy, which was unchanged from 2006, was to maintain the net debt-to-equity ratio at a low level. The net debt-to-equity ratios at 31 December 2007 and 2006 are as follows:

於二零零七年內，本集團之策略(自二零零六年起維持不變)為維持低水平淨債務對權益比率。於二零零七年及二零零六年十二月三十一日之淨債務對權益比率如下：

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Total liabilities	總債務	356,970	34,857
Less: Cash and cash equivalents (Note 23)	減：現金及現金等值物 (附註23)	(70,967)	(3,809)
Net debt	淨債務	286,003	31,048
Total equity	總權益	2,867,604	253,231
Net debt-to-equity ratio	淨債務對資本比率	10%	12%

The decrease in the net debt-to-equity ratio at 31 December 2007 resulted primarily from the issue of shares as part of the consideration for the acquisition of a subsidiary (Notes 19 and 29).

於二零零七年十二月三十一日，淨債務對權益比率下降主要由發行股本(作為收購一間附屬公司之部分代價)所致(附註19及29)。

130 Notes to the Financial Statements 財務報表附註

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39. Particulars of Subsidiaries

39. 附屬公司詳情

Particulars of the Company's subsidiaries at 31 December 2007 were as follows:

於二零零七年十二月三十一日，本公司之附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Forms of legal entity 法定實體形式	Issued and fully paid share capital/ registered capital* 已發行及 繳足股本/ 註冊資本*	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有之 已發行股本/ 註冊資本 所佔面值比例		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Kanstar Environmental Technology Group Limited	British Virgin Islands 英屬處女群島	International Business Company 國際商務公司	US\$1,000 美元1,000	100%	—	Investment holding 投資控股
Win Easy International Limited	British Virgin Islands 英屬處女群島	International Business Company 國際商務公司	US\$1 美元1	100%	—	Investment holding 投資控股
Kanstar Hong Kong Limited 建星香港有限公司	Hong Kong 香港	Limited Liability Company 有限責任公司	HK\$1,000,000 港幣1,000,000元	—	100%	Investment holding and provision of management services 投資控股及提供管理服務
Addata Development Limited 加訊發展有限公司	Hong Kong 香港	Limited Liability Company 有限責任公司	HK\$10,000 港幣10,000元	—	100%	Holding and administration of intellectual property rights for paper filling materials and "Kanstar" brandname 持有及管理造紙填料之知識產權及「建星」品牌

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

39. Particulars of Subsidiaries (Continued)

39. 附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Forms of legal entity 法定實體形式	Issued and fully paid share capital/ registered capital* 已發行及 繳足股本/ 註冊資本*	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有之 已發行股本/ 註冊資本 所佔面值比例		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
雲南建星新技術產品 開發有限公司 Yunnan Kanstar High Tech Products Development Company Limited	People's Republic of China 中華人民共和國	Wholly Owned Foreign Enterprise 外商獨資企業	US\$420,000* 420,000美元*	—	100%	Research, development, manufacture and sale of paper filling materials 研究、開發、製造及 銷售造紙填料
Modern Lucky International Limited 新運通國際有限公司	Hong Kong 香港	Limited Liability Company 有限責任公司	HK\$2 港幣2元	—	100%	Investment holding 投資控股
Polyard Petroleum (Hong Kong) Limited 百田石油(香港)有限公司	Hong Kong 香港	Limited Liability Company 有限責任公司	HK\$1 港幣1元	—	100%	Trading 貿易
Polyard Petroleum International Co., Ltd 百田石油國際有限公司	Macau 澳門	Limited Liability Company 有限責任公司	MOP10,000,000 10,000,000澳門元	—	50%	Investment holding 投資控股
Chinaoil USA (Macao) Company Limited 中國聯合石油美國(澳門) 有限公司	Macau 澳門	Limited Liability Company 有限責任公司	MOP10,000,000 10,000,000澳門元	—	35%	Petro-chemical product dealing 買賣石油化工產品
Polyard Holdings Limited 百田控股有限公司	Macau 澳門	Limited Liability Company 有限責任公司	MOP10,000,000 10,000,000澳門元	—	50%	Inactive 暫無營業

None of the subsidiaries had issued any debt securities at the end of the year.

於年終，概無附屬公司發行任何債務證券。

132 Five Year Financial Summary 五年財務概要

The summarised consolidated results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements of the Group, are set out below:

本集團於過去五個財政年度之綜合業績、資產及負債之概要(摘錄自本集團之經審核財務報表)載列如下:

Results

業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2003 二零零三年 HK\$'000 港幣千元 (Restated) (重列)	2004 二零零四年 HK\$'000 港幣千元 (Restated) (重列)	2005 二零零五年 HK\$'000 港幣千元 (Restated) (重列)	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Turnover	營業額	30,782	50,313	53,671	43,295	50,378
Profit/(loss) attributable to — equity holders of the the Company	應佔溢利/(虧損) — 本公司股權持有人	(2,012)	963	103	(18,428)	473,961
— Minority interests	— 少數股東權益	—	—	—	—	(846)
		(2,012)	963	103	(18,428)	473,115

Assets and Liabilities

資產及負債

		At 31 December 於十二月三十一日				
		2003 二零零三年 HK\$'000 港幣千元 (Restated) (重列)	2004 二零零四年 HK\$'000 港幣千元 (Restated) (重列)	2005 二零零五年 HK\$'000 港幣千元 (Restated) (重列)	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Total assets	總資產	76,691	78,277	85,237	288,088	3,224,574
Total liabilities	總負債	(22,743)	(23,364)	(30,059)	(34,857)	(356,970)
Net assets	淨資產	53,948	54,913	55,178	253,231	2,867,604



POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED
百田石油國際集團有限公司

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