



國金資源控股有限公司*
Guojin Resources Holdings Limited

(formerly known as JACKIN INTERNATIONAL HOLDINGS LIMITED 輝影國際集團有限公司*)

(Stock Code 股份代號 : 630)

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

2010

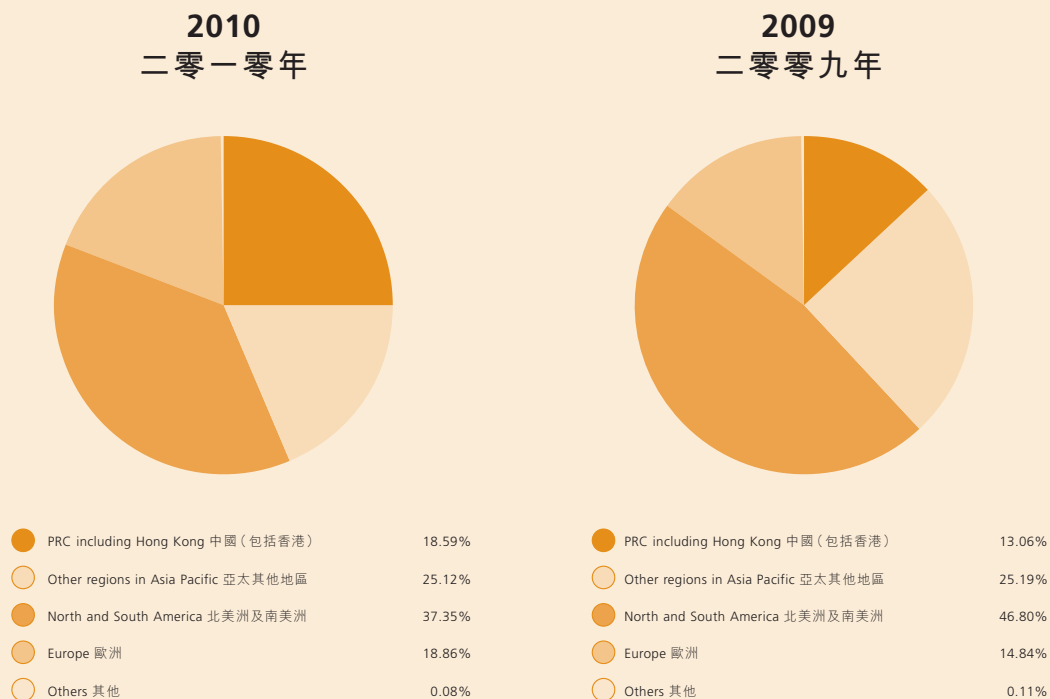
Annual Report 年報

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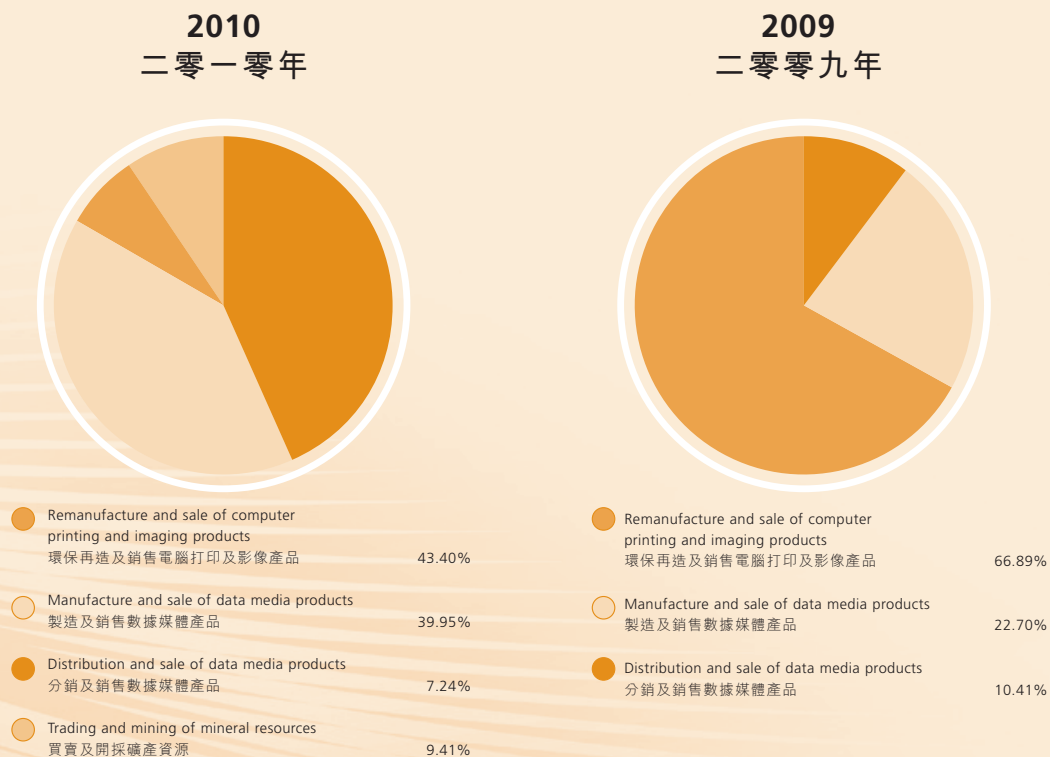
Financial Highlights

財務摘要

TURNOVER BY GEOGRAPHICAL MARKET FOR THE YEAR 年內按地區市場劃分之營業額



TURNOVER BY PRINCIPAL ACTIVITIES FOR THE YEAR 年內按主要業務劃分之營業額



FINANCIAL AND OPERATING RESULTS
HIGHLIGHTS

財務及經營業績概要

OPERATING RESULTS (HK\$'000)		2010	2009
經營業績 (千港元)		二零一零年	二零零九年
Turnover	營業額	169,925	221,394
Loss for the year	本年度虧損	(383,911)	(278,037)

FINANCIAL POSITION (HK\$'000)		2010	2009
財務狀況 (千港元)		二零一零年	二零零九年
Capital deficiency attributable to owners of the Company	本公司擁有人應佔資本虧絀	(131,615)	(14,904)
Total assets	總資產	141,556	391,783
Net liabilities	負債淨值	(132,158)	(14,904)
Net liabilities value per share (HK cents)	每股負債淨值 (港仙)	(0.09)	(0.01)

FINANCIAL STATISTICS		2010	2009
財務統計		二零一零年	二零零九年
Current ratio ¹	流動比率 ¹	1.2	1.7
Total debt to equity ratio ²	總債務與股權比率 ²	(2.08)	(27.3)
Return on total assets (%) ³	總資產回報率 (%) ³	(271.2)	(71.0)
Return on sales (%) ⁴	銷售回報率 (%) ⁴	(225.9)	(125.6)
Loss per share (HK cents)	每股虧損 (港仙)		
Basic	基本	(28.0)	(28.9)
Diluted	攤薄	(28.0)	(28.9)

Notes:

- Current ratio is calculated by dividing current assets by current liabilities.
- Total debt to equity ratio is calculated by dividing the total indebtedness by equity attributable to owners of Guojin Resources Holdings Limited (the "Company").
- Return on total assets is calculated by dividing the loss for the year by total assets.
- Return on sales is calculated by dividing the loss for the year by turnover.

附註:

- 流動比率乃以流動資產除以流動負債計算。
- 總債務與股權比率乃以總債務除以國金資源控股有限公司(「本公司」)擁有人應佔股權計算。
- 總資產回報率乃以年度虧損除以總資產計算。
- 銷售回報率乃以年度虧損除以營業額計算。

Corporate Information

公司資料

DIRECTORS

Executive directors

YIP Wai Lun, Alvin (*Chairman and Managing Director*)
MA Bo Ping
ZHOU Yu Sheng
LAM Suk Ling, Shirley
LEE Cheuk Yin, Dannis

Independent non-executive directors

LEUNG Ka Kui, Johnny
CHAN Kam Kwan, Jason
LAU Man Tak

COMPANY SECRETARY

CHAN Kwong Leung, Eric

AUTHORISED REPRESENTATIVES

YIP Wai Lun, Alvin
CHAN Kwong Leung, Eric

PRINCIPAL PLACE OF BUSINESS

Room 3303-3304 Level 33
Tower 1
Enterprise Square Five
38 Wang Chiu Road
Kowloon Bay
Kowloon
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

董事

執行董事

葉偉倫 (*主席兼董事總經理*)
麻伯平
周豫盛
林淑玲
李卓然

獨立非執行董事

梁家駒
陳錦坤
劉文德

公司秘書

陳鄭良

法定代表

葉偉倫
陳鄭良

主要營業地點

香港
九龍
九龍灣
宏照道38號
企業廣場5期
1座
33樓3303-3304室

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL BANKERS

China Construction Bank, Shenzhen Branch
Orix Asia Limited
Standard Chartered Bank (Hong Kong) Limited

AUDITOR

SHINEWING (HK) CPA Limited

INTERNAL CONTROL REVIEW ADVISOR

SHINEWING Risk Services Limited

SOLICITORS

K&L Gates LLP

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Standard Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

WEBSITE

www.guojinresources.com

主要往來銀行

中國建設銀行深圳分行
歐力士(亞洲)有限公司
渣打銀行(香港)有限公司

核數師

信永中和(香港)會計師事務所有限公司

內部監控審閱顧問

信永方略風險管理有限公司

律師

高蓋茨律師事務所

主要股份登記處及過戶辦事處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

香港股份登記分處及過戶辦事處

卓佳標準有限公司
香港
皇后大道東28號
金鐘匯中心26樓

網址

www.guojinresources.com

RESULTS

For the year ended 31 December 2010, the Company and its subsidiaries (collectively referred to as the "Group") recorded a turnover of HK\$170 million, representing a decrease of 23% compared with HK\$221 million in 2009. The Group's loss attributable to the owners of the Company amounted to HK\$383 million in 2010 (2009: HK\$278 million). Basic loss per share in 2010 was HK28.0 cents as compared with basic loss per share of HK28.9 cents in 2009.

Impacting our Group's profitability was mainly the raw material price hike, namely empty cartridge prices in the year under review. And like all manufacturers in China, the Group was also hit by the substantial wage hike, which is not only stipulated by law nationally, but also on a structural uptrend in the medium term.

BUSINESS REVIEW

Remanufacturing and sales of computer printing and imaging products

2010 was another a difficult year for the Group as its main business, namely, the remanufacturing and sales of computer printing and imaging products, being 43% (2009: 67%) of the Group's sales, recorded a sharp decline in sales of 50% in 2010. Operating environment for this segment remained extremely competitive in the year. This was particularly the case on the price front as the market was swamped by low value new-mould products. Profit for this segment was hit severely by a few factors: a) the rise in its key feedstock; empty cartridges b) labour costs, as our factories are located in the Pearl River Delta (Shenzhen and Zhuhai), the hike was bigger in magnitude nationally; and c) high fixed costs as the utilization of production capacity of the factories is low. In light of the weak sales, the Group also made impairment losses on inventories for obsolete inventories amounting to HK\$24 million (2009: HK\$82 million), to account for the sluggish sales in 2010 and write-off of inventories amounting to HK\$33 million (2009: Nil). These factors have led to a division loss to HK\$197 million (2009: HK\$148 million).

業績

截至二零一零年十二月三十一日止年度，本公司及其附屬公司（統稱為「本集團」）的營業額為170,000,000港元，較二零零九年的221,000,000港元下跌23%。於二零一零年，本公司擁有人應佔本集團虧損為383,000,000港元（二零零九年：278,000,000港元）。二零一零年的每股基本虧損為28.0港仙，而二零零九年的每股基本虧損為28.9港仙。

於回顧年度內，影響本集團盈利能力的主要因素為原材料價格（即空碳粉匣的價格）上漲。與中國所有製造商一樣，本集團亦受工資大幅攀升的影響，國家法律不僅對此有規定，而且工資在中期內亦呈結構性上升趨勢。

業務回顧

環保再造及銷售電腦打印及影像產品

由於本集團的主要業務（即環保再造及銷售電腦打印及影像產品，佔本集團銷售額的43%（二零零九年：67%））於二零一零年錄得銷售額大幅下跌50%，故二零一零年為本集團的另一個艱難年度。此分類的經營環境於本年度競爭仍異常激烈，其中價格競爭尤其激烈，原因是市場上充斥著低價值新模具產品。此分類之溢利亦受下列數項因素的嚴重影響：a)其主要原料：空碳粉匣價格上升；b)勞工成本，由於本集團的廠房位於珠三角（深圳及珠海），故勞工成本在全國升幅較大；及c)固定成本高企，乃由於廠房的產能利用率低。鑑於銷售欠佳，本集團亦就陳舊存貨作出為數24,000,000港元（二零零九年：82,000,000港元）的存貨減值虧損、處理二零一零年的呆滯銷售，及撇銷為數33,000,000港元（二零零九年：無）的存貨。該等因素已導致分類虧損197,000,000港元（二零零九年：148,000,000港元）。

Manufacture and sales of data media products

This division registered an increase of 35% in turnover for the year ended 31 December 2010. Management takes the critical review of the outlook of the business. In view that the business comes to end of life and probably will diminish over 18 months, appropriate provision on the inventories amounting to HK\$8 million was made. This has led to a decrease in profit for the division, at HK\$2 million from HK\$3 million of last year.

The distribution of data media products

For the year under review, this division experienced a decline in turnover, at HK\$12 million down from HK\$23 million a year ago. This has led to the division into a loss of HK\$1 million.

Trading and mining of mineral resources

During the year under review, the Group held embarked on trading activities for mineral products and recorded a turnover of approximately HK\$16 million in this regard. The activities in this line of business has not proceeded further due to the lack of trading opportunities that would provide the Group with attractive return on minimized credit exposure. The Group will continue to look for suitable opportunities to broaden its business spectrum.

PROSPECTS

Remanufacturing and sales of computer printing and imaging product and manufacture, sales and distribution of data media products

In response to the cost pressure in our manufacturing division, the Group has made a number of difficult yet we believe to be cost effective decisions. First, we have centralized our manufacturing operation of remanufacturing and computer printing and imaging product from previously two bases (Shenzhen and Zhuhai) to only in Zhuhai. We have also reviewed the entire operation and identified a number of areas where operating efficiency could be lifted. One of these inevitably followed through the production base contraction, is a proactive headcount reduction in the manufacturing division. We have started implementing the measures from second half of 2010, and expect some of the cost savings would gradually come through in 2011.

製造及銷售數據媒體產品

該分類截至二零一零年十二月三十一日止年度之營業額錄得35%之增長。管理層會慎重檢討該業務前景。鑑於該業務已接近終止營運，且將可能在18個月內縮減，故已就存貨作出適當撥備為數8,000,000港元。此導致該分類之溢利由去年之3,000,000港元減少至2,000,000港元。

分銷數據媒體產品

於回顧年度內，該分類之營業額由一年前之23,000,000港元下降至12,000,000港元，因而導致該分類產生1,000,000港元之虧損。

買賣及開採礦產資源

於回顧年度內，本集團開展礦產品之買賣業務並就此錄得約16,000,000港元之營業額。由於缺乏可為本集團帶來最低信貸風險之具吸引力回報之貿易機會，故並未進一步進行此類業務活動。本集團將繼續尋求合適之機會以拓展其業務範疇。

前景

環保再造及銷售電腦打印及影像產品以及製造、銷售及分銷數據媒體產品

為應對本集團製造分類之成本壓力，本集團已作出多項艱難惟我們相信將具成本效益之決定。首先，我們已將先前兩處基地（深圳及珠海）之環保再造及電腦打印及影像產品之生產經營僅集中至珠海。我們亦檢討整個營運及物色多處可提升經營效益之範圍。透過縮減整個生產基地，隨之不可避免會導致精簡製造分類之人員數目。我們自二零一零年下半年以來已開始實施有關措施，並預期若干節約成本措施將於二零一一年逐步落實。

The management believes the ultimate solution is to dispose this entire division to interested third party. The intention to dispose was first revealed in the announcement dated 29 July 2010. It was further disclosed in the announcement dated 4 October 2010 that a non-legally binding term sheet in relation to the debt restructuring and disposal of Ugent Holdings Limited ("Ugent") (which is engaged in the remanufacturing and sale of computer printing and imaging products) was entered into with Martin Currie Inc. However, as disclosed in the announcement dated 10 March 2011, such debt restructuring and disposal of Ugent will not be proceeding. The management will continue to seek for opportunity to dispose this entire division.

Regarding the manufacture, sale and distribution of data and media products division, the Group will continue to improve its operational efficiency to improve the profitability of this division.

Acquisition of mining business

On 18 December 2009, a wholly-owned subsidiary (the "Purchaser") of the Company entered into an agreement (the "Acquisition Agreement") with Mr. Cui Zhan Lin (the "Vendor") in relation to the proposed acquisition of the entire equity interest of SE Metal Resource Corp. ("SE Metal") which indirectly holds the mining rights claims of a copper-gold mine, an iron-ore mine and a gold mine in the United States. On the same date, the Company entered into a consultancy agreement with China National Gold Investment Oversea Holdings Ltd ("CNGO") by which subject to the completion of Acquisition Agreement, CNGO will provide consultancy services in relation to the mining business to the Company for a term of ten years. The Company also entered into a referral and retainer agreement with CNGO who will provide consultancy services to the company in assisting the Company to perform its due diligence exercised on the three mines. As disclosed in the announcement dated 29 July 2010, the Company conducted a legal due diligence on the mining rights claims of the three mines and certain validity issues have been identified in each of the three mines. At the announcement date, the mining right claim issues of the copper-gold mine had been solved. On 28 September 2010, the Company announced that a supplemental agreement (the "Supplemental Agreement") was entered on 1 September 2010 so that the Purchaser would acquire from the Vendor the mining rights claims of the copper-gold mine

管理層認為，最終解決方案乃將此整個部門出售予有意第三方。出售意向於二零一零年七月二十九日之公佈中首次表露。於二零一零年十月四日之公佈中進一步披露，本公司與Martin Currie Inc訂立有關債務重組及出售Ugent Holdings Limited (「Ugent」) (該公司從事環保再造及銷售電腦打印及影像產品)的不具法律約束力的條款清單。然而，誠如於二零一一年三月十日之公佈所披露，有關債務重組及出售Ugent將不會進行。管理層將繼續尋找機會以出售此整個分類。

就製造、銷售及分銷數據媒體產品分類而言，本集團將繼續提升其經營效率以改善此分類之盈利能力。

收購採礦業務

於二零零九年十二月十八日，本公司一間全資附屬公司(「買方」)與崔占林先生(「賣方」)就建議收購SE Metal Resource Corp. (「SE Metal」)之全部股權訂立一項協議(「收購協議」)，而SE Metal間接持有位於美國之一個銅金礦、一個鐵礦及一個金礦之採礦權利。同日，本公司與中國黃金投資海外控股有限公司(「中國黃金海外」)訂立顧問協議，據此，待收購協議完成後，中國黃金海外將向本公司提供有關採礦業務之顧問服務，為期十年。本公司亦與中國黃金海外訂立轉介及前期諮詢協議，中國黃金海外將向本公司提供顧問服務以協助本公司在該三個礦區進行盡職調查。誠如本公司日期為二零一零年七月二十九日之公佈所披露，本公司已分別就三座礦山之開採權利進行合法盡職審查並發現於三座礦山均有若干有效性問題。於公佈日期，銅金礦之開採權利問題已解決。於二零一零年九月二十八日，本公司宣佈於二零一零年九月一日訂立補充協議(「補充協議」)，就此買方將向賣方僅收購銅金礦之採礦權利。收購協議之若干條款已獲修訂，包括削減買方就收購事項應付之代價及將收購協議之完成日期從二零一零年十二

only. Certain terms of the Acquisition Agreement was amended including a reduction in the consideration payable by the Purchaser for the acquisition and the extension of the date of completion of the Acquisition Agreement from 31 December 2010 to 31 October 2011. On 23 August 2010, the consultancy agreement and the referral and retainer agreement with CNGO were also terminated which was also disclosed on the announcement dated 28 September 2010. The preparation of exploration and drilling work on the copper-gold mines commenced after signing of the Supplemental Agreement with the drilling work subsequently started in January 2011. The cost incurred on preparation and ancillary work for the drilling amounted to HK\$12 million, subject to final billing by the contractors. However, in view of the tight cash flow of the Group from its normal business operation, as disclosed in the announcement dated 10 March 2011, the Company decided to put on hold of all substantial non-operating expenses including the on-site work of the copper-gold mine in order to reserve cash resources of the Group. The Board, further taking into account the prevailing market conditions surrounding investors' interest in mining projects under exploration, decided to terminate the Acquisition Agreement and a notice of termination was served to the Purchaser on 22 March 2011 and an announcement was made on the same date.

It is still the Company's belief that the Group should seek opportunities to broaden its business scope. The Company has acquired considerable and valuable knowledge in the mining business through its experience in the acquisition of the copper-gold mine as referred to above. Although the Company has decided to terminate the Acquisition Agreement relating to the copper-gold mines for the reasons disclosed above, the Company remains to be interested to capitalize on the experience and knowledge acquired in 2010 in mining project investments to look for new mining investments with ready production and positive cash flows. To this end, on 1 February 2011, a wholly-owned subsidiary of the Company entered into a non-legally binding memorandum of understanding relating to the possible acquisition of a company which owns 70% equity interest of a PRC company which is principally engaged in the exploration, mining, processing and sale of mineral products in Inner Mongolia. The purpose of the memorandum of understanding is to give the subsidiary the exclusivity period of 45 business days to conduct the necessary due diligence. No agreement has been signed up to date of this report.

月三十一日寬限至二零一一年十月三十一日。於二零一零年八月二十三日，與中國黃金海外訂立之顧問協議及以及轉介及前期諮詢協議亦被終止，其亦披露於二零一零年九月二十八日之公佈內。銅金礦之勘探及鑽探準備工作於簽署補充協議後開始，而鑽探工作隨後於二零一一年一月開始。鑽探準備及輔助工作之成本為12,000,000港元，須視乎承包商之最後賬單而定。然而，鑑於本集團來自一般業務營運之現金流量緊絀，誠如日期為二零一一年三月十日之公佈所披露，本公司決定暫停所有重大非經營開支，包括銅金礦之現場工作，以留存本集團之現金資源。經進一步考慮現行週邊市況及投資者對勘探中採礦項目的興趣後，董事會決定終止收購協議，並已於二零一一年三月二十二日向買方發出終止通知，及於同日發表公佈。

本公司仍堅信，本集團應尋求機會擴闊其業務範圍。透過上文所述於收購銅金礦方面之經驗，本公司已收獲大量有關採礦業務之寶貴知識。儘管本公司已因上文所披露之原因而決定終止有關銅金礦之收購協議，但本公司仍有興趣利用於二零一零年在採礦項目投資中所獲取之經驗及知識，尋找可投入生產並具備正面現金流之新採礦投資。為此，於二零一一年二月一日，本公司之一間全資附屬公司訂立就可能收購一間公司訂立不具法律約束力之諒解備忘錄，該公司擁有一間主要在內蒙古從事勘探、採礦、加工及銷售礦產品之中國公司之70%股權。諒解備忘錄旨在給予該附屬公司為期45個營業日之獨家期間，以進行必要盡職審查。直至本報告日期為止並無簽署協議。

Acquisition of manufacturing business

With a view to improving the Group's financial performance, the Group has been actively looking for attractive merger and acquisition opportunities in order to extend its business reach. On 23 January 2011, the Company and one of its wholly-owned subsidiaries entered into an agreement with the four vendors, including Mr. Yip, on the acquisition of the entire issued share capital/registered capital of Titron International Limited, Titron Industries Limited, Titron Precision Limited and Dongguan De Yue Electronic and Plastics Company Limited (together, "Target Group"). In 2005, they started with fabrication of high-precision, high-cavitation tooling for the medical industry. Commencing from 2008, the Target Group made way into the business of manufacturing medical devices, starting with lancet devices. In 2009, the Target Group obtained its qualified supplier status for registration in the medical sector of the United States of America, and began its production process validation for specified products, as stipulated under the relevant medical administrative standard of the United States of America, during the year 2009 and 2010. Commercial production commenced in late 2010 for the medical products. In light of the historical profitable performance and the prospects of medical device manufacturing business of the Target Group, it is believed that such acquisition provides a good opportunity for the Group to improve its income stream and turnaround its business.

Change of Company Name

To better reflect its new focus on the resources business, the Company has changed its name to "Guojin Resources Holdings Limited" (「國金資源控股有限公司」) (*for identification purposes*) from "Jackin International Holdings Limited" (「輝影國際集團有限公司」) (*for identification purposes*) which have become effective on 15 September 2010. The registration of the new English name of the Company in Hong Kong under Part XI of the Companies Ordinance took effect from 4 November 2010.

收購製造業務

為提高本集團之財務表現，本集團一直積極尋求具吸引力之併購機遇，以擴展其業務覆蓋範圍。於二零一一年一月二十三日，本公司及其一間全資附屬公司與包括葉先生在內之四名賣方就收購Titron International Limited、Titron Industries Limited、Titron Precision Limited及東莞德越電子塑膠製品有限公司（統稱「目標集團」）之全部已發行股本／註冊資本而訂立協議。於二零零五年，彼等開始製造用於醫療業之高精度及高氣蝕工具。自二零零八年起，目標集團進軍醫療設備製造業務（由採血儀設備開始）。於二零零九年，目標集團取得美國藥物行業註冊之合資格供應商資格，並於二零零九年及二零一零年開始美國相關藥物管理準則規定之特定產品之生產工業驗證。於二零一零年底開始醫療產品之商業化生產。鑑於目標集團醫療設備製造業務過往盈利表現及前景，相信有關收購將為本集團提供改善其收入來源及使其業務扭虧為盈之良機。

更改公司名稱

為突顯資源業務作為本集團之新業務重心，本公司已將其名稱由Jackin International Holdings Limited（「輝影國際集團有限公司」）（*僅供識別*）更改為Guojin Resources Holdings Limited（「國金資源控股有限公司」）（*僅供識別*），並已自二零一零年九月十五日起生效。根據公司條例第XI部註冊本公司的新英文名稱已自二零一零年十一月四日起生效。

FINANCIAL REVIEWS

Capital and Debt Structure

As at 31 December 2010, the Group's total net liabilities was approximately HK\$132 million (31 December 2009: HK\$15 million), representing approximately HK\$117 million increase compared with that of previous year, mainly due to the loss for the year but partially compensated by the net proceed after share issue expense from the placement of new shares amounted to HK\$193.5 million made in January 2010 and the issue of new shares on conversion of convertible bonds amounted to HK\$48 million.

As at 31 December 2010, the Group's total bank and other borrowings plus finance lease obligations decreased by HK\$30 million to HK\$12 million (31 December 2009: HK\$42 million), of which most of them was payable within one year. Most of the Group's borrowings are denominated in Hong Kong dollars and subject to floating interest rates. Hence the risk of currency exposure was minimal. The Group's total cash and bank balances amounted to approximately HK\$38 million (31 December 2009: HK\$18 million), representing an increase of approximately HK\$20 million.

The Group's net debt to (negative) equity ratio was kept at (1.5) (31 December 2009: (20.7)), which is determined by total bank and other borrowings, notes payable, obligation under finance leases and convertible bonds over total net liabilities.

Working Capital and Liquidity

As at 31 December 2010, the Group's current ratio and quick ratio were 1.2 and 0.9 respectively (2009: 1.7 and 0.7). Inventory turnover on sales decreased to 62 days (31 December 2009: 248 days) primarily due to the reassessment of the carrying amounts of inventories. Receivable turnover decreased to 27 days (31 December 2009: 89 days) primarily due to the shortened credit period and the reassessment of the recoverability of aged receivable.

財務回顧

資本及債務架構

於二零一零年十二月三十一日，本集團之淨負債總額約為132,000,000港元（二零零九年十二月三十一日：15,000,000港元），較去年增加約117,000,000港元，乃主要由於年內之虧損所致，惟部份由二零一零年一月作出的新股份配售所得款項淨額（經扣除股份發行開支後）193,500,000港元及因轉換可換股債券發行新股份為48,000,000港元所抵銷。

於二零一零年十二月三十一日，本集團之銀行及其他借貸總額加融資租約承擔減少30,000,000港元至12,000,000港元（二零零九年十二月三十一日：42,000,000港元），其中大部份須於一年內償還。本集團大部分借貸均以港元計值，並按照浮動息率計息。因此，本集團之貨幣風險甚低。本集團之現金及銀行結餘總額約達38,000,000港元（二零零九年十二月三十一日：18,000,000港元），相當於增加約20,000,000港元。

本集團之債務淨額與（負）股權比率維持於(1.5)（二零零九年十二月三十一日：(20.7)），乃以銀行及其他借貸、應付票據、融資租約承擔及可換股債券承擔總額除以淨負債總額計算。

營運資金及流動資金

於二零一零年十二月三十一日，本集團之流動比率及速動比率分別為1.2及0.9（二零零九年：1.7及0.7）。存貨銷售周轉期下降至62日（二零零九年十二月三十一日：248日），主要由於重新評估存貨之賬面值所致。應收賬款周轉期減少至27日（二零零九年十二月三十一日：89日），主要是由於縮短信貸期及重新評估應收賬款賬齡的可收回性。

Contingent Liabilities and Charges on the Group's Assets

The Group had pledged its assets with an aggregate net book value of HK\$4 million (2009: HK\$29 million) to secure bank loans granted and finance lease obligations.

Increase in Authorised Share Capital

Pursuant to an ordinary resolution passed by the shareholders at the special general meeting held on 8 December 2010, the authorised share capital of the Company was increased from HK\$200 million to HK\$400 million by the creation of an additional 2,000,000,000 ordinary shares of HK\$0.10 each which rank pari passu with the existing shares in all respects.

Issuance of New Shares, Grant and Exercise of Share Options and Conversion of Convertible Bonds

On 13 January 2010, the Company entered into placing agreement with placing agents for subscribing an aggregate of 210 million new shares in the share capital of the Company at the subscription price of HK\$0.95 per share (the "Placing"). The completion of the Placing took place on 21 January 2010 and the Company received the net proceeds after share issue expense amounted to approximately HK\$193.5 million from the Placing.

On 29 January 2010, the Company granted options to subscribe for a total of 79,640,000 ordinary shares of HK\$0.10 each of the Company at the subscription price of HK\$0.786 per share pursuant to the Company's share option scheme adopted on 12 June 2004. The share options are exercisable from 29 January 2010 to 28 January 2012. On 11 May 2010, 652,000 share options were exercised to subscribe for 652,000 ordinary shares in the Company at an aggregate consideration of HK\$512,000.

On 15 March 2010, 18 March 2010, 9 August 2010, 19 August 2010 and 29 September 2010, convertible bonds with an aggregate principal amount of HK\$50,000,000 were converted by the then bondholders into 200,000,000 new ordinary shares of the Company of HK\$0.10 each at a conversion price of HK\$0.25 per share.

或然負債及本集團資產抵押

本集團已抵押其總賬面淨值4,000,000港元(二零零九年: 29,000,000港元)之資產作為獲授予之銀行貸款及融資租約承擔之擔保。

增加法定股本

根據股東於二零一零年十二月八日舉行之股東特別大會上通過之一項普通決議案,本公司法定股本透過額外增設2,000,000,000股每股面值0.10港元之普通股,由200,000,000港元增至400,000,000港元,該等股份與現有股份在所有方面享有同等地位。

發行新股份、授出及行使購股權及轉換可換股債券

於二零一零年一月十三日,本公司與配售代理訂立配售協議,以按認購價每股股份0.95港元認購本公司股本中合共210,000,000股新股份(「配售事項」)。配售事項已於二零一零年一月二十一日完成及本公司已自配售事項在扣除股份發行開支後獲得所得款項淨額約193,500,000港元。

於二零一零年一月二十九日,本公司根據於二零零四年六月十二日採納之購股權計劃授出購股權,以按認購價每股0.786港元認購合共79,640,000股每股面值0.10港元之本公司普通股。購股權由二零一零年一月二十九日至二零一二年一月二十八日可予行使。於二零一零年五月十一日,為數652,000份購股權獲行使以認購652,000股本公司普通股,總代價為512,000港元。

於二零一零年三月十五日、二零一零年三月十八日、二零一零年八月九日、二零一零年八月十九日及二零一零年九月二十九日,當時之債券持有人乃按兌換價每股0.25港元將本金總額為50,000,000港元之可換股債券兌換為本公司200,000,000股每股面值0.10港元之新普通股。

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2010, the number of employees of the Group was approximately 552. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account the current industry practices. Remuneration package of employees includes salaries, insurance, mandatory provident fund and share option scheme. Other employee benefits include medical cover, housing allowance, educational allowance and discretionary bonuses.

GOING CONCERN

As at 31 December 2010, the Group recorded capital deficiency attributable to owners of the Company of approximately HK\$132 million. The Group had incurred loss for the year amounting to HK\$384 million. In face of the liquidity constraints presently encountered by the Group, the Directors have implemented measures to tighten cost controls over various distribution costs and administrative expenses and to improve the Group's cash flow position and operating results. In addition, the Directors are considering various alternatives to enlarge the capital base of the Company in order to provide additional funding to the Group. In the circumstances, the Directors consider that, when the above-mentioned measures are successfully implemented, the Group will have sufficient cash resources to satisfy its future working capital and other financing requirement and the Directors are ascendingly of the view that it is appropriate to prepare the financial statements on a going concern basis.

EVENTS AFTER THE REPORTING PERIOD

On 23 January 2011, Energy Best Investments Limited ("Energy Best"), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Mr. Yip Wai Lun, Alvin ("Mr. Yip"), a Director of the Company, an associated company of him and two other shareholders of members of the Titron Group (as defined below). Pursuant to which, Energy Best agreed to purchase 100% equity interests in Titron Industries Limited, Titron Manufacturing Limited, Titron International Limited, Titron Precision Limited and 東莞德越電子塑膠製品有限公司 (collectively referred to as the "Titron Group") at a consideration of HK\$120 million including the cash payment of HK\$15 million and the issuance of convertible notes of HK\$105 million.

僱員及薪酬政策

於二零一零年十二月三十一日，本集團僱員人數約為552人。本集團給予僱員之薪酬組合主要按彼等之表現及經驗而定，並參考目前行業慣例。僱員薪酬組合包括薪金、保險、強制性公積金及購股權計劃。其他僱員福利包括醫療保障、住房津貼、教育津貼及酌情花紅。

持續經營

於二零一零年十二月三十一日，本集團錄得本公司擁有人應佔資本虧絀約132,000,000港元。本集團年內產生虧損達384,000,000港元。面對本集團目前遇到之流動資金限制，董事已實施有關措施以加強對各種分銷開支及行政費用之成本控制，以及改善本集團之現金流狀況以及經營業績。此外，董事現在考慮多種方式以擴大大公司之資本基礎以為本集團提供額外資金。於該等情況下，董事認為，倘上述措施成功實施，則本集團將擁有足夠現金資源以滿足其未來營運資金及其他資金要求，且董事因此認為，按持續經營基準編製該等財務報表乃屬適當。

報告期後事項

於二零一一年一月二十三日，本公司全資附屬公司Energy Best Investments Limited（「Energy Best」）與本公司董事葉偉倫先生（「葉先生」）、彼之一間聯營公司及Titron集團（定議見下文）成員公司之兩名其他股東訂立一份買賣協議。據此，Energy Best同意收購Titron Industries Limited、Titron Manufacturing Limited、Titron International Limited、Titron Precision Limited及東莞德越電子塑膠製品有限公司（統稱為「Titron集團」）之全部股權，代價為120,000,000港元（包括現金付款15,000,000港元及發行可換股票據105,000,000港元）。

Chairman's Statement

主席報告

The acquisition of the Titron Group is subject to, among other things, the approval of shareholders of the Company. After completion, the Titron Group will become wholly owned subsidiaries of Energy Best. Details of the acquisition are set out in the announcement of the Company dated 25 January 2011.

On 1 February 2011, Golden Passage Limited ("Golden Passage"), a wholly owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding ("Memorandum") with Fortune Voyage Limited and Sino Rise Enterprises Limited, independent third parties, pursuant to which Golden Passage proposed to acquire 70% equity interest of a PRC company principally engaged in the exploration, mining, processing and sale of mineral products through the acquisition of the entire issued share capital of Smart Ascent International Limited ("Smart Ascent"). The Memorandum gives Golden Passage the exclusivity period of 45 business days to conduct the necessary due diligence on Smart Ascent and the PRC company. The signing of the formal sale and purchase agreement is subject to, among other things, Golden Passage having completed its preliminary due diligence on the PRC Company, and the PRC Company having increased its registered capital. No formal sale and purchase agreement has been entered into up to the date of this report. Details of the Memorandum are set out in the announcement of the Company dated 1 February 2011.

Pursuant to the non-legally binding term sheet (the "Term Sheet") in relation to the debt restructuring and disposal of Ugent Holdings Limited as announced on 5 October 2010, on 10 March 2011, the Company further announced that the Term Sheet will not proceed. Details are set out, inter alia, in the announcement of the Company dated 5 October 2010 and 10 March 2011.

On 22 March 2011, the Company announced that the conditional sale and purchase agreement made between the Purchaser and the Vendor dated 18 December 2009 together with the two supplemental agreements date 21 January 2010 and 1 September 2010 respectively, in respect of acquisition of the entire issued share capital of SE Metal have been terminated.

收購Titron集團須待(其中包括)獲得本公司股東批准後,方可作實。於完成後, Titron集團將成為Energy Best之全資附屬公司。有關收購事項之詳情載於本公司日期為二零一一年一月二十五日之公佈內。

於二零一一年二月一日,本公司全資附屬公司Golden Passage Limited(「Golden Passage」)與獨立第三方Fortune Voyage Limited及Sino Rise Enterprises Limited訂立一份不具法律約束力諒解備忘錄(「備忘錄」),據此,Golden Passage建議透過收購Smart Ascent International Limited(「Smart Ascent」)之全部已發行股本而收購一間主要從事勘探、開採、加工及銷售礦產品之中國公司之70%股權。備忘錄給予Golden Passage 45個營業日之獨家期間以就Smart Ascent及中國公司進行必要之盡職審查。簽訂正式買賣協議須待(其中包括)Golden Passage完成其對中國公司之初步盡職審查,以及中國公司增加其註冊資本後,方可作實。直至本報告日期止並無訂立正式買賣協議。備忘錄之詳情載於本公司日期為二零一一年二月一日之公佈內。

根據有關債務重組及出售Ugent Holdings Limited之不具法律約束力之條款清單(「條款清單」)(誠如二零一零年十月五日所宣佈),於二零一一年三月十日,本公司進一步宣佈該條款清單將不會進行。有關詳情載於(其中包括)本公司日期為二零一零年十月五日及二零一一年三月十日之公佈內。

於二零一一年三月二十二日,本公司宣佈,由買方與賣方於二零零九年十二月十八日訂立有關收購SE Metal全部已發行股本之有條件買賣協議,連同兩份日期分別為二零一零年一月二十一日及二零一零年九月一日之補充協議已被終止。

DIRECTORS

Executive directors

Mr. YIP Wai Lun, Alvin, aged 48, joined the Company as executive director on 27 July 2009 and was first re-designated as Deputy Chairman and Deputy Managing Director of the Company on 2 March 2010, and subsequently re-designated as Chairman and Managing Director of the Company on 29 October 2010. Mr. Yip is responsible for the Group's strategic planning. Mr. Yip has over 24 years of experience as entrepreneur and key management in a variety of business, ranging from manufacturing and technology to transportation. He has also led in the formation and management of a number of joint ventures and partnership arrangements with multinationals.

Mr. MA Bo Ping, aged 51, joined the Company as executive director on 18 December 2009. Mr. Ma has over 28 years of experience in mining industry with more than 19 years of which in the managerial level. Mr. Ma attained technical qualification of senior engineer at the beginning of 1990s. Mr. Ma is familiar with all the aspects of a mining company, from mineral processing research and design, conducting feasibility studies and the construction of gold and non-ferrous metals mining sites to its related finance management. Mr. Ma holds a bachelor degree of engineering in mineral processing from the Wuhan University of Science and Technology (武漢科技大學, formerly known as 武漢鋼鐵學院) and the degree of the master of business administration from Cheung Kong Graduate School of Business (長江商學院).

董事

執行董事

葉偉倫先生，四十八歲，於二零零九年七月二十七日加入本公司為執行董事。彼首先於二零一零年三月二日調任為本公司副主席兼副董事總經理，並隨後於二零一零年十月二十九日調任為本公司主席兼董事總經理。葉先生負責本公司之策略規劃。葉先生於多個行業（涵蓋製造及科技以至運輸等行業）擁有逾二十四年作為企業家及主要管理人員之經驗。彼亦曾領導與跨國公司成立及管理多間合資企業及合夥安排。

麻伯平先生，五十一歲，於二零零九年十二月十八日加入本公司為執行董事。麻先生於採礦行業擁有逾二十八年經驗，其中有超過十九年擔任管理層。麻先生於上世紀九十年代初取得高級工程師技術資格。麻先生熟悉礦業公司之各個層面，涉及從選礦研究與設計、進行可行性研究以及黃金及有色金屬礦場建設到相關的財務管理。麻先生持有武漢科技大學（前稱武漢鋼鐵學院）選礦工程學士學位以及長江商學院之高級管理人員工商管理碩士學位。

DIRECTORS (continued)

Executive directors (continued)

Mr. ZHOU Yu Sheng, aged 58, joined the Company as executive director on 25 January 2010 and has over 35 years of experience in mining industry with more than 27 years of which is in the senior managerial level. Mr. Zhou has mastered the mining techniques for different types of deposits and management skills for the operation of mining enterprises. He has solid theoretical foundation and extensive practical experience in the aspects of resources exploration, planning and design, construction works, investment control, production coordination and business operation in metal mines. Meanwhile, as Mr. Zhou had held managerial positions in regulatory authorities of gold industry for a long period of time, he accumulated extensive integrated management experience such as industry planning, coordination and directing. Mr. Zhou was appointed as the head of a domestic major gold mine, and deputy director and director of Gold Management Bureaus of Sichuan Province and Hebei Province in 1980s. Before joining the Company, Mr. Zhou was the chairman of China Gold Group Investment Co. Ltd. (中國黃金集團投資有限公司) and chairman/general manager of China National Gold Investment Oversea Holdings Limited (中國黃金投資海外控股有限公司). Mr. Zhou graduated from 瀋陽黃金學院 (Shenyang Gold College) (currently being merged and becomes Northeastern University) with major in mining engineering and attained the technical qualifications of senior engineer certified by the former Ministry of Metallurgical Industry of the People's Republic of China.

Ms. LAM Suk Ling, Shirley, aged 44, joined the Company as Finance Director on 8 February 2010 and is responsible for overall finance functions of the Group. Ms. Lam has more than 18 years experience of auditing, accounting and financial management. Before joining the Company, she worked for various international audit firms and listed companies. She holds a Master Degree in Business Administration from University of Adelaide, Australia and a Bachelor Degree in Science from Murdoch University, Western Australia. She is qualified as a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia.

董事 (續)

執行董事 (續)

周豫盛先生，五十八歲，於二零一零年一月二十五日加入本公司為執行董事，並於採礦行業擁有逾三十五年經驗，其中有二十七年擔任高級管理層。周先生熟練掌握不同類型礦床的開採工藝技術和礦山企業經營管理技能。在金屬礦山的資源勘探、規劃設計、工程建設、投資管理、生產組織、企業運營等方面，具有紮實的理論基礎和豐富的實踐經驗；同時，由於長期擔任黃金行業管理機構的領導職務，還使其積累了豐富的行業規劃、協調指導等綜合管理經驗。周先生於上世紀八十年代初開始任職國內大型金礦礦長，四川省、河北省黃金管理局副局長、局長等職，加盟本公司前為中國黃金集團投資有限公司董事長及中國黃金投資海外控股有限公司董事長／總經理。周先生畢業於瀋陽黃金學院（現合併為東北大學）採礦工程專業，具有原中華人民共和國冶金工業部認證的採礦高級工程師技術資質。

林淑玲女士，四十四歲，於二零一零年二月八日加入本公司為財務董事，並負責本集團之整體財務職能。林女士於審計、會計及財務管理方面積逾十八年經驗。於加入本公司前，彼曾於多間國際核數師行及上市公司工作。林女士持有澳洲阿德雷德大學 (University of Adelaide) 工商管理碩士學位及西澳洲梅鐸大學 (Murdoch University) 理學學士學位。彼為符合香港會計師公會會員資格之執業會計師並為澳洲會計師公會之執業會計師。

DIRECTORS (continued)

Executive directors (continued)

Mr. LEE Cheuk Yin, Dannis, aged 40, joined the Company as executive director on 29 October 2010. Mr. Lee has more than 18 years of accounting and finance experience. Mr. Lee is the non-executive director of Kam Hing International Holdings Limited, a company which shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and independent non-executive director of Geely Automobile Holdings Limited and Tiangong International Company Limited, both are companies which shares are listed on the Main Board of the Stock Exchange. Mr. Lee was an executive director of AMVIG Holdings Limited from 26 March 2004 to 28 February 2010 and was a non-executive director of Norstar Founders Group Limited from 10 October 2003 to 14 January 2009, the shares of both companies are listed on the Main Board of the Stock Exchange. He obtained the Bachelor of Business Administration from Texas A&M University in the United States and is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants.

Independent non-executive directors

Mr. LEUNG Ka Kui, Johnny, aged 54, joined the Company as independent non-executive director on 28 January 2000 and holds a Bachelor of Laws of the University of London. Mr. Leung is a qualified solicitor in Hong Kong, England & Wales and Singapore, and is a Notary Public and China Appointed Attesting Officer. He has over 26 years of experience in legal field and is the senior partner of Messrs. Johnny K.K. Leung & Co., Solicitors & Notaries. Mr. Leung is currently an independent non-executive director of Celestial Asia Securities Holdings Limited and Phoenitron Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange.

董事 (續)

執行董事 (續)

李卓然先生，四十歲，於二零一零年十月二十九日加入本公司為執行董事。李先生擁有逾十八年之會計及財務經驗。李先生為錦興國際控股有限公司（其股份於香港聯合交易所有限公司（「聯交所」）主板上市）之非執行董事，以及吉利汽車控股有限公司及天工國際有限公司（兩間公司均於聯交所主板上市）之獨立非執行董事。李先生自二零零四年三月二十六日起至二零一零年二月二十八日為澳科控股有限公司之執行董事及自二零零三年十月十日起至二零零九年一月十四日為兆泰創業集團有限公司（該兩家公司之股份均於聯交所主板上市）之非執行董事。李先生獲頒美國Texas A&M University之工商管理學士學位，並為香港會計師公會會員及美國執業會計師公會會員。

獨立非執行董事

梁家駒先生，五十四歲，於二零零零年一月二十八日加入本公司為獨立非執行董事，並持有英國倫敦大學法律學士學位。梁先生為香港、英國及新加坡之註冊律師，亦為國際公證人及中國司法部委任公證律師。彼為梁家駒律師行之高級合夥人，具有逾二十六年法律事務經驗。梁家駒先生亦為時富投資集團有限公司及品創控股有限公司（該兩家公司之股份於聯交所主板上市）之獨立非執行董事。

DIRECTORS (continued)

Independent non-executive directors (continued)

Mr. CHAN Kam Kwan, Jason, aged 37, joined the Company as independent non-executive director on 11 August 2004 and holds a Bachelor Degree in Commerce from University of British Columbia, Canada and is a member of the American Institute of Certified Public Accountants. Mr. Chan has over 10 years' experience in accounting and corporate finance. He has been working in a big-4 multinational audit firm and served a number of listed corporations. Mr. Chan is currently an executive director and the company secretary of China WindPower Group Limited and Wah Nam International Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange.

Mr. LAU Man Tak, aged 41, joined the Company as independent non-executive director on 29 October 2010 and holds a bachelor degree in Accountancy from the Hong Kong Polytechnic University. He has more than 15 years of experience in corporate finance, accounting and auditing. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Securities Institute. Mr. Lau is an executive director of China Grand Forestry Green Resources Group Limited and an independent non-executive director of each of Climax International Company Limited, Golden Resorts Group Limited and Kong Sun Holdings Limited, which are companies listed on the Main Board of the Stock Exchange. He was also a former executive director of Warderly International Holdings Limited from December 2007 to January 2010, the shares of which are listed on the Main Board of the Stock Exchange.

董事 (續)

獨立非執行董事 (續)

陳錦坤先生，三十七歲，於二零零四年八月十一日加入本公司為獨立非執行董事，並持有加拿大英屬哥倫比亞大學商業學士學位及美國執業會計師公會會員。陳先生在會計事務及公司財務方面擁有逾十年經驗，曾於四大跨國核數師樓及多間上市公司工作。陳先生現為中國風電集團有限公司及華南投資控股有限公司之執行董事兼公司秘書，上述兩間公司均於聯交所主板上市。

劉文德先生，四十一歲，於二零一零年十月二十九日加入本公司為獨立非執行董事，並持有香港理工大學會計學學士學位。彼於企業融資、會計及審計方面擁有逾十五年經驗。彼為英國特許公認會計師公會資深會員、香港會計師公會會員及香港證券學會會員。劉先生為中國林大綠色資源集團有限公司之執行董事以及英發國際有限公司、黃金集團有限公司及江山控股有限公司（該等公司之股份均於聯交所主板上市）各自之獨立非執行董事。彼亦曾於二零零七年十二月至二零一零年一月為匯多利國際控股有限公司（其股份於聯交所主板上市）之前任執行董事。

SENIOR MANAGEMENT

Mr. WONG Yiu Kay, aged 56, is the Plant Manager of the toner cartridge remanufacturing factory in the PRC. He is responsible for overall production operation in the PRC factories. He graduated from the University of East Asia, Macau and has over 29 years' experience in the industry. Mr. Wong joined the Group in 1995.

Mr. NATAL Joe Luis, aged 41, is the Senior Technical Engineer for US sales and remanufacturing in the PRC. He is responsible to work closely with industry suppliers to design new remanufacturing processes and components. He is highly respected and well known across the US toner remanufacturing industry. He has over 20 years' experience and has worked for 7 different remanufacturing companies. He has extensive experience in all aspects of the business including product development, quality control, manufacturing and material procurement.

Mr. CHEUNG Sze Ming, aged 42, is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Fellow Member of the Association of Chartered Certified Accountants and holds a Bachelor Degree in Accountancy from the Hong Kong Polytechnic University. He joined the Group in 2001 and is currently the Chief Financial Officer of the Group responsible for treasury function of the Group. Mr. Cheung has over 18 years' working experience in international audit firm and listed companies.

Mr. WONG Yick Chuen, Danny, aged 43, is the Assistant General Manager of data media operation. He is responsible for the manufacturing and marketing of the data media products. Mr. Wong graduated from the University of Toronto, Canada, with a Bachelor Degree in Science in 1993. He joined the Group in 1994.

高級管理人員

黃耀基先生，五十六歲，為中國專門生產環保再造碳粉匣廠之廠房經理，專責本集團於中國工廠整體生產業務。彼畢業於澳門東亞大學，在生產業界擁有逾二十九年經驗。黃先生於一九九五年加盟本集團。

NATAL Joe Luis先生，四十一歲，為美國銷售及中國再造業務高級技術工程師。彼負責與行業供應商緊密合作，以設計新的再造工序及配件。彼於美國碳粉再造業聲望及知名度甚高。彼積逾二十年經驗，並曾任職於七間再造公司。彼於業務之各個方面包括產品開發、品質監控、製造及物料採購均具豐富之經驗。

張詩敏先生，四十二歲，為香港會計師公會會計師及英國特許公認會計師公會資深會員，持有香港理工大學會計學學士學位。彼於二零零一年加盟本集團，現為本集團之財務總監，專責處理本集團之庫務職能工作。張先生於國際核數師事務所及上市公司擁有逾十八年工作經驗。

黃奕俊先生，四十三歲，為數據媒體經營之助理總經理。彼負責數據媒體產品之製作及市場推廣。黃先生於一九九三年在加拿大多倫多大學畢業，取得理科學士學位。彼於一九九四年加盟本集團。

Corporate Governance Report

企業管治報告

The board of directors of the Company (the “Board”) has always recognized the importance of shareholders’ accountability and transparency and is committed to maintain high standards of corporate governance. The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the “Code”) in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as its own code of corporate governance practice.

In the opinion of the Board, the Company has complied with the Code throughout the year ended 31 December 2010 except for certain deviations disclosed herein.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the year.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Group and oversees the Group’s businesses, strategic decisions and performance. The Board has delegated the day-to-day responsibility to the Executive Directors and senior management who perform their duties under the leadership of the Managing Director.

As at 30 March 2011, the Board comprised five Executive Directors and three Independent Non-executive Directors. During the period from 21 August 2010 to 28 October 2010, the Company had only two Independent Non-executive Directors and was thus in breach of Rules 3.10 and 3.21 of the Listing Rules. The Board appointed Mr. Lau Man Tak as the third Independent Non-executive Director on 29 October 2010 in compliance with the Listing Rules requirements.

本公司董事會（「董事會」）明白股東之間責性及透明度之重要性，並致力於維持高標準之企業管治。本公司已採納香港聯合交易所有限公司證券上市規則附錄十四所載企業管治常規守則（「守則」）所列之守則條文作為其本身之企業管治常規守則。

董事會認為，於截至二零一零年十二月三十一日止年度全年，本公司已遵守守則，惟本文所披露之若干偏離除外。

董事之證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」），作為其董事進行有關證券交易之行為守則。經向全體董事作出特定查詢後，所有董事已確認彼等於年內一直遵守標準守則所載之規定。

董事會

董事會負責領導和管理本集團並監督本集團之業務、決策及表現。董事會已將日常責任授權給執行董事及高級管理人員，而彼等於董事總經理領導下履行職責。

於二零一一年三月三十日，董事會由五名執行董事及三名獨立非執行董事組成。於截至二零一零年八月二十一日至二零一零年十月二十八日期間，本公司僅有兩名獨立非執行董事，因此，違反上市規則第3.10及3.21條之規定。根據上市規則規定，董事會於二零一零年十月二十九日委任劉文德先生為第三名獨立非執行董事。

BOARD OF DIRECTORS (continued)

During the year, the Board held thirteen meetings. The Company Secretary assists the Chairman and the Executive Directors in establishing the meeting agenda, and each Director may request inclusion of items in the agenda. All such meetings were convened in accordance with the Bye-laws of the Company. Under A.1.3 of the Code, notice of at least 14 days should be given of a regular board meeting to all directors to give all directors an opportunity to attend. During the year, the Company has been actively exploring new business opportunities and streamlining its operations, which required the Board members' timely reaction and expeditious decision making process. As a result, the board meetings were held with a shorter notice period than required with the consent of the Directors. The Board will do its best endeavour to meet the requirement of A.1.3 of the Code in the future. Adequate and appropriate information are circulated to the Directors normally three days in advance of board meetings or such period accepted/permitted by them. The members of the Board and the attendance of each member during the year are as follows:

Directors and number of attendance

董事會 (續)

於年內，董事會舉行了十三次常規會議，公司秘書協助主席及執行董事編製會議議程，各董事可要求於議程中加入其他項目。所有該等會議均根據本公司細則召開。根據守則條文第A.1.3條，應至少提前十四天向全體董事發出有關定期董事會會議之通告以給予全體董事機會出席。於年內，本公司一直積極尋求新的商機及精簡其業務，並需要董事會成員及時回應及迅速決策。因此，董事會會議於董事同意下較規定之時間更短之通知期內舉行。日後董事會將盡量符合守則之第A.1.3條規定。一般在董事會會議舉行前三天或彼等接納／許可之有關期間會向董事傳閱充足及適用資料。董事會成員及年內各董事之出席情況如下：

董事及出席次數

Executive Directors	執行董事	Attended/Eligible to attend 出席率／合資格出席
Mr. Yip Wai Lun, Alvin (Chairman and Managing Director) (Note 1)	葉偉倫先生 (主席兼董事總經理) (附註1)	13/13
Mr. Ma Bo Ping	麻伯平先生	8/13
Mr. Zhou Yu Sheng (Note 2)	周豫盛先生 (附註2)	7/11
Ms. Lam Suk Ling, Shirley (Note 3)	林淑玲女士 (附註3)	11/11
Mr. Lee Cheuk Yin, Dannis (Note 4)	李卓然先生 (附註4)	2/2
Ms. Ho Yin King, Helena (Note 5) (Former Chairman and Managing Director)	何燕琼女士 (附註5) (前任主席兼董事總經理)	9/10
Independent Non-executive Directors	獨立非執行董事	
Mr. Leung Ka Kui, Johnny	梁家駒先生	8/13
Mr. Chan Kam Kwan, Jason	陳錦坤先生	12/13
Mr. Lo Kok Kee (Note 6)	盧國基先生 (附註6)	8/8
Mr. Lau Man Tak (Note 7)	劉文德先生 (附註7)	2/2

BOARD OF DIRECTORS (continued)

Notes:

1. Mr. Yip Wai Lun, Alvin was re-designated as the Chairman and Managing Director of the Company on 29 October 2010.
2. Mr. Zhou Yu Sheng was appointed as an Executive Director of the Company on 25 January 2010.
3. Ms. Lam Suk Ling, Shirley was appointed as an Executive Director of the Company on 8 February 2010.
4. Mr. Lee Cheuk Yin, Dannis was appointed as an Executive Director of the Company on 29 October 2010.
5. Ms. Ho Yin King, Helena resigned as the Chairman and Managing Director of the Company on 18 October 2010.
6. Mr. Lo Kok Kee resigned as an Independent Non-executive Director of the Company on 21 August 2010.
7. Mr. Lau Man Tak was appointed as an Independent Non-executive Director of the Company on 29 October 2010.

The Company has received annual confirmations of independence from Mr. Leung Ka Kui, Johnny, Mr. Chan Kam Kwan, Jason and Mr. Lau Man Tak and the Company considers them to be independent.

Given the nature and business objective of the Company, the Board has a balance of skill and experience appropriate for the requirements of the business of the Company. The list of current Directors and their respective biographies are set out on pages 15 to 18 of this Annual Report respectively.

董事會 (續)

附註:

1. 葉偉倫先生於二零一零年十月二十九日調任為本公司之主席兼董事總經理。
2. 周豫盛先生於二零一零年一月二十五日獲委任為本公司之執行董事。
3. 林淑玲女士於二零一零年二月八日獲委任為本公司之執行董事。
4. 李卓然先生於二零一零年十月二十九日獲委任為本公司之執行董事。
5. 何燕琮女士於二零一零年十月十八日辭任本公司之主席兼董事總經理。
6. 盧國基先生於二零一零年八月二十一日辭任本公司之獨立非執行董事。
7. 劉文德先生於二零一零年十月二十九日獲委任為本公司之獨立非執行董事。

本公司已收到梁家駒先生、陳錦坤先生及劉文德先生之本年度獨立性確認函，而本公司亦認同彼等之獨立地位。

董事會已根據本公司性質及業務目標，維持適合本公司業務需要之均衡技能及經驗。現任董事名單及彼等各自的簡歷分別載於本年報第15至第18頁。

CHAIRMAN AND MANAGING DIRECTOR

Under A.2.1 of the Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

Ms. Ho Yin King, Helena was the Chairman and Managing Director of the Company (The Company regards the role of its managing director to be same as that of chief executive officer under the Code) during the year ended 31 December 2010, until 18 October 2010. Mr. Yip Wai Lun, Alvin (“Mr. Yip”) was re-designated from being a Deputy Chairman and Deputy Managing Director to the Chairman and Managing Director of the Company with effect from 29 October 2010.

During the year under review, the Group has been confronted with various challenges in all fronts, including business development, operation efficiency and financial management. It is believed that during the transformation and rationalisation of the Group’s business, it would be in the best interest of its shareholders that the role of the Chairman and the Managing Director of the Company be combined to enable a strong and delicate leadership to reposition the Company and implement effective measures to improve shareholders’ value. In this light, the Company has maintained Mr. Yip as the Chairman and the Managing Director of the Company. The Company will review the current structure when and as it becomes appropriate.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Under A.4.1 of the Code, the Non-executive Directors should be appointed for a specific term, subject to re-election.

Currently, the three Independent Non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company, and their appointment will be reviewed when they are due for re-election.

主席及董事總經理

根據守則條文第A.2.1條，主席及行政總裁之職責須分開，並不應由同一人士擔任。

截至二零一零年十二月三十一日止年度，何燕琼女士曾同時擔任本公司主席兼董事總經理（本公司視董事總經理一職相當於守則所指之行政總裁），直至二零一零年十月十八日為止。葉偉倫先生（「葉先生」）已從副主席兼副董事總經理調任為本公司之主席兼董事總經理，自二零一零年十月二十九日起生效。

於回顧年度內，本集團於各方面遇到各種挑戰，包括業務發展、經營效率及財務管理。本集團相信，本集團業務於轉型及優化過程中，將符合股東最佳利益，而本公司主席兼董事總經理之職務合併有助堅實及敬業的領導以重新將本公司定位及實施有效措施以提升股東價值。有鑑於此，本公司已保持葉先生留任本公司主席兼董事總經理。本公司將於適當時候檢討目前的架構。

獨立非執行董事

根據守則第A.4.1條，非執行董事應有指定委任期，並可予重選。

目前，三名獨立非執行董事的委任任期並非指定，而是根據公司細則條文最少每三年於本公司股東週年大會輪值辭任和重選。他們的任期將於須重選時檢討。

REMUNERATION COMMITTEE

The Remuneration Committee was established with a specific written terms of reference.

The Remuneration Committee is responsible for making recommendations to the Board on, among other things, the Company's policy and structure for the remuneration of all Directors and senior management of the Company and is delegated by the Board with the responsibility to determine on behalf of the Board the specific remuneration packages for all Executive Directors and senior management of the Company.

The Remuneration Committee comprises four Directors including the three Independent Non-executive Directors, namely Mr. Leung Ka Kui, Johnny (*Chairman*), Mr. Chan Kam Kwan, Jason, and Mr. Lau Man Tak and the Chairman and the Managing Director of the Company, Mr. Yip Wai Lun, Alvin.

During the year, the Remuneration Committee held two meetings.

Members of the Remuneration Committee and the attendance of each member during the year are as follows:

Directors and number of attendance

Independent Non-executive Directors	獨立非執行董事	Attended/Eligible to attend 出席率/合資格出席
Mr. Leung Ka Kui, Johnny (<i>Chairman</i>)	梁家駒先生 (主席)	1/2
Mr. Chan Kam Kwan, Jason	陳錦坤先生	2/2
Mr. Lau Man Tak (Note 1)	劉文德先生 (附註1)	0/0
Mr. Lo Kok Kee (Note 2)	盧國基先生 (附註2)	1/1
Executive Directors	執行董事	
Mr. Yip Wai Lun, Alvin (Note 3)	葉偉倫先生 (附註3)	1/1
Ms. Ho Yin King, Helena (Note 4)	何燕琮女士 (附註4)	1/1

Notes:

- Mr. Lau Man Tak was appointed as a member of the Remuneration Committee of the Company on 29 October 2010.
- Mr. Lo Kok Kee ceased to be a member of the Remuneration Committee of the Company on 21 August 2010.
- Mr. Yip Wai Lun, Alvin was appointed as a member of the Remuneration Committee of the Company on 29 October 2010.
- Ms. Ho Yin King, Helena ceased to be a member of the Remuneration Committee of the Company on 18 October 2010.

薪酬委員會

本公司已設立薪酬委員會，並書面訂立特定職權範圍。

薪酬委員會負責向董事會提出有關（其中包括）本公司所有董事及高級管理人員薪酬政策及結構之建議，並獲董事會授權責任，代表董事會釐定本公司所有執行董事及高級管理人員之具體薪酬。

薪酬委員會由四名董事組成，包括三名獨立非執行董事梁家駒先生（主席）、陳錦坤先生及劉文德先生以及本公司主席兼董事總經理葉偉倫先生。

於年內，薪酬委員會舉行了兩次會議。

於年內，薪酬委員會成員及各成員之出席情況如下：

董事及出席次數

Attended/Eligible to attend 出席率/合資格出席
1/2
2/2
0/0
1/1
1/1
1/1

附註：

- 劉文德先生於二零一零年十月二十九日獲委任為本公司之薪酬委員會成員。
- 盧國基先生於二零一零年八月二十一日不再為本公司之薪酬委員會成員。
- 葉偉倫先生於二零一零年十月二十九日獲委任為本公司之薪酬委員會成員。
- 何燕琮女士於二零一零年十月十八日不再為本公司之薪酬委員會成員。

REMUNERATION COMMITTEE (continued)

During the year, the Remuneration Committee performed the following duties:

- (1) reviewed and recommended the remuneration packages of the Directors; and
- (2) reviewed the proposal for the grant of the share options under the Company's share option scheme to certain eligible grantees to reward their contributions to the Group and recommended the Board to approve the grant of the share options.

NOMINATION OF DIRECTORS

The Company has not established a Nomination Committee. The duties and functions of the Nomination Committee recommended in the Code are performed by the Board collectively with no Director being involved in fixing his/her own terms of appointment and no Independent Non-executive Director being involved in assessing his/her own independence.

New directors are sought mainly from referrals and internal promotion. In assessing whether a candidate is suitable for appointment as a director, the Board will consider relevant factors including the personal ethics, integrity, independence, experience, skills and time commitment. During the year, the Board appointed one Independent Non-executive Director and three Executive Directors. The Board assessed their suitability for appointment with reference to their personal background, skills and experience in their industry. In appointing the Independent Non-executive Director, the Board has also duly assessed his independence with reference to pre-determined guidelines. The Board also considered and accepted the resignation of Ms. Ho Yin King, Helena as the Chairman and Managing Director of the Company and approved the re-designation of Mr. Yip Wai Lun, Alvin as the Chairman and Managing Director of the Company.

薪酬委員會 (續)

於年內，薪酬委員會已履行以下職責：

- (1) 審閱及建議董事之薪酬待遇；及
- (2) 審閱根據本公司之購股權計劃向本集團作出貢獻之若干合資格承授人授出購股權建議及建議董事會批准授出購股權。

董事之提名

本公司並未設立提名委員會。守則建議之提名委員會職責及職能由董事會集體履行，且概無董事參與釐定本身之委任條款，亦無獨立非執行董事參與評核本身之獨立性。

本公司主要透過推薦及晉升提名新董事。在評估候選者是否符合擔任董事時，董事會將會考慮個人道德操守、廉正、獨立性、經驗、技能及可貢獻時間等相關因素。年內，本公司委任一名獨立非執行董事及三名執行董事。董事會成員參考個人背景、行業技能及經驗評估委任之合資格性。於委任獨立非執行董事時，董事會亦會參考事先釐定之指引正式評估獨立性。董事會亦考慮及接受本公司主席兼董事總經理何燕琼女士之辭任及批准葉偉倫先生調任為本公司主席兼董事總經理。

AUDITOR'S REMUNERATION

The Group was charged by the auditor, SHINEWING (HK) CPA Limited, the following auditing and non-auditing services during the year:

Services rendered	提供的服務	Fees paid/payable 已付／應付費用 HK\$ 港元
Audit services	核數服務	1,200,000
Non-audit services:	非核數服務：	
Risk services	風險管理服務	250,000
Agreed-upon procedures	協定之程序	150,000

AUDIT COMMITTEE

The Audit Committee was established with a specific written terms of reference.

The Audit Committee is responsible for reviewing and supervising the financial reporting process and internal control system of the Group and providing advice and comments to the Board.

During the year, the Audit Committee held five meetings.

Members of the Audit Committee and the attendance of each member during the year are as follows:

Directors and number of attendance

Independent Non-executive Directors	獨立非執行董事	Attended/Eligible to attend 出席率／合資格出席
Mr. Chan Kam Kwan, Jason (<i>Chairman</i>)	陳錦坤先生 (主席)	5/5
Mr. Leung Ka Kui, Johnny	梁家駒先生	5/5
Mr. Lau Man Tak (Note 1)	劉文德先生 (附註1)	0/1
Mr. Lo Kok Kee (Note 2)	盧國基先生 (附註2)	2/3

Notes:

- Mr. Lau Man Tak was appointed as a member of the Audit Committee of the Company on 29 October 2010.
- Mr. Lo Kok Kee ceased to be a member of the Audit Committee of the Company on 21 August 2010.

核數師酬金

於年內，本集團支付核數師信永中和（香港）會計師事務所有限公司之核數及非核數服務費如下：

審核委員會

本公司已設立審核委員會，並書面訂立特別職權範圍。

審核委員會負責檢討和監察本集團之財務申報過程及內部監控制度，並向董事會提供建議及意見。

於年內，審核委員會舉行了五次會議。

於年內，審核委員會成員及各成員之出席情況如下：

董事及出席次數

Independent Non-executive Directors	獨立非執行董事	Attended/Eligible to attend 出席率／合資格出席
Mr. Chan Kam Kwan, Jason (<i>Chairman</i>)	陳錦坤先生 (主席)	5/5
Mr. Leung Ka Kui, Johnny	梁家駒先生	5/5
Mr. Lau Man Tak (Note 1)	劉文德先生 (附註1)	0/1
Mr. Lo Kok Kee (Note 2)	盧國基先生 (附註2)	2/3

附註：

- 劉文德先生於二零一零年十月二十九日獲委任為本公司之審核委員會成員。
- 盧國基先生於二零一零年八月二十一日不再為本公司之審核委員會成員。

AUDIT COMMITTEE (continued)

During the year, the Audit Committee has performed the following duties:

- (1) reviewed with the auditor the audited financial statements for the year ended 31 December 2009 and reviewed the unaudited interim financial statements for the six months ended 30 June 2010, with recommendations to the Board for approval;
- (2) reviewed report on internal control system covering financial, operational, procedural compliance and risk management functions;
- (3) reviewed the compliance issues with the regulatory and statutory requirements;
- (4) reviewed with the management of the Company the accounting principles and practices adopted by the Group; and
- (5) reviewed and approved the auditor's remuneration.

Mr. Chan Kam Kwan, Jason and Mr. Lau Man Tak, members of the Audit Committee, possess relevant professional qualifications and financial management expertise and meet the requirements of rule 3.21 of the Listing Rules.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for the preparation of the financial statements of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give a true and fair view of the state of affairs, the results of operations and cash flows of the Group. In preparing the financial statements for the six months ended 30 June 2010 and for the year ended 31 December 2010, the Directors have adopted suitable accounting policies and applied them consistently.

審核委員會 (續)

於年內，審核委員會履行以下職責：

- (1) 與核數師共同審閱截至二零零九年十二月三十一日止年度之經審核財務報表，審閱截至二零一零年六月三十日止六個月之未經審核中期財務報表，並提出建議供董事會批准；
- (2) 審閱有關財務、營運、程序遵規及風險管理功能之內部監控系統報告；
- (3) 審閱有關規管及法定要求之合規事宜；
- (4) 與本公司管理層審閱本集團所採納之會計原則和慣例；及
- (5) 審閱及批准核數師之薪酬。

審核委員會成員陳錦坤先生及劉文德先生擁有相關專業資格及財務管理專門技能和符合上市規則第3.21條之規定。

問責性及審核

董事負責根據適用法定及規管要求編製相關會計期間之本集團財務報表，以真實及公平反映本集團之財務狀況、經營業績及現金流量。董事於編製截至二零一零年六月三十日止六個月及截至二零一零年十二月三十一日止年度財務報表時，已採納適當會計政策並連貫採用該等政策。

ACCOUNTABILITY AND AUDIT *(continued)*

The Group incurred a capital deficiency and a net loss attributable to the owners of the Company of HK\$131,615,000 and HK\$383,368,000 respectively for the year ended 31 December 2010.

In the opinion of the Directors, in light of the measures taken to date and to be taken and on the basis of the major assumptions disclosed in note 2 to the financial statements, the Group will be able to finance its working capital and financial requirements to maintain its operating existence in the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

The responsibility of the auditor with respect to these financial statements are set out in the Independent Auditor's Report on pages 42 to 45 of this Annual Report.

INTERNAL CONTROLS

The internal control system is designed to provide reasonable, but not absolute, assurance of no material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievements of the Group's objectives.

During the year, independent Internal Control Review Advisor was engaged to conduct a review of the effectiveness of the internal control system of the Group covering the financial, operational, procedural compliance and risk management functions.

The Audit Committee acknowledged the Internal Control Review Advisor's opinion on certain deficiencies in the Group's internal control system regarding, among other things, control environment, policy and procedure documentation, budgetary monitoring and business cycles of the Group's subsidiaries, and has requested that the Company will implement the measures recommended by the Internal Control Review Advisor with a view of improving the Group's internal control system to address these identified weaknesses.

問責性及審核 (續)

本集團於截至二零一零年十二月三十一日止年度錄得資本虧絀以及本公司擁有人應佔虧損淨值分別為131,615,000港元及383,368,000港元。

董事認為，考慮到迄今為止已採取的措施及將會採取的措施，並在財務報表附註2所述之主要假設之基礎上，本集團將可籌措其營運資金及所需資金，以在可見將來繼續保存現有業務經營。因此，董事信納按持續經營基準編製財務報表誠屬恰當。

核數師對財務報表應負之責任列載於本年報第42至45頁之獨立核數師報告內。

內部監控

內部監控制度之目的乃為合理（但非絕對）保證概無重大不實陳述或遺漏，並管理（而非消除）營運制度不足及未能達致本集團所訂目標之風險。

年內，獨立內部監控審閱顧問已獲委聘以對本集團內部監控制度之有效性進行檢討，涵蓋範圍包括財務、經營、遵規程序及風險管理職能。

審核委員會確認內部監控審閱顧問就本集團內部監控系統存在若干漏洞的意見，其涉及（其中包括）控制環境、政策及程序文件、預算監控以及本集團之附屬公司之業務週期。審核委員會已要求本公司實施內部監控顧問推薦之措施，以改善本集團的內部監控系統，解決該等被發現的問題。

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with all shareholders. The annual general meeting of the Company is a valuable avenue for the Board to enter into direct dialogue with shareholders. Although under E.1 of the Code, the chairman of the board should attend the annual general meeting, Ms. Ho Yin King, Helena, the Chairman of the Board from 1 January 2010 to 18 October 2010, did not attend the annual general meeting held on 21 August 2010 due to her personal business. The annual general meeting was chaired by Mr. Yip Wai Lun, Alvin, the then Deputy Chairman and the Deputy Managing Director of the Company. As from 29 October 2010, Mr. Yip Wai Lun, Alvin was re-designated as the Chairman and the Managing Director of the Company.

Copies of the annual report and corporate circulars of the Company are dispatched to shareholders in a timely manner before the time limits laid by statutory and Listing Rules requirements to ensure effective communication with shareholders.

與股東之溝通

董事會明白與所有股東保持良好溝通之重要性。本公司股東週年大會乃董事會與股東直接對話之重要途徑。根據守則E.1，雖然董事會主席應出席股東週年大會，惟何燕琮女士（自二零一零年一月一日至二零一零年十月十八日之董事會主席）因個人業務未有出席於二零一零年八月二十一日舉行之股東週年大會。是次股東週年大會由本公司當時之副主席兼副董事總經理葉偉倫先生主持。自二零一零年十月二十九日起，葉偉倫先生調任為本公司主席兼董事總經理。

本公司年報及公司通函均於法定及上市規則規定之時限前及時寄發予股東，以確保與股東保持有效之溝通。

Directors' Report

董事會報告

The Directors submit herewith their report together with the audited consolidated financial statements for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 40 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on pages 46 to 47 of this Annual Report.

The Directors do not recommend the payment of a dividend.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 172.

PROPERTY, PLANT AND EQUIPMENT

The Group's leasehold land and buildings were revalued at 31 December 2010. The revaluation surplus of HK\$4,000, net of deferred tax charge of nil have been charged to the property revaluation reserve.

Details of these and other movements during the year in the property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

董事謹此提呈截至二零一零年十二月三十一日止年度之報告及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，其主要附屬公司之主要業務載於綜合財務報表附註40。

業績及分配

本集團截至二零一零年十二月三十一日止年度之業績載於本年報第46頁至第47頁之綜合全面收益表內。

董事不建議派付股息。

財務概要

本集團過去五個財政年度之業績以及資產及負債概要載於第172頁內。

物業、廠房及設備

於二零一零年十二月三十一日，本集團之租賃土地及樓宇進行重估。重估盈餘4,000港元（經扣除遞延稅項開支零港元後）已自物業重估儲備扣除。

本集團於本年度之物業、廠房及設備有關及其他變動詳情載於綜合財務報表附註17內。

SHARE CAPITAL

Details of these movements during the year in the share capital are set out in note 31 to the consolidated financial statements.

During the year, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's shares.

DISTRIBUTABLE RESERVES OF THE COMPANY

In the opinion of the Directors, there is no reserve of the Company which is available for distribution to shareholders at 31 December 2010 and 31 December 2009.

DIRECTORS

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

Executive directors

Mr. Yip Wai Lun, Alvin (*Chairman and Managing Director*)
Mr. Ma Bo Ping
Mr. Zhou Yu Sheng (appointed on 25 January 2010)
Ms. Lam Suk Ling, Shirley (appointed on 8 February 2010)
Mr. Lee Cheuk Yin, Dannis (appointed on 29 October 2010)

Ms. Ho Yin King, Helena (resigned on 18 October 2010)

Independent non-executive directors

Mr. Leung Ka Kui, Johnny
Mr. Chan Kam Kwan, Jason
Mr. Lau Man Tak (appointed on 29 October 2010)
Mr. Lo Kok Kee (resigned on 21 August 2010)

股本

本公司於本年度之股本變動詳情載於綜合財務報表附註31內。

本年度內，本公司或任何其附屬公司均無購買、出售或贖回本公司任何股份。

本公司可供分派儲備

董事認為，於二零一零年十二月三十一日及二零零九年十二月三十一日，本公司並無可供分派予股東之儲備。

董事

於本年度及截至本報告日期，本公司之董事如下：

執行董事

葉偉倫先生（*主席兼董事總經理*）
麻伯平先生
周豫盛先生（於二零一零年一月二十五日獲委任）
林淑玲女士（於二零一零年二月八日獲委任）
李卓然先生（於二零一零年十月二十九日獲委任）
何燕琮女士（於二零一零年十月十八日辭任）

獨立非執行董事

梁家駒先生
陳錦坤先生
劉文德先生（於二零一零年十月二十九日獲委任）
盧國基先生（於二零一零年八月二十一日辭任）

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2010, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions

Shares and underlying shares of the Company

Name of Director	Capacity	Number of ordinary shares		Number of underlying shares held under share options 根據購股權持有相關股份數目	Total	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
		Personal interests 普通股數目	Corporate interests 個人權益			
Mr. Yip Wai Lun, Alvin 葉偉倫先生	Interest of controlled corporation 受控制公司之權益	-	3,000,000	-	3,000,000	0.20%
Mr. Leung Ka Kui, Johnny 梁家駒先生	Beneficial owner 實益擁有人	290,000	-	1,542	291,542	0.02%
Mr. Chan Kam Kwan, Jason 陳錦坤先生	Beneficial owner 實益擁有人	-	-	1,542	1,542	0.00%

董事之服務合約

擬於應屆股東週年大會上重選連任之董事並無任何不可於一年內無償終止(法定補償除外)之服務合約。

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於二零一零年十二月三十一日，本公司各董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有根據證券及期貨條例第352條須列入本公司置存之登記冊內或須根據上市發行人董事證券交易標準守則知會本公司及香港聯合交易所有限公司(「聯交所」)之權益或淡倉如下：

好倉

本公司股份及相關股份

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

Long positions *(continued)*

Save as disclosed above, none of the Directors or chief executives of the Company had any interests or short position in any shares, underlying shares and debenture of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers and none of the Directors or chief executives, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

董事及主要行政人員於股份、相關股份及債券之權益及淡倉 *(續)*

好倉 *(續)*

除上文所披露者外，本公司董事或主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第352條須列入本公司置存之登記冊內或須根據上市發行人董事證券交易標準守則知會本公司及聯交所之任何權益或淡倉，而各董事、主要行政人員或彼等之配偶或未滿十八歲之子女概無認購本公司證券之任何權利，在年內亦無行使任何該等權利。

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 32 to the consolidated financial statements.

The following table discloses movements in the Company's share options during the year ended 31 December 2010:

Name of participants	Date of share option granted	Share option scheme category (Note (i) and (ii)) 購股權計劃類別 (附註(i) 及(ii))	Outstanding at beginning of the year 於年初尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Cancelled/ Lapsed during the year 於年內註銷/失效	Outstanding at end of the year 於年末尚未行使	Subscription price 認購價 HK\$ 港元	Exercise period 行使期
Directors 董事									
Mr. Leung Ka Kui, Johnny 梁家駒先生	25.1.2005	2005	1,542	-	-	-	1,542	0.158	25.1.2005 – 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Mr. Chan Kam Kwan, Jason 陳錦坤先生	25.1.2005	2005	1,542	-	-	-	1,542	0.158	25.1.2005 – 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Ms. Ho Yin King, Helena (Note (iii)) 何燕琼女士 (附註(iii))	25.1.2005	2005	628	-	-	-	628	0.158	25.1.2005 – 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Mr. Ho Fai Keung, Jacky (Note (iv)) 何輝強先生 (附註(iv))	25.1.2005	2005	628	-	-	(628)	-	0.158	25.1.2005 – 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Dr. Li Sau Hung, Eddy (Note (v)) 李秀恒博士 (附註(v))	25.1.2005	2005	1,542	-	-	(1,542)	-	0.158	25.1.2005 – 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Total for directors 董事合計			5,882	-	-	(2,170)	3,712		

購股權

本公司之購股權計劃之資料載於綜合財務報表附註32內。

下表披露本公司之購股權於截至二零一零年十二月三十一日止年度內之變動：

SHARE OPTIONS (continued)

購股權 (續)

Name of participants	Date of share option granted	Share option scheme category (Note (i) and (ii))	Outstanding at beginning of the year	Granted during the year	Exercised during the year	Cancelled/ Lapsed during the year	Outstanding at end of the year	Subscription price HK\$	Exercise period
參與者姓名	購股權授出日期	購股權計劃類別 (附註(i)及(ii))	於年初尚未行使	於年內授出	於年內行使	於年內註銷/失效	於年末尚未行使	認購價 港元	行使期
Employees 僱員	25.1.2005	2005	239,256	-	-	(50,000)	189,256	0.158	25.1.2005 – 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
	29.1.2010	2010	-	79,640,000	(652,000)	-	78,988,000	0.786	29.1.2010 – 28.1.2012 二零一零年一月二十九日至 二零一二年一月二十八日
Total for employees 僱員合計			239,256	79,640,000	(652,000)	(50,000)	79,177,256		
									Percentage to total Company's shares in issue at end of the period 佔本公司於期末已發行股份總數百分比
Total under New Scheme 新計劃項下總數			239,256	79,640,000	(652,000)	(52,170)	79,180,968		5.27%

Notes:

附註:

- (i) The 2005 and 2010 options were granted under scheme adopted on 12 June 2004.
- (ii) The closing price of the Company's shares immediately before 25 January 2005 and 29 January 2010, the dates of grant of 2005 and 2010 options, were HK\$0.159 and HK\$0.750 respectively.
- (iii) Ms. Ho Yin King, Helena resigned as the Chairman and the Managing Director of the Company on 18 October 2010.
- (iv) Mr. Ho Fai Keung, Jacky resigned as an Executive Director of the Company on 31 December 2009.
- (v) Dr. Li Sau Hung, Eddy resigned as an Independent Non-executive Director of the Company on 18 July 2009.
- (i) 2005及2010購股權乃根據於二零零四年六月十二日採納之計劃授出。
- (ii) 本公司股份緊接二零零五年一月二十五日及二零一零年一月二十九日(2005及2010購股權的授出日期)前的收市價分別為0.159港元及0.750港元。
- (iii) 何燕琼女士已於二零一零年十月十八日辭任本公司之主席兼董事總經理。
- (iv) 何輝強先生已於二零零九年十二月三十一日辭任本公司的執行董事。
- (v) 李秀恆博士已於二零零九年七月十八日辭任本公司的獨立非執行董事。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option holdings disclosed above, at no time during the year was the Company or any of its subsidiaries, a part to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries, was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2010, so far as are known to the Directors, the shareholders (other than Directors or chief executives of the Company), who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or had otherwise notified the Company were as follows:

購買股份或債券之安排

除上文披露之購股權持有情況外，本公司或其任何附屬公司於年內概無訂立任何安排，使本公司董事可藉購入本公司或任何其他法團之股份或債券而獲益。

董事於重要合約之權益

本公司或其任何附屬公司於本年度止或本年度內任何時間概無簽訂本公司董事直接或間接擁有重大權益之重要合約。

主要股東

於二零一零年十二月三十一日，據董事所知，股東（本公司董事或主要行政人員除外）於本公司股份或相關股份中，擁有須根據證券及期貨條例向本公司披露，或已記入本公司根據證券及期貨條例第336條規定存置之登記冊內，或已知會本公司之權益或淡倉如下：

SUBSTANTIAL SHAREHOLDERS (continued)

Long positions

Shares and underlying shares of the Company

主要股東 (續)

好倉

本公司股份及相關股份

Name of shareholder	Capacity	Number of issued ordinary shares held	Number of underlying shares held	Percentage of the issued share capital of the Company
股東姓名／名稱	身份	持有已發行普通股數目	持有相關股份數目	佔本公司已發行股本百分比
Xie Song Guang	Beneficial owner	140,000,000	–	9.31%
謝松光	實益擁有人	(Note 2)		
Cui Zhan Lin	Beneficial owner	344,200,000	–	22.89%
崔占林	實益擁有人	(Note 3)		
Chan Ping Che	Beneficial owner	132,336,000	–	8.80%
陳秉志	實益擁有人			

Notes:

附註：

- The calculation of percentage figures is based on the relevant number of shares as a percentage of the number of shares of the Company in issue as at 31 December 2010.
- On 29 September 2010, Mr. Xie Song Guang exercised the principal amount of HK\$35,000,000 of the 2012 Notes into 140,000,000 shares of the Company.

- 百分比數字之計算乃根據有關股份數目作為本公司於二零一零年十二月三十一日之已發行股份數目之百分比。
- 於二零一零年九月二十九日，謝松光先生行使本金額為35,000,000港元之二零一二年票據，並轉換為140,000,000股本公司股份。

SUBSTANTIAL SHAREHOLDERS *(continued)*

Long positions *(continued)*

Shares and underlying shares of the Company (continued)

3. These shares are potentially issued and allotted to Mr. Cui Zhan Lin pursuant to the conditional acquisition agreement dated 18 December 2009 ("Acquisition Agreement") as amended by the second supplemental agreement dated 1 September 2010, details of which are referred to in note 22 to the consolidated financial statements.

Other than as disclosed above, the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that the Company had not been notified of any other interests or short positions in the shares and underlying shares of the Company as at 31 December 2010.

主要股東 (續)

好倉 (續)

本公司股份及相關股份 (續)

3. 根據日期為二零零九年十二月十八日之有條件收購協議(「收購協議」)(經日期為二零一零年九月一日之第二份補充協議所修訂),此等股份潛在地發行及配發予崔占林先生,其詳情載於綜合財務報表附註22。

除上文披露者外,於二零一零年十二月三十一日,按本公司根據證券及期貨條例第336條置存之主要股東名冊所示,本公司並不知悉於本公司股份及相關股份之任何其他權益或淡倉。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2010, sales attributable to the Group's largest customer accounted for approximately 23.8% of the Group's consolidated turnover and aggregate turnover attributable to the five largest customers of the Group accounted for approximately 57.0% of the Group's consolidated turnover.

For the year ended 31 December 2010, purchases attributable to the Group's largest supplier accounted for approximately 16.3% of the Group's total purchases and aggregate purchases attributable to the five largest suppliers of the Group accounted for approximately 54.0% of the Group's total purchases.

To the knowledge of the Directors, none of the Directors, or their respective associates, or shareholders owning more than 5% of the Company's issued share capital had any beneficial interests in any of the five largest customers or suppliers.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

主要客戶及供應商

於截至二零一零年十二月三十一日止年度內，本集團最大客戶應佔銷售額約佔本集團綜合營業額之23.8%，而五大客戶合共之應佔營業額約佔本集團綜合營業額之57.0%。

於截至二零一零年十二月三十一日止年度內，本集團最大供應商應佔採購額約佔本集團採購總額之16.3%，而五大供應商合共之應佔採購額約佔本集團採購總額之54.0%。

就各董事所知，各董事或彼等各自之聯繫人士或擁有本公司已發行股本5%以上之股東並無於上述五大客戶或供應商擁有任何實益權益。

獨立非執行董事之確認

本公司已接獲各獨立非執行董事根據聯交所證券上市規則第3.13條就彼等之獨立性而發出之年度確認書。本公司認為所有獨立非執行董事具有獨立地位。

EMOLUMENT POLICY

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

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

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 32 to the consolidated financial statements.

CORPORATE GOVERNANCE PRACTICES

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 20 to 29 of this Annual Report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the year ended 31 December 2010.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Leung Ka Kui, Johnny, Mr. Chan Kam Kwan, Jason and Mr. Lau Man Tak. The Audit Committee has reviewed the management accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the audited results for the year ended 31 December 2010.

薪酬政策

本集團僱員之薪酬政策乃由薪酬委員會按彼等之表現、資格及能力制定。

本公司董事之薪酬乃由薪酬委員會參考本公司之經營業績、個別董事之表現及可比較之市場資料後決定。

本公司採納購股權計劃作為對董事及合資格員工之獎勵，該計劃詳情載於綜合財務報表附註32。

企業管治常規

本公司之企業管治常規詳情載於本年報第20頁至第29頁之企業管治報告。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）。經本公司作出具體查詢後，全體董事已確認彼等於截至二零一零年十二月三十一日止年度一直遵守標準守則規定之標準。

審核委員會

審核委員會由三名獨立非執行董事梁家駒先生、陳錦坤先生及劉文德先生組成。審核委員會已檢討本集團所採納之管理會計原則及慣例，並商討內部監控及財務報告事宜，其中包括審閱截至二零一零年十二月三十一日止年度之經審核業績。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2010.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting to re-appoint SHINEWING (HK) CPA Limited as the auditor of the Company.

On behalf of the Board

Yip Wai Lun, Alvin

Chairman

30 March 2011

購買、出售或贖回上市證券

本公司於本年度並無贖回其任何股份。年內，本公司或其任何附屬公司概無購買或出售本公司任何股份。

優先購買權

本公司之章程細則或百慕達法例均無任何有關優先購買權之條文，規定本公司須按比例向現有股東發售新股份。

足夠公眾持股量

於截至二零一零年十二月三十一日止年度全年，本公司一直維持足夠之公眾持股量。

核數師

本公司將於應屆股東週年大會上提呈決議案，以續聘信永中和（香港）會計師事務所有限公司為本公司核數師。

代表董事會

葉偉倫

主席

二零一一年三月三十日

Independent Auditor's Report

獨立核數師報告



SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE SHAREHOLDERS OF GUOJIN RESOURCES HOLDINGS LIMITED

(FORMERLY KNOWN AS "JACKIN INTERNATIONAL HOLDINGS LIMITED")
(Incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of Guojin Resources Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 46 to 171 which comprise the consolidated statement of financial positions as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

致國金資源控股有限公司 股東

(前稱為「輝影國際集團有限公司」)
(於百慕達註冊成立之有限公司)

本核數師(以下簡稱「我們」)獲委聘審核國金資源控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)列載於第46頁至第171頁的綜合財務報表,該等綜合財務報表包括於二零一零年十二月三十一日的綜合財務狀況表,及截至該日止年度的綜合全面收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要和其他說明附註。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》之披露規定編製並真實而公平地列報該等綜合財務報表,以及董事認為實屬必要的有關內部監控,以使綜合財務報表不存在因欺詐或錯誤而導致的重大失實陳述。

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the limitation in the scope of our work as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. However, because of the matter described in the basis for disclaimer of opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Corresponding figures

As previously explained in our report dated 27 April 2010 on the Group's consolidated financial statements for the year ended 31 December 2009, we were not provided with sufficient evidence to enable us to assess as to whether the turnover, cost of sales, loss on disposal of subsidiaries and impairment loss on inventories included in the consolidated statement of comprehensive income of the Group were free from material misstatements. We qualified our opinion on the Group's consolidated financial statements for the year ended 31 December 2009 in respect of this scope limitation accordingly.

Any adjustments that might have been found necessary in respect of the above would have had a consequential impact on the Group's results for the year ended 31 December 2009 and the related disclosures made in the consolidated financial statements.

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見並按照百慕達公司法第90條的規定，僅向作為法人的股東報告，而不會作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。除下文所解釋的我們的工作範圍的局限性外，我們已根據香港會計師公會頒佈的《香港審計準則》進行審核。該等準則規定我們遵守道德規範，並規劃及執行審核，以合理地確定此等綜合財務報表是否不存在任何重大失實陳述。然而，由於不表達意見的基準一段中所述之事宜，我們未能取得充足適當之審核憑據以提供作出審核意見之基礎。

不表達意見的基準

相應數字

誠如先前我們於二零一零年四月二十七日簽署之報告就 貴集團截至二零零九年十二月三十一日止年度之綜合財務報表所述者，我們未獲提供足夠證據可令我們評估有關計入 貴集團之綜合全面收益表之營業額、銷售成本、出售附屬公司之虧損及存貨之減值虧損是否存在重大失實陳述。因此，我們就此範圍限制對 貴集團於截至二零零九年十二月三十一日止年度之綜合財務報表保留我們之意見。

就上述可能作出必要之任何調整將會對 貴集團截至二零零九年十二月三十一日止年度之業績產生相應的影響及於綜合財務報表內作出相關披露。

Recoverability of refundable deposit paid for acquisition of mining rights

As disclosed in note 22 to the consolidated financial statements, as at 31 December 2010, the carrying amounts of the refundable deposits paid for the acquisition of certain mining rights amounted to US\$3,000,000 (equivalent to HK\$23,400,000), and impairment loss of US\$2,000,000 (equivalent to HK\$15,600,000) was provided and charged to the consolidated statement of comprehensive income during the year ended 31 December 2010. The directors of the Company considered that the Group would be able to collect the carrying amount of the refundable deposits from the vendor. However, we were unable to obtain sufficient information and explanation to satisfy ourselves as to whether the refundable deposits as at 31 December 2010 and the related impairment loss provided during the year ended 31 December 2010 were fairly stated. Any adjustments to the above as at 31 December 2010 found to be necessary would affect the Group's capital deficiency as at 31 December 2010 and have a consequential effect on its loss for the year then ended and the related disclosure thereof in the consolidated financial statements.

Material uncertainty relating to the going concern basis

As disclosed in note 2 to the consolidated financial statements, the Group incurred a consolidated loss attributable to owners of the Company of approximately HK\$383,368,000 for the year ended 31 December 2010 and recorded consolidated capital deficiency attributable to owners of the Company of approximately HK\$131,615,000 as at 31 December 2010. The consolidated financial statements of the Company have been prepared on a going concern basis, the validity of which depends upon the successful implementation and outcome of the measures to be undertaken by the Group as described in note 2 to the consolidated financial statements to ensure that adequate cash resources are available to meet in full its financial obligations as they fall due in the foreseeable future.

已支付收購採礦權之可退回按金的收回性

誠如綜合財務報表附註22所披露，於二零一零年十二月三十一日，就收購若干採礦權而支付之可退回按金之賬面值為3,000,000美元（相等於23,400,000港元），而作出減值虧損撥備2,000,000美元（相等於15,600,000港元）並已從截至二零一零年十二月三十一日止年度之綜合全面收益表中扣除。貴公司董事認為貴集團將會退回賣方之可退回按金之賬面值。然而，我們無法獲取足夠的資料及說明以令我們信納於截至二零一零年十二月三十一日之可退回按金及截至二零一零年十二月三十一日止年度所撥備之相關減值虧損是否公平地呈列。於二零一零年十二月三十一日作出必要之上述任何調整將影響貴集團於二零一零年十二月三十一日之資本虧絀及對截至該日止年度之虧損及其於綜合財務報表之相關披露產生相應影響。

與持續經營基準有關的重大不明朗因素

誠如綜合財務報表附註2所披露，截至二零一零年十二月三十一日止年度，貴集團產生貴公司擁有人應佔綜合虧損約383,368,000港元並錄得於二零一零年十二月三十一日，貴公司擁有人應佔綜合資本虧絀約131,615,000港元。貴公司之綜合財務報表已按持續經營基準編製，其有效性取決於綜合財務報表附註2所披露之貴集團將採取措施之成功實施及結果以確保可獲得充足現金資源應付履行其於可預見將來到期之財務承擔。

In view of the extent of the material uncertainties relating to the successful implementation and outcome of the measures to be undertaken by the Group as mentioned above which might cast a significant doubt on the Group's ability to continue as a going concern, we have disclaimed our audit opinion on the consolidated financial statements.

Should the Group be not able to continue its business as a going concern, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities, write down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements do not include any of these adjustments.

Disclaimer of opinion: disclaimer on view given by financial statements

Because of the significance of the matter as described in the basis for disclaimer of opinion paragraph, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 December 2010 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Chong Kwok Shing

Practising Certificate Number: P05139

Hong Kong

30 March 2011

鑑於與上述 貴集團將採取措施之成功實施及結果有關之重大不明朗因素程度可能對 貴集團持續經營之能力存有重大疑問，故我們並無對綜合財務報表發表審核意見。

倘 貴集團未能繼續按持續基準經營其業務，將須作出必要調整以將所有非流動資產及負債重新分類為流動資產及負債、撇減資產價值至其可收回金額及為可能產生之進一步負債作出撥備。綜合財務報表並未包括任何該等調整。

不表達意見：對財務報表中提出之觀點不發表意見

由於不表達意見的基準段落中所述事宜之重要性，我們不就綜合財務報表是否已根據《香港財務報告準則》真實而公平地反映 貴集團於二零一零年十二月三十一日的事務狀況、 貴集團截至該日止年度的虧損和現金流量發表意見。我們認為，綜合財務報表在所有其他方面均已按照《香港公司條例》的披露規定妥為編製。

信永中和(香港)會計師事務所有限公司

執業會計師

莊國盛

執業證書編號：P05139

香港

二零一一年三月三十日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

		Notes	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
		附註		
Turnover	營業額	8	169,925	221,394
Cost of sales	銷售成本		(276,218)	(304,266)
Gross loss	毛損		(106,293)	(82,872)
Other revenue	其他收入	9	321	6,935
Other (loss) income	其他(虧損)收益	9	(1,685)	32
Distribution costs	分銷成本		(17,226)	(20,649)
Administrative expenses	行政開支		(88,551)	(89,946)
Expenses related to acquisition of mining rights	與收購採礦權有關之開支		(17,870)	-
Change in fair value of derivative and embedded derivative components of a convertible bond	衍生工具及可換股債券之嵌入式衍生部分之公允價值變動	30(a)	(12,457)	12,457
Share-based payment expenses	以股份為基礎之付款開支		(21,483)	-
Reversal of impairment loss on trade receivables	應收貿易款項減值虧損撥回	21	359	16,053
Impairment losses and write off	減值虧損及撇銷	12	(90,929)	(63,010)
Loss on disposal of subsidiaries	出售附屬公司之虧損	35	-	(17,674)
Finance costs	財務費用	10	(30,813)	(37,430)
Loss before taxation	除稅前虧損		(386,627)	(276,104)
Income tax credit (expense)	所得稅抵免(開支)	13	2,716	(1,933)
Loss for the year	年度虧損	11	(383,911)	(278,037)
Other comprehensive income (expense)	其他全面收入(開支)			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		1,317	674
Reclassification adjustments for amounts transferred to profit or loss	轉撥至損益中之金額之重新分類調整			
- release of translation reserve upon deregistration of subsidiaries	- 於附屬公司撤銷註冊後解除匯兌儲備		381	-
- release of properties revaluation reserve upon impairment loss on property, plant and equipment	- 於物業、廠房及設備出現減值虧損時解除物業重估儲備		185	-
Gain arising on revaluation of properties	重估物業產生之收益		4	2,225
Income tax relating to gain arising on revaluation of properties	與物業重估產生之收益有關之所得稅		-	(372)
Income tax relating to release of properties revaluation reserve upon disposal of property, plant and equipment	於出售物業、廠房及設備時解除物業重估儲備相關之所得稅		1,710	-
Other comprehensive income for the year, net of tax	年內其他全面收入·扣除稅項		3,597	2,527
Total comprehensive expense for the year	年內全面開支總額		(380,314)	(275,510)

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

	Notes	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
	附註		
Loss for the year attributable to:	以下人士應佔年度虧損：		
– Owners of the Company	– 本公司擁有人	(383,368)	(278,003)
– Non-controlling interests	– 非控股權益	(543)	(34)
		(383,911)	(278,037)
Total comprehensive expense attributable to:	以下人士應佔全面開支總額：		
– Owners of the Company	– 本公司擁有人	(379,771)	(275,476)
– Non-controlling interests	– 非控股權益	(543)	(34)
		(380,314)	(275,510)
		HK\$ 港元	HK\$ 港元
Loss per share	每股虧損		
Basic	基本	(28.0) cents 仙	(28.9) cents 仙
Diluted	攤薄	(28.0) cents 仙	(28.9) cents 仙

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Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2010 於二零一零年十二月三十一日

		Notes 附註	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	23,395	71,726
Intangible assets	無形資產	18	8,915	50,346
Goodwill	商譽	19	–	–
Deferred tax assets	遞延稅項資產	28	1,162	1,131
			33,472	123,203
Current assets	流動資產			
Inventories	存貨	20	29,007	150,439
Trade and other receivables	貿易及其他應收款項	21	17,617	67,681
Refundable deposit paid for acquisition of mining rights	已支付收購採礦權之可退回按金	22	23,400	–
Consideration receivable for disposal of subsidiaries	出售附屬公司之應收代價	34	–	20,000
Early redemption option of a convertible bond	可換股債券之提早贖回權	30(a)	–	12,457
Tax recoverable	可收回稅項		163	168
Bank balances and cash	銀行結餘及現金	23	37,897	17,835
			108,084	268,580
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	24	66,897	79,323
Bank and other borrowings	銀行及其他借貸	25	10,898	27,500
Notes payable	應付票據	26	–	36,617
Obligations under finance leases	融資租約承擔	27	1,228	6,592
Embedded conversion option of a convertible bond	可換股債券之嵌入式轉換權	30(a)	–	–
Tax payable	應付稅項		10,692	11,696
			89,715	161,728
Net current assets	流動資產淨值		18,369	106,852
Total assets less current liabilities	總資產減流動負債		51,841	230,055

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2010 於二零一零年十二月三十一日

		Notes	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
		附註		
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他借貸	25	–	7,129
Obligations under finance leases	融資租約承擔	27	184	1,159
Deferred tax liabilities	遞延稅項負債	28	2,607	7,568
Convertible bonds	可換股債券	30	181,208	229,103
			183,999	244,959
			(132,158)	(14,904)
Capital and reserves	股本及儲備			
Share capital	股本	31	150,375	109,310
Reserves	儲備		(281,990)	(124,214)
Capital deficiency attributable to owners of the Company	本公司擁有人應佔股本虧絀		(131,615)	(14,904)
Non-controlling interests	非控股權益		(543)	–
			(132,158)	(14,904)

The consolidated financial statements on pages 46 to 171 were approved and authorised for issue by the board of directors on 30 March 2011 and are signed on its behalf by:

第46頁至第171頁之綜合財務報表乃經董事會於二零一一年三月三十日批准及授權刊發，並由下列董事代表簽署：

Yip Wai Lun, Alvin

葉偉倫
Director
董事

Lam Suk Ling, Shirley

林淑玲
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

		Share capital HK\$'000	Share premium HK\$'000 (Note a)	Capital reserve HK\$'000 (Note b)	Properties revaluation reserve HK\$'000	Translation reserve HK\$'000	Convertible bonds reserve HK\$'000	Accumulated losses HK\$'000	Equity attributable to owners of the Company HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
		股本 千港元	股份溢價 千港元 (附註a)	資本儲備 千港元 (附註b)	物業重估儲備 千港元	匯兌儲備 千港元	可換股債券儲備 千港元	累計虧損 千港元	本公司擁有人 應佔權益 千港元	非控股權益 千港元	總計 千港元
At 1 January 2009	於二零零九年一月一日	79,879	122,076	6,255	6,651	3,175	-	(39,584)	178,452	-	178,452
Other comprehensive income for the year	年度其他全面收入	-	-	-	1,853	674	-	-	2,527	-	2,527
Loss for the year	年度虧損	-	-	-	-	-	-	(278,003)	(278,003)	(34)	(278,037)
Total comprehensive (expense) income for the year	年度全面(開支)收入總額	-	-	-	1,853	674	-	(278,003)	(275,476)	(34)	(275,510)
Capital contribution by non-controlling interests shareholder	非控股權益股東出資	-	-	-	-	-	-	-	-	34	34
Issue of convertible bond (Note 30(b))	發行可換股債券 (附註30(b))	-	-	-	-	-	4,420	-	4,420	-	4,420
Equity-settled share-based transaction – lapse of options granted to employees	以股本結算股份為基礎之交易 – 授予僱員之 購股權失效	-	-	(2,183)	-	-	-	2,183	-	-	-
Issue of new shares on exercise of warrants (Note 31(c))	行使認股權證時發行 新股份(附註31(c))	12,157	30,254	(2,729)	-	-	-	-	39,682	-	39,682
Issue of new shares under share option scheme (Note 31(b))	根據購股權計劃發行新股份 (附註31(b))	1,374	2,117	(1,319)	-	-	-	-	2,172	-	2,172
Issue of subscription shares (Note 31(d))	發行認購股份 (附註31(d))	15,900	20,355	-	-	-	-	-	36,255	-	36,255
Transaction costs attributable to issue of subscription shares	應佔發行認購股份之 交易成本	-	(390)	-	-	-	-	-	(390)	-	(390)
Transaction costs attributable to issue of convertible bonds	應佔發行可換股債券之 交易成本	-	-	-	-	-	(19)	-	(19)	-	(19)
At 31 December 2009	於二零零九年 十二月三十一日	109,310	174,412	24	8,504	3,849	4,401	(315,404)	(14,904)	-	(14,904)
At 1 January 2010	於二零一零年一月一日	109,310	174,412	24	8,504	3,849	4,401	(315,404)	(14,904)	-	(14,904)
Other comprehensive (expense) income for the year	年度其他全面(開支)收入	-	-	-	(8,504)	1,698	-	10,403	3,597	-	3,597
Loss for the year	年度虧損	-	-	-	-	-	-	(383,368)	(383,368)	(543)	(383,911)
Total comprehensive (expense) income for the year	年度全面(開支)收入總額	-	-	-	(8,504)	1,698	-	(372,965)	(379,771)	(543)	(380,314)
Equity-settled share-based transactions – recognition of equity-settled share-based payments	以股本結算股份為 基礎之交易 – 確認以股本結算股份 為基礎之付款	-	-	21,483	-	-	-	-	21,483	-	21,483
– lapse of options granted to employees	– 授予僱員之購股權 失效	-	-	(5)	-	-	-	5	-	-	-
Issue of new shares under share options scheme (Note 31(e))	根據購股權計劃發行 新股份(附註31(e))	65	624	(177)	-	-	-	-	512	-	512
Issue of new shares on conversion of convertible bonds (Note 31(f))	兌換可換股債券時發行 新股份(附註31(f))	20,000	31,951	-	-	-	(4,401)	-	47,550	-	47,550
Issue of subscription shares (Note 31(g))	發行認購股份 (附註31(g))	21,000	178,500	-	-	-	-	-	199,500	-	199,500
Transaction costs attributable to issue of subscription shares	應佔發行認購股份之 交易成本	-	(5,985)	-	-	-	-	-	(5,985)	-	(5,985)
At 31 December 2010	於二零一零年 十二月三十一日	150,375	379,502	21,325	-	5,547	-	(688,364)	(131,615)	(543)	(132,518)

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

Notes:

- a) The application of the share premium account is governed by Section 40 of the Bermuda Companies Act 1981.
- b) At 31 December 2010 and 2009, the capital reserve comprises the followings:
- i) the fair value of the actual or estimated number of unexercised share options granted to directors and employees of the Company recognised in accordance with the accounting policy adopted for share-based payments as further detailed in note 4 to the consolidated financial statements.
- ii) the value of the unexercised warrants issued by the Company recognised in accordance with the accounting policy adopted for compound financial instruments as further detailed in note 4 to the consolidated financial statements.

附註：

- a) 股份溢價賬之應用受一九八一年百慕達公司法第40條規管。
- b) 於二零一零年及二零零九年十二月三十一日，資本儲備由下列項目組成：
- i) 根據進一步詳情載列於綜合財務報表附註4的以股份為基礎付款而採納之會計政策確認授予本公司董事及僱員之未行使購股權之實際或估計數目之公允價值。
- ii) 根據進一步詳情載列於綜合財務報表附註4的為複合財務工具而採納之會計政策確認本公司發行之未行使認股權證之價值。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

	Note	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
	附註		
Operating activities	經營業務		
Loss before taxation	除稅前虧損	(386,627)	(276,104)
Adjustments for:	就下列項目作出之調整：		
Depreciation for property, plant and equipment	物業、廠房及設備折舊	16,096	10,284
Amortisation of intangible assets	無形資產攤銷	10,960	10,545
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	26,193	16,428
Impairment loss on intangible assets	無形資產減值虧損	30,471	36,125
Impairment loss on trade and other receivables	貿易及其他應收款項減值虧損	10,009	10,457
Impairment loss on refundable deposit paid for acquisition of mining rights	已支付收購採礦權之可退回按金減值虧損	15,600	–
Impairment loss on inventories	存貨減值虧損	33,628	82,087
Inventories written off	存貨撇銷	32,862	–
Trade and other receivable write off	貿易及其他應收款項撇銷	8,656	–
Reversal of impairment loss on trade receivables	貿易應收款項減值虧損撥回	(359)	(16,053)
Waiver of other payable	豁免其他應付款項	–	(5,911)
Share-based payment expenses	以股份為基礎之付款開支	21,483	–
Interest income	利息收入	(101)	(74)
Interest expenses	利息開支	2,361	14,432
Interest expenses on convertible bonds	可換股債券利息開支	27,924	22,307
Finance charges on obligations under finance leases	融資租約承擔之財務費用	528	691
Change in fair value of derivative and embedded derivative components of a convertible bond	衍生工具及可換股債券之嵌入式衍生工具部分之公允價值變動	12,457	(12,457)
Loss on deregistration of subsidiaries	撤銷註冊附屬公司虧損	1,418	–
Loss on disposal of subsidiaries	出售附屬公司虧損	–	17,674
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損(收益)	267	(32)
Operating loss before changes in working capital	營運資金變動前之經營虧損	(136,174)	(89,601)
Decrease (increase) in inventories	存貨減少(增加)	54,942	(9,284)
(Increase) decrease in trade and other receivables	貿易及其他應收款項(增加)減少	(7,299)	53,091
(Decrease) increase in amount due to a related company	應付一間關連公司款項(減少)增加	(910)	1,999
Decrease in trade and other payables	貿易及其他應付款項減少	(28,445)	(2,324)
Cash used in operations	經營業務動用之現金	(117,886)	(46,119)
Tax paid	已付稅項		
– Hong Kong Profits Tax paid	– 已付香港利得稅	(1,558)	(20)
– Overseas tax refund (paid)	– 退回(已付)海外稅項	19	(55)
Net cash used in operating activities	經營業務動用之現金淨額	(119,425)	(46,194)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

	Note	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
	附註		
Investing activities			
Net cash inflow from disposal of subsidiaries	34	-	39,027
Proceeds of consideration receivable from disposal of subsidiaries		20,000	-
Proceeds from disposal of property, plant and equipment		17,752	32
Interest received		101	74
Payment for the purchase of property, plant and equipment		(10,960)	(32,316)
Payment for the purchase of technical know-how		-	(8,880)
Payment for development costs		-	(5,846)
Net cash generate from (used in) investing activities		26,893	(7,909)
Financing activities			
Proceeds from issue of convertible bonds		-	227,000
Proceeds from issue of new shares on exercise of share option and warrants		512	41,854
Proceeds from issue of new shares on subscription		199,500	36,255
New bank and other borrowings raised		9,578	9,400
Decrease in pledged bank deposits		-	1,554
Capital injection by non-controlling interests		-	34
Repayment of bank and other borrowings		(31,065)	(153,298)
Repayment of notes payable		(38,171)	(76,430)
Interest paid on convertible bonds		(10,620)	(10,502)
Repayments of obligations under finance leases		(6,906)	(9,971)
Interest paid		(807)	(9,752)
Expenses on issue of convertible bonds		-	(5,301)
Finance charges on obligations under finance leases		(528)	(691)
Repayment from directors		(720)	(594)
(Decrease) increase in advances from financial institution as consideration for the factored trade receivables		(990)	8,454
Expenses on issue of new subscription shares		(5,985)	(390)
Net cash generated from financing activities		113,798	57,622

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

	Note	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
	附註		
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	21,266	3,519
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	16,581	13,050
Effect of foreign exchange rate changes	外幣匯率變動影響	50	12
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	37,897	16,581
Represented by:	為：		
Bank balance and cash	銀行結餘及現金	37,897	17,835
Bank overdraft	銀行透支	-	(1,254)
		37,897	16,581

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

1. GENERAL INFORMATION

Guojin Resources Holdings Limited (the “Company”) was incorporated in Bermuda with limited liability on 12 September 1996 as an exempted company under the Companies Act 1981 of Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 28 November 1996. The addresses of the registered office and principal place of business of the Company are disclosed in “Corporate information” section to the annual report.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in the remanufacture and sale of computer printing and imaging products, manufacture and sale of data media products and distribution of data media products.

Other than those subsidiaries established in the People’s Republic of China (the “PRC”) and in the United State of America (“the USA”) of which the functional currency is Renminbi (“RMB”) and United States dollars (“US\$”) respectively, the functional currency of the Company and its subsidiaries is Hong Kong dollars (“HK\$”). The consolidated financial statements are presented in HK\$, which is the same as the functional currency of the Company.

2. MATERIAL UNCERTAINTIES IN RESPECT OF GOING CONCERN

The Group sustained a loss for the year attributable to owners of the Company of approximately HK\$383,368,000 (2009: HK\$278,003,000). At 31 December 2010, the Company incurred capital deficiency attributable to owners of the Company of approximately of HK\$131,615,000 (2009: HK\$14,904,000).

1. 一般資料

國金資源控股有限公司(「本公司」)於一九九六年九月十二日根據百慕達一九八一年公司法在百慕達註冊成立為一間獲豁免有限公司，其股份自一九九六年十一月二十八日起於香港聯合交易所有限公司(「聯交所」)主板上市。本公司之註冊辦事處及主要營業地點之地址乃於年報「公司資料」一節披露。

本公司及其附屬公司(以下統稱為「本集團」)主要從事環保再造及銷售電腦打印及影像產品、製造及銷售數據媒體產品及分銷數據媒體產品。

除於中華人民共和國(「中國」)及美利堅合眾國(「美國」)成立之該等附屬公司之功能貨幣分別為人民幣(「人民幣」)及美元(「美元」)外，本公司及其附屬公司之功能貨幣為港元(「港元」)。綜合財務報表以港元呈列，而港元亦乃本公司之功能貨幣。

2. 持續經營基準之重大不明朗因素

本集團錄得本公司擁有人應佔本年度虧損約383,368,000港元(二零零九年：278,003,000港元)。於二零一零年十二月三十一日，本公司產生本公司擁有人應佔資本虧絀約131,615,000港元(二零零九年：14,904,000港元)。

2. MATERIAL UNCERTAINTIES IN RESPECT OF GOING CONCERN *(continued)*

In view of the liquidity constraints presently encountered by the Group, the directors have adopted the following measures with a view to improve the Group's overall financial and cash flow positions and to maintain the Group's existence as a going concern:

1. the directors of the Company have implemented measures to tighten cost controls over various distribution costs and administrative expenses and to improve the Group's cash flow position and operating results.
2. the directors of the Company are considering various alternatives to enlarge the capital base of the Company in order to provide additional funding to the Group.

In the opinion of the directors, when the above-mentioned measures are successfully implemented, the Group will have sufficient cash resources to satisfy its future working capital and other financing requirement. Accordingly, the directors are of the view that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to implement the above measures and fail to continue in business as a going concern, adjustments would have to be made to restate the value of assets to their immediate recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2. 持續經營基準之重大不明朗因素 *(續)*

鑑於本集團目前遇到之流動資金限制，董事已採取下列措施，以改善本集團之整體財務及現金流量狀況，以及維持本集團之持續經營存在性：

1. 本公司董事已實施有關措施以收緊對各種分銷成本及行政開支之成本控制及改善本集團之現金流量狀況及經營業績。
2. 本公司董事考慮多種方式擴大本公司之資本基礎以為本集團提供額外資金。

董事認為，倘上述各項措施獲成功執行，則本集團將具備充裕之現金資源滿足其未來營運資金及其他融資之需要。因此，董事認為按持續經營基準編製財務報表乃屬合適。

倘本集團未能執行上述各項措施及未能按持續經營基準繼續經營其業務，則需要作出調整將資產價值重列至其即時可收回金額、為任何可能產生之進一步負債作出撥備，並將非流動資產及負債分別重新分類為流動資產及負債。該等調整之影響並無反映於綜合財務報表內。

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
Hong Kong Accounting Standards (“HKAS”) 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

3. 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，本集團已應用以下由香港會計師公會（「香港會計師公會」）頒佈之新訂及經修訂準則、修訂及詮釋（「新訂及經修訂香港財務報告準則」）。

香港財務報告準則（修訂本）	香港財務報告準則第5號之修訂，作為二零零八年香港財務報告準則之改進部份
香港財務報告準則（修訂本）	二零零九年香港財務報告準則之改進
香港會計準則（「香港會計準則」）第27號（經修訂）	綜合及獨立財務報表
香港會計準則第39號（修訂本）	合資格對沖項目
香港財務報告準則第1號（經修訂）	首次採納香港財務報告準則
香港財務報告準則第1號（修訂本）	首次採納者之額外豁免
香港財務報告準則第2號（修訂本）	集團之現金結算以股份為基礎之付款交易
香港財務報告準則第3號（經修訂）	業務合併
香港 – 詮釋第5號	財務報表之呈列 – 借款人對於載有即時還款條款之定期貸款的分類
香港（國際財務報告詮釋委員會） – 詮釋第17號	向擁有人分派非現金資產

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

HKFRS 3 (Revised 2008) Business Combinations

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interest in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current year in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised) and HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results, of the Group in future periods, may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

3. 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）

香港財務報告準則第3號（二零零八年經修訂）業務合併

本集團預先應用香港財務報告準則第3號（經修訂）「業務合併」於收購日期為二零一零年一月一日或之後之業務合併。本集團亦於二零一零年一月一日或之後預先應用香港會計準則第27號（經修訂）「綜合及獨立財務報表」中有關取得或失去附屬公司控制權後，於該附屬公司之擁有權益變動之會計方法之規定。

於本年度，並無香港財務報告準則第3號（經修訂）及香港會計準則第27號（經修訂）適用之交易，故應用香港財務報告準則第3號（經修訂）及香港會計準則第27號（經修訂）及其他香港財務報告準則之相應修訂對本集團目前或過往會計期間之綜合財務報表並無構成影響。

本集團於未來期間之業績可能受香港財務報告準則第3號（經修訂）、香港會計準則第27號（經修訂）及其他香港財務報告準則之相應修訂適用之未來交易所影響。

應用其他新訂及經修訂香港財務報告準則對本集團目前或過往會計期間之綜合財務報表並無影響。

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

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

3. 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）

本集團並未提早採納以下已頒佈但尚未生效之新訂及經修訂準則、修訂或詮釋。

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28 ¹	香港財務報告準則（修訂本）	二零一零年香港財務報告準則之改進，惟香港財務報告準則第3號（二零零八年經修訂）、香港財務報告準則第7號、香港會計準則第1號及香港會計準則第28號之修訂除外 ¹
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-Time Adopters ³	香港財務報告準則第1號（修訂本）	首次採納者有關香港財務報告準則第7號比較披露資料之有限豁免 ³
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ⁵	香港財務報告準則第1號（修訂本）	嚴重高通貨膨脹及就首次採納者剔除固定日期 ⁵
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ⁵	香港財務報告準則第7號（修訂本）	披露—財務資產轉撥 ⁵
HKFRS 9	Financial Instruments ⁷	香港財務報告準則第9號	財務工具 ⁷
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets ⁶	香港會計準則第12號（修訂本）	遞延稅項：收回相關資產 ⁶
HKAS 24 (Revised)	Related Party Disclosures ⁴	香港會計準則第24號（經修訂）	關連方披露 ⁴

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

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

HKAS 32 (Amendment)	Classification of Rights Issues ²
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁴
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ³

- ¹ Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
- ² Effective for annual periods beginning on or after 1 February 2010.
- ³ Effective for annual periods beginning on or after 1 July 2010.
- ⁴ Effective for annual periods beginning on or after 1 January 2011.
- ⁵ Effective for annual periods beginning on or after 1 July 2011.
- ⁶ Effective for annual periods beginning on or after 1 January 2012.
- ⁷ Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

3. 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）

香港會計準則第32號 (修訂本)	供股分類 ²
香港(國際財務報告 詮釋委員會)–詮釋 第14號(修訂本)	最低資金要求之預付款 ⁴
香港(國際財務報告 詮釋委員會) –詮釋第19號	以股本工具抵銷財務 負債 ³

- ¹ 於二零一零年七月一日或二零一一年一月一日(倘適用)或以後開始之年度期間生效。
- ² 於二零一零年二月一日或以後開始之年度期間生效。
- ³ 於二零一零年七月一日或以後開始之年度期間生效。
- ⁴ 於二零一一年一月一日或以後開始之年度期間生效。
- ⁵ 於二零一一年七月一日或以後開始之年度期間生效。
- ⁶ 於二零一二年一月一日或以後開始之年度期間生效。
- ⁷ 於二零一三年一月一日或以後開始之年度期間生效。

於二零零九年十一月頒佈及於二零一零年十月修訂的香港財務報告準則第9號「金融工具」引入財務資產與財務負債之分類及計量以及取消確認之新規定。

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

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

3. 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）

- 香港財務報告準則第9號規定，在香港會計準則第39號「財務工具：確認及計量」範疇內之所有已確認財務資產隨後按攤銷成本或公允價值計量。特別是，於隨後會計期間末，以旨在收取訂約現金流量之業務模式持有及具有純粹為支付尚未償還本金額之本金及利息之訂約現金流量之債務投資一般按攤銷成本計量。於隨後會計期間末，所有其他債務投資及股本投資按其公允價值計量。
- 就財務負債之分類及計量而言，香港財務報告準則第9號最重大影響乃有關財務負債信貸風險變動應佔該負債（指定為按公允價值計入損益）公允價值變動之會計處理方法。特別是，根據香港財務報告準則第9號，就指定為按公允價值計入損益之財務負債而言，該負債信貸風險變動應佔之財務負債公允價值變動金額於其他全面收益確認，除非在其他全面收益確認負債之信貸風險變動影響會導致或擴大損益上之會計錯配。財務負債信貸風險應佔之公允價值變動其後不會重新分類至損益。過往，根據香港會計準則第39號，指定為按公允價值計入損益之財務負債公允價值變動全部金額於損益確認。

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

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard will have a significant impact on amounts reported in respect of the Groups’ financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. To date, the Group has not entered into transactions involving transfers of financial assets. However, if the Group enters into any such transactions in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities. The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the standard.

3. 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）

香港財務報告準則第9號於二零一三年一月一日或之後開始的年度期間生效，准予提早應用。

董事預期，香港財務報告準則第9號將於二零一三年一月一日開始的年度期間在本集團綜合財務報表內採納，應用新訂準則將重大影響就本集團財務資產及財務負債呈報的金額。然而，直至詳細審閱已完成為止，提供該影響的合理估計並不可行。

香港財務報告準則第7號「披露—財務資產轉撥」的修訂本增加涉及財務資產轉撥的交易的披露規定。該等修訂旨在就於財務資產被轉讓而轉讓人保留該資產一定程度的持續風險承擔時，提高風險承擔的透明度。該等修訂亦要求於該期間內財務資產轉讓並非均衡分佈時作出披露。到目前為止，本集團並無訂立任何涉及財務資產轉讓的交易。然而，倘本集團日後訂立任何有關交易，則可能影響該等轉讓的披露。

香港會計準則第24號「關連人士披露（二零零九年經修訂）」修訂關連人士的定義及簡化政府相關實體披露。香港會計準則第24號（二零零九年經修訂）引入的披露豁免並未影響本集團，原因為本集團並非政府相關實體。然而，於該等綜合財務報表內有關關連交易及結餘之披露於該準則之經修訂版本於未來會計期間應用時可能受到影響，原因為先前不符合關連人士定義之若干對手方可能納入該準則之範圍。

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

The amendments to HKAS 32 titled Classification of Rights Issues address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments. However, if the Group does enter into any rights issues within the scope of the amendments in future accounting periods, the amendments to HKAS 32 will have an impact on the classification of those rights issues.

HK(IFRIC) – Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK(IFRIC) – Int 19 will affect the required accounting. In particular, under HK(IFRIC) – Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

The directors of the Company anticipate that the application of other new and revise standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. 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）

香港會計準則第32號標題為「供股分類」的修訂本闡述以外幣（作為股本工具或財務負債）列值的若干供股分類。到目前為止，本集團並無訂立任何屬於該等修訂範疇的安排。然而，倘本集團於未來會計期間訂立任何屬於該等修訂範疇的供股，則香港會計準則第32號的修訂本將會影響該等供股的分類。

香港（國際財務報告詮釋委員會）— 詮釋第19號提供有關透過發行股本工具抵銷財務負債的會計處理指引。到目前為止，本集團並無訂立屬於該性質的交易。然而，倘本集團日後訂立任何有關交易，則香港（國際財務報告詮釋委員會）— 詮釋第19號將影響所需的會計處理方法。尤其是，根據香港（國際財務報告詮釋委員會）— 詮釋第19號，根據有關安排發行的股本工具將按其公允價值計量，而所抵銷財務負債的賬面值與所發行股本工具的公允價值的任何差額將於損益內確認。

本公司董事預期，應用其他新訂及經修訂準則、修訂或詮釋將不會對本集團之業績及財務狀況造成任何重大影響。

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for leasehold land and buildings and certain financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

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

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

4. 主要會計政策

綜合財務報表乃根據歷史成本基準編製，惟租賃土地及樓宇以及若干財務工具以重估金額或公允價值計量則除外（如下文所載之會計政策所闡述）。歷史成本一般根據為交換資產而給予之代價之公允價值計算。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括根據聯交所證券上市規則及香港公司條例規定之適用披露規定。

綜合基準

綜合財務報表包括本公司及本公司所控制之實體（其附屬公司）之財務報表。倘本公司有權控制一家實體之財務及營運政策，以從其業務中獲利，則被視為對該實體擁有控制權。

年內所收購或出售附屬公司之業績乃自收購之生效日期起或直至出售之生效日期為止（按適用情況）計入綜合全面收益表。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Basis of consolidation (continued)**

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries***Changes in the Group's ownership interests in existing subsidiaries on or after 1 January 2010***

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

4. 主要會計政策 (續)**綜合基準 (續)**

倘有必要，將對附屬公司之財務報表作出調整，以令彼等之會計政策與本集團其他成員公司所採用者一致。

所有集團內公司間之交易、結餘、收入及支出於綜合時全數對銷。

於附屬公司之非控股權益與本集團所佔之權益分開列報。

將全面收入總額分配至非控股權益

即便若附屬公司之全面收入及開支總額歸屬於本公司之擁有人及非控股權益會導致非控股權益產生虧絀餘額，全面收入及開支總額仍須歸屬於本公司之擁有人及非控股權益。於二零一零年一月一日之前，倘非控股權益所適用之虧損超越於該附屬公司權益中之非控股權益，除該非控股權益須承擔約束性責任及有能力支付額外投資以彌補虧損外，否則該虧損餘額應由本集團之權益分配。

本集團於現有附屬公司之擁有權權益變動***本集團於現有附屬公司之擁有權權益於二零一零年一月一日或之後之變動***

本集團於附屬公司擁有權權益之變動並無導致本集團對附屬公司失去控制權，會作為權益交易入賬。本集團之權益及非控股權益之賬面值經調整以反映彼等於附屬公司之有關權益變動。非控股權益之經調整金額與已付或已收代價之公平值間任何差額直接於權益中確認並歸屬於本公司之擁有人。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries (continued)

Changes in the Group's ownership interests in existing subsidiaries on or after 1 January 2010 (continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to accumulated losses). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Changes in the Group's ownership interests in existing subsidiaries prior to 1 January 2010

Increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. For decreases in interests in subsidiaries, regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss.

4. 主要會計政策 (續)

綜合基準 (續)

本集團於現有附屬公司之擁有權權益變動 (續)

本集團於現有附屬公司之擁有權權益於二零一零年一月一日或之後之變動 (續)

倘本集團失去對一間附屬公司之控制權，則於出售時之損益乃以下列兩項之差額計算：(i)所收取代價之公允價值及任何保留權益公允價值之總和及(ii)附屬公司先前之資產(包括商譽)及負債及任何非控股權益之賬面值。倘附屬公司之若干資產按重估金額或公允價值計算，而相關累計損益已於其他全面收益確認並於權益累計，則早前於其他全面收益確認及於權益累計之金額將會以猶如本公司已直接出售相關資產之方式入賬(即重新分類至損益或直接轉撥至累計虧損)。於失去控制權當日仍保留於前附屬公司之任何投資公允價值，則根據香港會計準則第39號金融工具：確認及計量，將被視為就其後入賬而言初次確認之公允價值，或(如適用)於聯營公司或共同控制實體之投資之初步確認成本。

本集團於現有附屬公司之擁有權權益於二零一零年一月一日之前之變動

於現有附屬公司之權益增加與收購附屬公司之處理方式相同，商譽或議價購入收益於適用時確認。就於附屬公司之權益(不論有關出售事項是否將導致本集團失去對附屬公司之控制權)減少而言，已收代價與非控股權益調整之差額乃於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Goodwill**

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment loss and is presented separately in the consolidated statement of financial position.

For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the Group's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, 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 on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss on the consolidated statement of comprehensive income. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Revenue recognition

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

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

4. 主要會計政策 (續)**商譽**

收購業務產生之商譽乃按成本減任何累計減值虧損列賬並於綜合財務狀況表獨立呈列。

就減值測試而言，收購所產生之商譽乃被分配到本集團之各現金產生單位，或現金產生單位組別，預期彼等從合併之協同效應中受益。

已獲分配商譽之現金產生單位將每年及每當單位有可能出現減值跡象時更頻繁地進行減值測試。倘現金產生單位之可收回金額少於其賬面值，則減值虧損將首先被分配到該單位以扣減任何獲分配商譽之賬面值，及其後以該單位各資產之賬面值為基準按比例分配到該單位之其他資產。商譽之任何減值虧損乃直接於綜合全面收益表內損益中確認。商譽之任何已確認減值虧損於其後期間不予撥回。

於出售有關現金產生單位時，被資本化之商譽之應佔金額將計入釐定出售溢利或虧損之金額。

收入確認

收入乃按已收或應收代價之公允價值計量，指於日常業務過程就所銷售貨品之應收款項（扣除折扣及銷售相關稅項）之金額。

銷售貨品收入於貨品交付及所有權轉讓時確認。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

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

Property, plant and equipment

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

Leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purpose, are stated in the consolidated statement of financial position at their revalued amounts, being their fair values at the date of the 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 value at the end of the reporting period.

Any revaluation increase arising on revaluation of leasehold land and buildings is recognised in other comprehensive income and accumulated in properties revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is recognised in profit or loss 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.

Depreciation on revalued building is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to the accumulated losses.

4. 主要會計政策 (續)

收入確認 (續)

財務資產之利息收入乃按時間基準參照未償還本金及按適用實際利率計量，實際利率乃將財務資產於預計年內估計日後現金收入貼現至最初確認資產賬面淨值之比率。

物業、廠房及設備

除租賃土地及樓宇外，物業、廠房及設備乃按成本減其後累計折舊及其後累計減值虧損列賬。

持作用作生產或供應貨物或服務或用作行政用途之租賃土地及樓宇按其重估價值（即其於重估當日之公允價值減任何其後累計折舊及任何其後累計減值虧損）於綜合財務狀況表列賬。重估會定期進行，以便賬面價值不會與報告期末時採用公允價值所釐定者出現重大差異。

因重估租賃土地及樓宇產生之任何重估增值會於其他全面收益內確認，並累計列入物業重估儲備，惟若某一資產之重估增值可抵銷同一資產過往於損益確認之重估減值，則該部分增值會以先前扣除之減額為限計入損益。資產重估產生之賬面淨值減少於損益中確認，惟以超出先前重估該資產之物業重估儲備之結餘（如有）為限。在其後出售或停止使用一項重估資產時，其應佔重估盈餘會轉往保留溢利。

重估樓宇之折舊於損益內確認。其後出售或停止使用一項重估物業時，仍保留在物業重估儲備之應佔重估盈餘會直接轉往累計虧損。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Property, plant and equipment (continued)**

Depreciation is provided to write off the cost of items of property, plant and equipment other than revalued building over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Assets held for 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.

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 profit or loss in the period in which the item is derecognised.

Leasing

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position 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.

Operating lease payments are recognised as an expense 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.

4. 主要會計政策 (續)**物業、廠房及設備 (續)**

除重估樓宇外，其他物業、廠房及設備項目於其預計可用年期經計及估計剩餘價值後以直線法計算折舊，以撇銷該等項目成本。

持作融資租賃之資產乃按與自置資產或租約期（以較短者為準）相同之基準於其估計可使用年期內計算折舊。

物業、廠房及設備項目於出售或當預期不會藉持續使用該項資產而產生未來經濟利益時剔除確認。剔除確認資產所產生之任何收益或虧損（按該項資產出售所得款項淨額與賬面值間之差額計算）於剔除確認該項目之期間計入損益。

租賃

當租賃條款將絕大部分擁有權之風險及回報轉移予承租人時，該租賃均被分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團為承租人

按融資租約持有之資產按租約開始時之公允價值或按最低租約付款之現值確認為本集團資產。對出租人之相關負債在綜合財務狀況表列作融資租約承擔。租約付款按比例分攤為融資費用及租約承擔減少，從而讓該等負債餘額以固定息率計算。融資費用直接於損益中扣除。

經營租賃付款於相關租賃年期內按直線基準確認為開支。作為訂立經營租賃之獎勵之已收及應收利益於相關租賃年期內按直線基準確認為租金開支減少。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that 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 on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

4. 主要會計政策 (續)

外幣

在編製每間個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣（外幣）進行之交易乃按交易日期之現行匯率以其功能貨幣（即該實體業務所在之現行主要經濟環境之貨幣）入賬。於各報告期末，以外幣為單位之貨幣項目均按該日之現行匯率重新換算。以公允價值列賬並以外幣計值之非貨幣項目按公允價值釐定當日之現行匯率重新換算。以歷史成本計量並以外幣計值之非貨幣項目不會重新換算。

貨幣項目之匯兌差額乃於產生期間內於損益確認，惟以下各項例外：

- 當有關日後生產使用之在建資產之外幣借貸匯兌差額被視為外幣借貸之利息成本之調整時，匯兌差額計入該等資產之成本；
- 交易之匯兌差額為對沖若干外幣風險（見下文會計政策）；及
- 應收或應付一項海外業務之貨幣項目匯兌差額，既無計劃結算，發生結算之可能性亦不大，其為海外業務投資淨額之一部份，並初步於其他全面收益確認及於償還貨幣項目時由權益重新分類至損益。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Foreign currencies** (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the rate of exchange prevailing at the end of reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used.

Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve).

From 1 January 2010 onwards, on the disposal of the Group's entire interest in a foreign operation or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Borrowing costs

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

Retirement benefit costs

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

4. 主要會計政策 (續)**外幣** (續)

就呈報綜合財務報表而言，本集團海外業務之資產及負債按各報告期末之現行匯率換算為本集團之呈列貨幣（即港元），而其收入及支出則按年內之平均匯率換算，除非匯率在年內大幅波動，在該情況下，則使用交易日期之現行匯率。

所產生之匯兌差額（如有）於其他全面收益確認並於權益累計（匯兌儲備）。

自二零一零年一月一日起，於出售本集團於該海外業務之全部權益，或涉及失去包含海外業務之附屬公司之控制權之出售時，就本公司擁有人應佔之業務於權益累計之所有匯兌差額重新列入損益。

借貸成本

所有借貸成本於其產生期間在損益中確認。

退休福利成本

向國家管理之退休福利計劃／強積金計劃支付之款項於僱員提供服務有權收取供款之時列為開支。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income 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 end of the reporting period.

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

4. 主要會計政策 (續)

稅項

所得稅開支指即期應繳稅項及遞延稅項總和。

即期應繳稅項乃按年內應課稅溢利計算。應課稅溢利不計入其他年度的應課稅或可扣稅收支項目，亦不計入毋須課稅或不獲扣稅項目，故有別於綜合全面收益表所報溢利。本集團即期稅項之負債乃按報告期末已頒佈或實質上已頒佈之稅率計算。

就綜合財務報表內資產及負債之賬面值與計算應課稅溢利所採用相應稅基之差額確認遞延稅項。遞延稅項負債通常確認所有應課稅暫時差額，而遞延稅項資產通常則於可能有可扣減暫時差額用以對銷應課稅溢利時就所有可扣減暫時差額予以確認。倘暫時差額源自商譽或初步確認一項交易之其他資產及負債（業務合併除外）不影響應課稅溢利或會計溢利，則有關資產及負債將不予確認。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in to profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment loss (see the accounting policy in respect of impairment losses on tangible and intangible assets other than goodwill below). Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of the reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於各報告期末進行檢討，並於可能不再有足夠應課稅溢利可用以撥回該項資產全部或部分時作出相應扣減。

遞延稅項資產及負債乃按預期於償還負債或變現資產期間使用之稅率計算，基於報告期末已制定或實際制定之稅率（及稅法）為準。衡量遞延稅項負債及資產反映了稅項結果符合本集團預期於報告期末撥回或結算資產及負債之賬面值之方法。遞延稅項於損益中確認，惟有關於其他全面收益中或直接於權益中確認之項目，於該情況下，遞延稅項亦分別於其他全面收益中或直接於權益中確認。

無形資產

獨立收購之無形資產

獨立收購且具有有限可使用年期的無形資產乃以成本減累計攤銷及任何累計減值虧損列賬（見下文關於有形及無形資產（商譽除外）之減值虧損之會計政策）。具有有限可使用年期的無形資產攤銷乃按直線基準於估計可使用年期內撥備。估計可使用年期及攤銷方法於報告期末檢討，估計變動之影響按預提基準入賬。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Development expenditure

An internally-generated intangible asset arising from development is recognised if, and only if, all of the followings have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets acquired separately.

4. 主要會計政策 (續)

無形資產 (續)

開發支出

倘及僅倘以下所有事項均獲證實，則會確認開發所產生之內部產生之無形資產：

- 完成該無形資產以使其能夠使用或出售在技術上具有可行性；
- 具有完成該無形資產並使用或出售的意圖；
- 有能力使用或出售該無形資產；
- 該無形資產將如何產生潛在未來經濟利益；
- 有足夠的技術、財務和其他資源支持，以完成該無形資產的開發，並使用或出售該無形資產；及
- 歸屬於該無形資產開發階段的支出能夠可靠地計量。

就內部產生之無形資產而初步確認之金額為該無形資產首次符合上文所列確認條件之日期起產生之開支總和。倘並無內部產生之無形資產可予確認，則開發支出會於其產生之期間於損益扣除。

初步確認後，內部產生之無形資產按獨立收購之無形資產之相同基準，以成本減累計攤銷及累計減值虧損（如有）計量。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Intangible assets (continued)*****Derecognition of intangible assets***

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds process and the carrying amount of the asset, are recognised in profit or loss in the period when the asset is derecognised.

Inventories

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

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

4. 主要會計政策 (續)**無形資產 (續)****終止確認無形資產**

無形資產於出售或當預期使用或出售該資產不會帶來未來經濟利益時終止確認。終止確認無形資產所產生之損益乃以出售所得款項淨額與資產賬面值之間之差額計量，並於資產終止確認時於損益內確認。

存貨

存貨乃按成本與可變現淨值兩者之較低者列賬。成本乃使用加權平均法計算。

現金及現金等價物

綜合財務狀況表中的銀行結餘及現金包括銀行及手頭現金及於三個月或以內到期之短期存款。就綜合現金流量表而言，現金及現金等價物包括現金及上文所界定之短期存款（扣除未償還銀行透支）。

財務工具

於集團實體成為該工具合約條文之訂約方時，財務資產及財務負債方於綜合財務狀況表內確認。財務資產及財務負債初步按公允價值計量。收購或發行財務資產及財務負債直接應佔之交易成本於初步確認時加入財務資產之公允價值，或從財務資產之公允價值扣除（按適用情況）。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Financial assets

The Group's financial assets are classified into loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, consideration receivable for the disposal of subsidiaries and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment loss (see accounting policy on impairment of financial assets below).

4. 主要會計政策 (續)

財務工具 (續)

(i) 財務資產

本集團之財務資產被分類為貸款及應收款項。所有以常規方式買賣財務資產均按交易日基準確認及終止確認。以常規方式購買或出售是指要求在相關市場中之規則或慣例約定之時間內交付資產之財務資產買賣。

實際利率法

實際利率法乃計算財務資產之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃將估計未來現金收入(包括構成實際利率不可或缺部分之已付或已收之所有費用、交易成本及其他溢價或折讓)按財務資產之預期使用年期,或(如適用)較短期間於初步確認時從賬面淨值實際折讓之利率。

由債務工具產生之利息收入按實際利率基準確認。

貸款及應收款項

貸款及應收款項指並無於交投活躍之市場內報價而具有固定或可議定付款之非衍生財務資產。於初步確認後,貸款及應收款項(包括貿易及其他應收款項、出售附屬公司應收代價以及銀行結餘及現金)使用實際利率法按攤銷成本減任何已識別減值虧損(見下文有關財務資產之減值之會計政策)列賬。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)(i) *Financial assets* (continued)*Loans and receivables* (continued)

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment loss of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

4. 主要會計政策 (續)

財務工具 (續)(i) *財務資產* (續)*貸款及應收款項* (續)

利息收入乃應用實際利率予以確認，惟確認利息不重大之短期應收款項除外。

財務資產之減值虧損

財務資產會於報告期末評定是否有減值跡象。於有客觀證據顯示財務資產之預期未來現金流量因於初步確認該財務資產後發生之一項或多項事件而受到影響時，便對財務資產作出減值。

就所有財務資產而言，減值之客觀證據可包括：

- 發行人或對手方出現重大財政困難；或
- 違約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組；或
- 由於財政困難該財務資產之活躍市場消失。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Financial assets (continued)

Impairment loss of financial assets (continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 120 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

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

4. 主要會計政策 (續)

財務工具 (續)

(i) 財務資產 (續)

財務資產之減值虧損 (續)

就若干類別之財務資產(如貿易應收款項)而言,被評估為並無減值之個別資產其後將會彙集一併評估減值。應收款項組合減值之客觀證據包括本集團過去收取付款之經驗、組合內延遲付款超過平均信貸期限30至120天宗數之增加、可觀察到與拖欠應收款項相關之全國或區域性經濟狀況之改變。

對於按攤銷成本列賬之財務資產而言,當有客觀證據顯示資產已減值,則於損益確認減值虧損,並按資產賬面值與按原實際利率貼現之估計日後現金流量現值之差額計算。

財務資產之賬面值直接扣減所有財務資產之減值虧損,惟貿易及其他應收款項則除外,其賬面值會透過撥備賬扣減。撥備賬內之賬面值變動會於損益確認。當貿易及其他應收款項被視為不可收回時,其將於撥備賬內撇銷。於其後收回之先前已撇銷款項,則會計入損益。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial instruments** (continued)**(i) Financial assets** (continued)*Impairment loss of financial assets* (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Financial liabilities and equity instruments

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

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

4. 主要會計政策 (續)**財務工具** (續)**(i) 財務資產** (續)*財務資產之減值虧損* (續)

對於按攤銷成本計算之財務資產而言，如日後減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生的事項相關，則先前確認的減值虧損透過損益撥回，惟以資產賬面值於減值撥回日期不超過倘並無確認減值而原有之攤銷成本為限。

(ii) 財務負債及股本工具

由集團實體發行之財務負債及股本工具乃根據所訂立之合約之具體安排與財務負債及股本工具之定義而分類。

股本工具是證明在扣除所有負債後享有集團資產餘下權益之任何合約。本集團之財務負債一般分類為其他財務負債。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) Financial liabilities and equity instruments (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities (including trade and other payables, bank and other borrowings, notes payable, obligations under finance leases and liability component of convertible bonds) are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds contains liability and equity components

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

4. 主要會計政策 (續)

財務工具 (續)

(ii) 財務負債及股本工具 (續)

實際利率法

實際利率法乃計算財務負債之攤銷成本，以及於相關期間攤分利息支出之方法。實際利率是指可準確將估計未來支付的現金付款於財務負債之預計年期或較短期間（如適用）貼現之利率。

利息開支乃按實際利率基準確認。

其他財務負債

其他財務負債（包括貿易及其他應付款項、銀行及其他借貸、應付票據、融資租賃承擔及可換股債券之負債部分）隨後採用實際利率法按攤銷成本計量。

含有負債及權益部分之可換股債券

本集團所發行包含負債及換股期權部分之可換股債券，於初步確認時個別分類為有關項目。以定額現金或另一項財務資產交換固定數目之本公司本身股本工具之方式結算之換股期權乃分類為股本工具。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)**(ii) Financial liabilities and equity instruments**

(continued)

Convertible bonds contains liability and equity components

(continued)

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross 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 equity (convertible bonds reserve).

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

Transaction costs that relate to the issue of the convertible bond are allocated to the liability and equity components in proportion to the allocation of the gross 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 portion and amortised over the period of the convertible bond using the effective interest method.

4. 主要會計政策 (續)

財務工具 (續)**(ii) 財務負債及股本工具 (續)***含有負債及權益部分之可換股債券*

(續)

於初步確認時，負債部分之公允價值按類似之非可換股債務之現行市場利息釐定。發行可換股債券所得款項總額與所指定為負債部分之公允價值之差額為持有人將有關貸款票據轉換為權益之換股期權，乃列入權益（可換股債券儲備）。

於往後之期間，可換股債券之負債部分將採用實際利率法按攤銷成本列賬。權益部分為將負債部分轉換為本公司普通股之期權，將保留於可換股債券儲備內，直至嵌入式期權予以行使為止，在此情況下，列於可換股債券儲備之結餘會轉撥入股份溢價。若有關期權於屆滿日期仍未行使，則列於可換股債券儲備之結餘會轉撥入保留溢利。於有關期權進行換股或屆滿時，將不會在損益內確認收益或虧損。

與發行可換股債券有關之交易成本乃按所得款項總額之分配比例分配至負債及權益部分。與權益部分有關之交易成本直接在權益內扣除。與負債部分有關之交易成本則列入負債部分之賬面值，並於可換股債券年期內採用實際利率法攤銷。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) Financial liabilities and equity instruments (continued)

Convertible bonds contains liability component, conversion option derivative and early redemption option derivatives

Convertible bonds issued by the Group that contains liability, embedded derivatives (conversion option and early redemption options which are not closely related to the host liability component) are classified separately into respective items on initial recognition. Conversion option will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of an entity's own equity instruments is a conversion option derivative. On initial recognition, the liability component and embedded derivatives are measured at fair value.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and embedded derivatives in proportion to their relative fair values. Transaction costs relating to the embedded derivatives are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

4. 主要會計政策 (續)

財務工具 (續)

(ii) 財務負債及股本工具 (續)

含有負債部分、換股權衍生工具及提早贖回權衍生工具的可換股債券

本集團發行含有負債、嵌入式衍生工具(換股權及提早贖回權(並非與掛鈎負債部分緊密相關))的可換股債券於初步確認時分別分類為各自的分項。以固定數目現金或其他財務資產交換一間實體固定數目的自有股本工具以外方式支付的換股權被視為換股權衍生工具。於初步確認時，負債部分及嵌入式衍生工具均以公允價值計量。

於其後期間，可換股債券的負債部分使用實際利率法按攤銷成本列賬。嵌入式衍生工具按公允價值計量，公允價值變動於損益中確認。

與發行可換股債券有關的交易成本按各自之公允價值分配予負債及嵌入式衍生工具。與嵌入式衍生工具有關的交易成本即時在損益中扣除。與負債部分有關的交易成本計入負債部分的賬面值，並使用實際利率法在可換股債券期內攤銷。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)**(ii) Financial liabilities and equity instruments**
(continued)*Equity instruments*

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

Embedded derivatives

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

(iii) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

4. 主要會計政策 (續)

財務工具 (續)**(ii) 財務負債及股本工具 (續)***股本工具*

本公司發行的股本工具按所收取的所得款項列賬，並扣除直接發行成本。

嵌入式衍生工具

當嵌入式衍生工具之風險及特質與主合約之風險及特質並無密切關係，及主合約並非按公允價值計量及公允價值變動於損益確認時，非衍生主合約內含之衍生工具乃被視作獨立衍生工具。

(iii) 終止確認

若從資產收取現金流之權利已到期，或財務資產已轉讓及本集團已將其於財務資產擁有權之絕大部分風險及回報轉移，則財務資產將被終止確認。倘本集團未有轉移或保留擁有權之絕大部分風險及回報並繼續控制已轉讓之資產，則本集團確認其於資產的保留權益及就其須支付的金額確認相關負債。倘本集團保留已轉讓財務資產之擁有權之絕大部分風險及回報，則本集團繼續確認財務資產，亦就已收所得款項確認已質押之借款。於全面終止確認財務資產時，資產賬面值與已收及應收代價加於其他全面收入確認之累計收益或虧損總數間之差額於損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iii) Derecognition (continued)

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

4. 主要會計政策 (續)

財務工具 (續)

(iii) 終止確認 (續)

除全面終止確認財務資產外(例如,倘本集團保留購回部份已轉讓資產之選擇權或保留不會導致保留擁有權絕大部份風險及回報之餘下權益且本集團保留控制權),本集團將財務資產之過往賬面值在其仍確認為繼續參與之部份及不再確認之部份之間,按該等部份於轉讓日期之相關公允價值作出分配。不再確認部份獲分配之賬面值與就不再確認部份已收取之代價及已於其他全面收益確認時其獲分配之任何累計收益或虧損之總和,兩者間之差額乃於損益內確認。已於其他全面收益確認之累計收益或虧損,乃在繼續確認部份及不再確認部份之間按該等部份之相關公允價值之基準作出分配。

倘於有關合約之特定責任獲解除、取消或到期,則終止確認財務負債。終止確認之財務負債賬面值與已付及應付代價之差額乃於損益中確認。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Share-based payments transactions*****Share options granted to employees by the Company to employees of the Group in an equity-settled share-based payment arrangement***

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period/recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (capital reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to capital reserve.

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

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

4. 主要會計政策 (續)**以股份為基礎之付款交易****本公司於以股本結算股份為基礎之付款安排中向本集團僱員授出之購股權**

所接受的服務的公允價值乃參考於授予日期授出的購股權的公允價值釐定，按直線法於歸屬期間支銷／於已授出購股權即時歸屬時於授出日期悉數確認為開支，並在權益（購股權儲備）作出相應增加。

本集團於報告期末修訂對預期最終將歸屬的購股權數目的估計。歸屬期內修訂估計的影響（如有）於損益確認以便累積開支反映所修訂的估計，並對股本儲備作出相應調整。

於購股權獲行使時，早前在購股權儲備確認的金額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍未行使，則早前在購股權儲備確認的金額將轉撥至累計虧損。

有形及無形資產（商譽除外）減值虧損（見有關商譽之會計政策）

於報告期末時，本集團檢討其有形資產之賬面值，以釐定該等資產是否出現蒙受減值虧損之跡象。倘若出現此跡象，則估計資產之可收回金額以確定減值虧損之程度（如有）。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill) (continued)

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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 for which the estimates of future cash flows have not been adjusted.

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 as an expense immediately in profit or loss.

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 as income immediately in profit or loss.

4. 主要會計政策 (續)

有形及無形資產(商譽除外)減值虧損(見有關商譽之會計政策)(續)

倘無法估計單個資產之可收回金額，則本集團會估計該資產所屬現金產生單位之可收回金額。在一個合理且一致之分配基準可被識別之情況下，公司資產亦獲分配至個別現金產生單位，否則將分配至就合理且一致之分配基準而言可被確定之最小現金產生單位組別。

可回收金額乃公允價值(扣除銷售成本)與使用價值間之較高者。在評估使用價值時，估計未來現金流量乃使用稅前貼現率貼現至其現有價值，以反映現金時間價值之目前市場評估及針對有關未經調整未來現金流量估計之資產之風險。

倘估計資產(或現金產生單位)之可收回金額低於其賬面值，則有關資產(或現金產生單位)之賬面值將減至其可收回金額。減值虧損即時於損益內確認為開支。

倘其後撥回減值虧損，則資產(或現金產生單位)之賬面值將增至修訂估計之可收回金額，惟增加之賬面值不會超過該資產(或現金產生單位)於過往年度並無確認減值虧損時釐定之賬面值。減值虧損撥回會即時於損益內確認為收入。

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in note 4, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Estimated impairment of property, plant and equipment and intangible assets

Determining whether property, plant and equipment and intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which property, plant and equipment and intangible assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. During the year ended 31 December 2010, impairment loss of approximately HK\$26,193,000 and HK\$30,471,000 (2009: HK\$16,428,000 and HK\$36,125,000) in respect of properties, plant and equipment and intangible assets have been provided respectively. As at 31 December 2010, the carrying amount of property, plant and equipment and intangible assets are HK\$23,395,000 and HK\$8,915,000 (2009: HK\$71,726,000 and HK\$50,346,000) respectively.

5. 估計不確定因素之主要來源

於採用本集團之會計政策（如附註4所述）時，本公司董事須就尚無法從其他來源得知之資產及負債之賬面值作出估計及假設。該等估計與相關假設乃基於過往經驗和其他被認為相關之各種因素作出。實際結果或與該等估計不盡相同。

估計及相關假設按持續基準進行審核。會計估計之修訂乃於修訂估計期間內確認（倘修訂僅影響該期間），或於修訂期間及日後期間確認（倘修訂影響現時及日後期間）。

以下為有關未來之主要假設及於報告期末估計不確定因素之其他主要來源，該等假設及估計均存有重大風險可能導致下一個財政年度之資產及負債賬面值須作出重大調整。

物業、廠房及設備以及無形資產之估計減值

於釐定物業、廠房及設備以及無形資產有否減值時必須估計分配至物業、廠房及設備以及無形資產之現金產生單位之使用價值。計算使用價值則要求本集團估計預期自該現金產生單位產生之未來現金流量及計算現值之適當貼現率。倘實際未來現金流量較預期為少，則可能會出現重大減值虧損。於截至二零一零年十二月三十一日止年度內，已分別就物業、廠房及設備以及無形資產撥備減值虧損約26,193,000港元及30,471,000港元（二零零九年：16,428,000港元及36,125,000港元）。於二零一零年十二月三十一日，物業、廠房及設備以及無形資產之賬面值分別為23,395,000港元及8,915,000港元（二零零九年：71,726,000港元及50,346,000港元）。

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated useful lives of intangible assets and property, plant and equipment

The management of the Group determines the estimated useful lives and consequently the related amortisation/depreciation charges for its intangible assets and property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of intangible assets and property, plant and equipment. Management will increase the amortisation/depreciation charges when useful lives are less than previously estimated lives, it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review may result in a change in useful lives and therefore the amortisation/depreciation expenses in future years.

Impairment of trade and other receivables

The policy for impairment of trade and other receivables of the Group is based on the evaluation of collectability and ageing analysis of the trade and other receivables and on management's estimation. A considerable amount of estimation is required in assessing the ultimate realisation of these trade and other receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in impairment of their ability to make payments, additional impairment may be required. During the year ended 31 December 2010, impairment loss and write off of approximately HK\$18,665,000 (2009: HK\$10,457,000) has been provided. As at 31 December 2010, the carrying amount of trade receivable is HK\$12,585,000 (net of allowance for impairment loss of trade receivable of HK\$16,461,000 (2009: carrying amount of HK\$54,144,000, net of allowance for impairment loss of trade receivable of HK\$9,896,000)).

5. 估計不確定因素之主要來源 (續)

無形資產以及物業、廠房及設備之估計可使用年期

本集團管理層釐定無形資產以及物業、廠房及設備之估計可使用年期以及隨後相關攤銷／折舊開支。該等估計乃根據無形資產以及物業、廠房及設備之實際可使用年期的過往經驗而作出。倘可使用年期較先前所估計為短，則管理層將會提高攤銷／折舊開支，並會將已報廢或出售的技術上過時或非策略資產撇銷或撇減。實際經濟年期可能與所估計可使用年期不同。定期檢討可導致攤銷年期出現變動，繼而引致對未來年度攤銷／折舊開支作出變動。

貿易及其他應收款項減值

本集團貿易及其他應收款項之減值政策乃以評估貿易及其他應收款項之可收回性及賬齡分析及管理層之估計為基準。評估該等貿易及其他應收款項之最終變現需要一定程度之估計，包括各客戶之目前信譽及過往收回款項記錄。倘本集團客戶之財務狀況惡化，導致其支付能力出現減值，則可能須作出額外減值。截至二零一零年十二月三十一日止年度內，已計提減值虧損及撇銷約18,665,000港元（二零零九年：10,457,000港元）。於二零一零年十二月三十一日，貿易應收款項之賬面值為12,585,000港元（扣除貿易應收款項之減值虧損撥備16,461,000港元）（二零零九年：賬面值54,144,000港元，扣除貿易應收款項之減值虧損撥備9,896,000港元）。

5. KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Impairment of refundable deposit paid for acquisition of mining rights

The policy for impairment on refundable deposit of the Group is based on the evaluation of collectability on management's estimate. In determining whether impairment is required, the management of the Group takes into consideration the likelihood of collection. Specific allowance is only made for receivables that are uncertain or unlikely to be collected and is recognised on the difference between the estimated future cash flows expected to receive and the carrying value.

If the vendor agrees to repay the outstanding debts, the impairment of refundable deposit previously charged to the consolidated statement of comprehensive income will be reversed in the following period based on the cash eventually received from the vendor.

During the year ended 31 December 2010, impairment loss of approximately HK\$15,600,000 has been provided. As at 31 December 2010, the carrying amount of refundable deposit is HK\$23,400,000 (net of impairment loss of refundable deposit of HK\$15,600,000).

5. 估計不確定因素之主要來源 (續)

已支付收購採礦權之可退回按金 減值

本集團可退回按金之減值政策乃根據管理層估計之可收回性作出評估。於釐定是否需要減值時，本集團之管理層考慮收回之可能性。具體撥備僅就不確定或不可能予以收回之應收款項而作出並就預期獲取之估計未來現金流與賬面值之差額而確認。

倘賣方同意償還尚未償還之債務，則先前從綜合全面收益表中扣除之可退回按金之減值將根據賣方最終所收取之現金於下一個期間撥回。

於截至二零一零年十二月三十一日止年度，已撥備減值虧損約為15,600,000港元。於二零一零年十二月三十一日，可退回按金之賬面值為23,400,000港元（扣除可退回按金之減值虧損15,600,000港元）。

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of inventories

The management of the Group reviews the inventory ageing analysis at the end of each reporting period, and identifies the slow-moving inventory items that are no longer suitable for use in production. The management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. In addition, the Group carries out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete items. During the year ended 31 December 2010, impairment loss and write off of approximately HK\$66,490,000 (2009: HK\$82,087,000) has been provided. As at 31 December 2010, the carrying amount of inventory is HK\$29,007,000 (2009: HK\$150,439,000).

Income taxes

As at 31 December 2010, a deferred tax asset of HK\$1,162,000 (2009: HK\$1,131,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of HK\$312,664,000 (2009: HK\$162,255,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In case where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which a reversal takes place.

5. 估計不確定因素之主要來源 (續)

存貨減值

本集團管理層於各報告期末檢討存貨賬齡分析，並識別不再適合用以生產之滯銷存貨項目。管理層主要根據最近之發票價格及現時市況估計有關存貨之可變現淨值。此外，管理層於各報告期末按每件基準檢討存貨並就陳舊項目作出準備。截至二零一零年十二月三十一日止年度，已計提減值虧損及撇銷約66,490,000港元（二零零九年：82,087,000港元）。於二零一零年十二月三十一日，存貨之賬面值為29,007,000港元（二零零九年：150,439,000港元）。

所得稅

於二零一零年十二月三十一日，有關未動用稅項虧損之遞延稅項資產1,162,000港元（二零零九年：1,131,000港元）已於本集團之綜合財務狀況報表內確認。由於不能預測未來溢利來源，故並未就312,664,000港元（二零零九年：162,255,000港元）稅項虧損確認遞延稅項資產。遞延稅項資產之變現主要取決於日後是否有足夠未來溢利或應課稅暫時性差額可供使用。倘產生之實際未來溢利少於預期，可能導致遞延稅項重大撥回，此撥回將於撥回發生期間之損益內確認。

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Fair value of embedded conversion option and early redemption option of a convertible bond

The directors of the Company use their judgment in selecting an appropriate valuation technique to determine fair value of the embedded conversion option and early redemption option of the convertible bond which are not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. The fair values of these derivative financial instruments are reassessed at the end of each reporting period with movement to the consolidated statement of comprehensive income. In estimating the fair values of these derivative financial instruments, the Group uses independent valuations which are based on various inputs and estimates with reference to quoted market rates and adjusted for specific features of the instrument. If the inputs and estimates applied in the model are different, the carrying amounts of these derivative financial instruments will change. The carrying value of the embedded conversion option and early redemption option of a convertible bond at 31 December 2010 were nil (2009: nil and HK\$12,457,000) respectively.

6. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt, which includes the bank and other borrowings, notes payable, obligations under finance leases and convertible bonds disclosed in notes 25, 26, 27 and 30 respectively, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

5. 估計不確定因素之主要來源 (續)

可換股債券之嵌入式轉換權及提早贖回權之公允價值

本公司董事自行判斷選擇合適估值技術對無法在活躍市場找到報價之可換股債券之嵌入式轉換權及提早贖回權之公允價值進行釐定。所採用之估值技術由市場從業員普遍採用。該等衍生財務工具之公允價值於各報告期末根據綜合全面收益表之變動進行重估。於估計該等衍生財務工具之公允價值時，本集團採用基於參考已報市場利率及就工具特性進行調整之多項輸入值及估計之獨立估值。倘模型中採用之輸入值及估計不同，則該等衍生財務負債之賬面值會產生變動。於二零一零年十二月三十一日，可換股債券之嵌入式轉換權及提早贖回權之賬面值均為零（二零零九年：零及12,457,000港元）。

6. 資本風險管理

本集團管理其資本，以確保本集團內之實體將能夠以持續經營方式營運，同時亦透過優化債務與股本之平衡而為股東爭取最大回報。本集團之整體策略與過往年度維持不變。

本集團之資本架構包括債務（包括分別於附註25、26、27及30所披露之銀行及其他借貸、應付票據、融資租約承擔及可換股債券）、現金及現金等價物及本公司擁有人應佔權益（包括已發行股本及儲備）。

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6. CAPITAL RISK MANAGEMENT (continued)

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through payment of dividends, new share issues and the issue of new debt or the redemption of existing debt.

6. 資本風險管理 (續)

本公司董事定期檢討資本架構。作為檢討之一部分，本公司董事考慮資本之成本及各類別資本相關之風險。根據本公司董事之推薦意見，本集團將通過派付股息、新股發行及發行新債務或贖回現有債務以平衡其整體資本架構。

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

7. 財務工具

(a) 財務工具類別

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Financial assets	財務資產		
Financial asset at fair value through profit or loss	透過損益按公允價值列賬之財務資產		
Early redemption option of a convertible bond	可換股債券之提早贖回權	-	12,457
Loan and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)		
Trade and other receivables	貿易及其他應收款項	16,931	59,579
Refundable deposit paid for acquisition of mining rights	已支付收購採礦權之可退回按金	23,400	-
Consideration receivable for disposal of subsidiaries	出售附屬公司之應收代價	-	20,000
Bank balances and cash	銀行結餘及現金	37,897	17,835
Financial liabilities	財務負債		
Financial liabilities at amortised cost	按攤銷成本計算之財務負債		
Trade and other payables	貿易及其他應付款項	66,897	79,323
Bank and other borrowings	銀行及其他借貸	10,898	34,629
Convertible bonds	可換股債券	181,208	229,103
Notes payable	應付票據	-	36,617
Obligations under finance leases	融資租約承擔	1,412	7,751

7. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include derivative financial instrument, trade and other receivables, consideration receivable for disposal of subsidiaries, bank balances and cash, trade and other payables, bank and other borrowings, notes payable, obligations under finance leases and convertible bonds. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

i. Foreign currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 84% (2009: 95%) of the Group's sales are denominated in currencies other than the functional currency of the group entity making the sale, whilst almost 52% (2009: 89%) of costs are denominated in the group entity's functional currency.

7. 財務工具 (續)

(b) 財務風險管理目標及政策

本集團之主要財務工具包括衍生財務工具、貿易及其他應收款項、出售附屬公司之應收代價、銀行結餘及現金、貿易及其他應付款項、銀行及其他借貸、應付票據、融資租賃承擔及可換股債券。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風險及如何降低該等風險之政策載於下文。管理層管理及監控該等風險以確保及時有效地採取適當措施。

i. 外幣風險

本公司若干附屬公司以外幣進行買賣，以致本集團承擔外幣風險。本集團約84%（二零零九年：95%）銷售額以進行銷售之集團實體功能貨幣以外之貨幣計值，而近52%（二零零九年：89%）成本以集團實體之功能貨幣計值。

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7. FINANCIAL INSTRUMENTS (continued)

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

i. Foreign currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

		The Group			
		2010		2009	
		US\$ '000	RMB '000	US\$ '000	RMB '000
		本集團			
		二零一零年 美元 千元	人民幣 千元	二零零九年 美元 千元	人民幣 千元
Trade and other receivables	貿易及其他應收款項	1,655	1,925	6,085	530
Refundable deposit paid for acquisition of mining rights	已支付收購採礦權之可退回按金	3,000	-	-	-
Cash and cash equivalents	現金及現金等價物	1,694	1,072	96	1,405
Trade and other payables	貿易及其他應付款項	(1,515)	(8,978)	(2,747)	(2,466)
Bank and other borrowings	銀行及其他借貸	(495)	(1,500)	(175)	-
Net exposure arising from recognised assets and liabilities	已確認資產及負債所產生之風險淨額	4,339	(7,481)	3,259	(531)

7. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

i. 外幣風險 (續)

於報告日期，本集團以外幣列值的貨幣資產及貨幣負債之賬面值如下：

7. FINANCIAL INSTRUMENTS (continued)

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

i. Foreign currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the exchange rate risk on HK\$ against US\$ and RMB for the foreign currency denominated monetary assets and monetary liabilities.

The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at year end for a 5% change in foreign currency rates. A positive number indicates an increase in loss for the year ended 31 December 2010 and 2009 where HK\$ weaken 5% against RMB and US\$. For a 5% strengthening of HK\$ against RMB and US\$, there would be an equal and opposite impact in the loss for the year ended 31 December 2010 and 2009 and the balances below would be negative.

7. 財務工具 (續)

(b) 財務風險管理目標及政策

(續)

i. 外幣風險 (續)

敏感度分析

本集團就外幣列值之貨幣資產及貨幣負債之貨幣風險主要是來自港元兌美元及人民幣之匯率風險。

敏感度分析包括以外幣計算之尚未完成貨幣項目，並於年末調整其外幣兌換率以反映5%之變動。下列正數表示截至二零一零年及二零零九年十二月三十一日止年度港元兌人民幣及美元貶值5%所導致的虧損增加。倘港元兌人民幣及美元升值5%，將會對截至二零一零年及二零零九年十二月三十一日止年度的虧損造成相等及相反之影響，而下列結餘將會為負數。

		The Group	
		2010	2009
		Effect on loss after tax and accumulated losses	Effect on loss after tax and accumulated losses
		HK\$'000	HK\$'000
		本集團	
		二零一零年	二零零九年
		對除稅後虧損及累計虧損的影響	對除稅後虧損及累計虧損的影響
		千港元	千港元
RMB	人民幣	438	30
US\$	美元	(1,692)	(1,263)

7. FINANCIAL INSTRUMENTS (continued)

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

ii. Interest rate risk

The Group is exposed to fair value interest rate risk in relation to certain bank deposits, liabilities portion arising from convertible bonds, notes payable, obligations under finance leases and interest-bearing borrowings at fixed rates.

The Group is also exposed to cash flow interest rate risk in relation to certain bank balances and interest-bearing borrowings at variable-interest rate, The Group has not used any derivative contracts to hedge its exposure to interest rate risk. The Group has not formulated a policy to manage the interest rate risk.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis

If the interest rates had been increased/decreased by 50 basis points (2009: 50 basis points) at the beginning of the year and all other variables were held constant, the Group's loss after tax and accumulated losses would increase/decrease by approximately HK\$49,000 (2009: HK\$163,000). The assumed changes have no impact on the Group's other components of equity. This is mainly attributable to the Group's exposure with respect to interest rate on its variable-interest rate bank deposits and other borrowings.

7. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

ii. 利率風險

本集團面對之公允價值利率風險與若干銀行存款、可換股債券所產生之負債部分、應付票據、融資租約承擔及定息計息借貸有關。

本集團亦面對之現金流利率風險與若干銀行結餘及浮息計息借貸有關，本集團並無使用任何衍生工具合約對沖其利率風險。本集團並無制訂政策管理利率風險。

本集團之財務資產及財務負債面對之利率風險已於本附註流動資金風險管理一節詳述。

敏感度分析

倘年初利率上升／下跌50個基點（二零零九年：50個基點），而所有其他變數不變，則本集團之除稅後虧損及累計虧損將增加／減少約49,000港元（二零零九年：163,000港元）。所假設之變動對本集團之其他權益部分並無影響。此乃主要由於本集團就其浮息銀行存款及其他借貸利率所面對之風險所致。

7. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies** (continued)*ii. Interest rate risk* (continued)*Sensitivity analysis* (continued)

The 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

iii. Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at 31 December 2010 and 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In respect of trade and bill receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current liability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customers operate. Trade and bill receivables are due within 30 to 120 days from the date of billing. Normally, the Group does not obtain collateral from customers.

7. 財務工具 (續)**(b) 財務風險管理目標及政策** (續)*ii. 利率風險* (續)*敏感度分析* (續)

50個基點上升或下跌為管理層對期間至下個年度報告日之合理可能利率變動作出之評估。

iii. 信貸風險

倘交易對手未能履行於二零一零年及二零零九年十二月三十一日有關各類已確認財務資產之責任，則本集團所承擔之最高信貸風險為綜合財務狀況表所列之該等資產之賬面值。

就有關貿易應收款項及應收票據而言，需要對信貸超過某一金額之所有客戶進行個別信貸評估。此等評估集中於客戶於到期及支付流動負債時之過去付款紀錄，並計入客戶之特定資料以及與客戶業務有關之經濟環境。貿易應收款項及應收票據自開出發票之日起計30日至120日之期間內到期。一般而言，本集團不會獲得客戶之任何抵押品。

7. FINANCIAL INSTRUMENTS (continued)

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

iii. Credit risk (continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant considerations of credit risk primarily arise when the Group has significant exposure to individual customers.

The Group has concentration of credit risk as 67% (2009: 35%) and 84% (2009: 75%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively.

The Group's concentration of credit risk by geographical locations is mainly in Europe, which accounted for 39% of the total trade receivable as at 31 December 2010. The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 53% of the total trade receivable as at 31 December 2009.

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

7. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

iii. 信貸風險 (續)

本集團承受之信貸風險主要受各客戶個別特性所影響，而並非客戶業務所在之行業或國家，故本集團主要於需要對個別客戶承擔重大風險時對信貸風險作重大考慮。

由於貿易及其他應收款項總額之67%（二零零九年：35%）及84%（二零零九年：75%）分別為應收本集團最大客戶及五位最大客戶之款項，故本集團面對信貸集中風險。

本集團按地域劃分之信貸風險乃主要集中於歐洲，佔二零一零年十二月三十一日之應收貿易款項總額39%。本集團按地域劃分之信貸風險乃主要集中於香港，佔二零零九年十二月三十一日之應收貿易款項總額53%。

由於交易對手為國際信貸評級機構給予高信貸評級的銀行，因此，流動資金的信貸風險有限。

7. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)*iv. Price risk*

The Group was exposed to equity price risk arising from the conversion option components and early redemption option of a convertible bond. The fair values of the conversion option component and early redemption option were calculated using the Trinomial Option Pricing Model. Details of these derivative financial instruments are set out in note 30.

Sensitivity analysis

If the input of share price to the valuation model of the conversion option components and early redemption option of the convertible bonds had been 5% higher while all other variables were held constant, the loss for the year would remain unchanged (2009: decreased by HK\$2,640,000).

v. Liquidity risk

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

7. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)*iv. 價格風險*

本集團承受因可換股債券之轉換權部份及提早贖回權所產生之股本價格風險。轉換權部份及提早贖回權之公允價值均採用三項式期權定價模式計算。該等衍生財務工具之詳情載於附註30。

敏感度分析

倘輸入可換股債券之轉換權部份及提早贖回權之估值模式之股價上升5%，而所有其他變數維持不變，年度虧損將維持不變（二零零九年：減少2,640,000港元）。

v. 流動資金風險

於管理流動資金風險時，本集團會進行監控並將現金及現金等價物維持在管理層認為充足之水準，以為本集團之營運提供資金和減低現金流量波動之影響。管理層亦監控借貸之動用情況，並確保遵守貸款契諾。

7. FINANCIAL INSTRUMENTS (continued)

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

v. Liquidity risk (continued)

As at 31 December 2009, the Group has available unutilised short-term bank loan facilities and overdraft of approximately HK\$195,195,000 and HK\$1,924,000, respectively. During the year ended 31 December 2010, all banking facilities are expired.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

The maturity analysis for other non-derivative financial liabilities is prepared based on the scheduled repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

7. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

v. 流動資金風險 (續)

於二零零九年十二月三十一日，本集團擁有之未動用短期銀行貸款額度及透支分別約為195,195,000港元及1,924,000港元。於截至二零一零年十二月三十一日止年度，所有銀行信貸均到期。

下表詳列本集團有關非衍生財務負債的剩餘合約期，乃根據協定之償還條款釐定。該表乃根據財務負債的未折現現金流量編製，該等財務負債乃根據本集團可能須付款的最早日期分類。該表包括利息及本金現金流量。就利息流量為浮動利率而言，未折現金額乃以於報告期末之利率曲線計算。

其他非衍生財務負債之到期分析乃根據計劃還款日期而編製。

該表包括利息及本金現金流量。就利息流量為浮動利率而言，未折現金額乃以於報告期末之利率曲線計算。

7. FINANCIAL INSTRUMENTS (continued)

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

v. Liquidity risk (continued)

As at 31 December 2010

	Within 1 year or on demand	More than 1 year less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total undiscounted cash flows	Carrying amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	1年內或 按要求	超過1年 少於2年	超過2年 但少於5年	超過5年	未折現現金 流量總額	賬面值
	千港元	千港元	千港元	千港元	千港元	千港元
Trade and other payables	66,897	-	-	-	66,897	66,897
Bank and other borrowings	11,555	-	-	-	11,555	10,898
Convertible bonds	21,240	187,738	-	-	208,978	181,208
Obligations under finance leases	1,384	191	-	-	1,575	1,412
	101,076	187,929	-	-	289,005	260,415

As at 31 December 2009

於二零零九年十二月三十一日

	Within 1 year or on demand	More than 1 year less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total undiscounted cash flows	Carrying amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	1年內或 按要求	超過1年 少於2年	超過2年 但少於5年	超過5年	未折現現金 流量總額	賬面值
	千港元	千港元	千港元	千港元	千港元	千港元
Trade and other payables	79,323	-	-	-	79,323	79,323
Bank and other borrowings	28,386	1,111	3,442	3,356	36,295	34,629
Convertible bonds	10,502	86,240	208,978	-	305,720	229,103
Notes payable	38,957	-	-	-	38,957	36,617
Obligations under finance leases	7,129	1,264	-	-	8,393	7,751
	164,297	88,615	212,420	3,356	468,688	387,423

7. FINANCIAL INSTRUMENTS (continued)

(c) Fair value

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

The fair value of other financial assets and liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and

The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

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

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

7. 財務工具 (續)

(c) 公允價值

財務資產及財務負債之公允價值釐定如下：

其他財務資產及負債（不包括衍生工具）之公允價值乃根據公認定價模式，按照已折現現金流量分析釐定；及

衍生工具之公允價值採用報價計算。倘並無有關價格，將就非期權衍生工具之可行使期間採用之適用股息曲線進行折現現金流量分析，而期權衍生工具則採用期權定價模式計算。

本公司董事認為，於綜合財務報表內按攤銷成本列賬之財務資產及財務負債之賬面值與其公允價值相若。

於綜合財務狀況表內確認之公允價值計量

下表提供初步確認後以公允價值計量之財務工具分析，其按可觀察公允價值程度分為一至三級。

- 第一級公允價值計量乃從已識別資產或負債於活躍市場中所報之未經調整價格得出。
- 第二級公允價值計量乃除第一級計入之報價外，自資產或負債直接（即價格）或間接（自價格衍生）可觀察預期數據得出。

7. FINANCIAL INSTRUMENTS (continued)**(c) Fair value** (continued)

Fair value measurements recognised in the consolidated statement of financial position
(continued)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments

Embedded conversion option of
a convertible bond

Early redemption option of
a convertible bond

財務工具

可換股債券嵌入式轉換權

可換股債券之提早贖回權

There were no transfer between Level 1 and 2 during both years.

7. 財務工具 (續)**(c) 公允價值** (續)

於綜合財務狀況表內確認之公允價值計量 (續)

- 第三級公允價值計量乃計入並非根據可觀察市場數據(無法觀察預期數據)之資產或負債之估值方法得出。

2010 HK\$'000 Level 2 二零一零年 千港元 第二級	2009 HK\$'000 Level 2 二零零九年 千港元 第二級
-	-
-	(12,457)

於該兩個年度第一級與第二級之間並無轉讓。

8. TURNOVER AND SEGMENT INFORMATION

The Group's operating segments based on information reported to the chief operating decision maker, being the key management of the Company, for the purpose of resource allocation and performance assessment are as follows:

- remanufacture and sale of computer printing and imaging products;
- manufacture and sale of data media products;
- distribution of data media products; and
- trading and mining of mineral resources.

Segment revenue and results

Turnover, which is also revenue, represents the sales value of goods supplied to customers, after trade discount and sales related taxes. The following is an analysis of the Group's revenue and results, assets and liabilities by reportable segment.

8. 營業額及分類資料

本集團根據呈報予主要營運決策者(即本公司之主要管理層)之資料作為資源分配及表現評估之用途而得出之經營分類如下:

- 環保再造及銷售電腦打印及影像產品;
- 製造及銷售數據媒體產品;
- 分銷數據媒體產品;及
- 買賣及開採礦產資源。

分類收益及業績

營業額亦為收益,指向客戶所提供已扣除貿易折扣及銷售相關稅項的貨品銷售價值。本集團可呈報分類之收益及業績、資產及負債分析如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

8. TURNOVER AND SEGMENT INFORMATION

(continued)

Segment revenue and results (continued)

For the year ended 31 December 2010

8. 營業額及分類資料 (續)

分類收益及業績 (續)

截至二零一零年十二月三十一日止年度

		Remanufacture and sale of computer printing and imaging products HK\$'000 環保再造及 銷售電腦打印 及影像產品 千港元	Manufacture and sale of data media products HK\$'000 製造及銷售 數據媒體產品 千港元	Distribution of data media products HK\$'000 分銷 數據媒體產品 千港元	Trading and mining of mineral resources HK\$'000 買賣及 開採礦產 資源 千港元	Inter-segment elimination HK\$'000 分類間對銷 千港元	Consolidated HK\$'000 綜合 千港元
Revenue	收益						
External sales	外部銷售	73,739	67,880	12,303	16,003	-	169,925
Inter-segment revenue (note)	分類間收益 (附註)	8,855	468	-	-	(9,323)	-
		82,594	68,348	12,303	16,003	(9,323)	169,925
Segment (loss) profit	分類(虧損)溢利	(197,257)	1,941	(611)	(32,699)	-	(228,626)
Unallocated operating income	未分配經營收入						321
Unallocated operating expenses	未分配經營開支						(93,569)
Change in fair value of derivative and embedded derivative components of a convertible bond	衍生工具及可換股債券之嵌入式 衍生部分之公允價值變動						(12,457)
Share-based payment expenses	以股份為基礎之付款開支						(21,483)
Finance costs	財務費用						(30,813)
Loss before taxation	除稅前虧損						(386,627)
Income tax credit	所得稅抵免						2,716
Loss for the year	年度虧損						(383,911)

8. TURNOVER AND SEGMENT INFORMATION

(continued)

Segment revenue and results (continued)

For the year ended 31 December 2009

		Remanufacture and sale of computer printing and imaging products HK\$'000 環保再造及 銷售電腦打印 及影像產品 千港元	Manufacture and sale of data media products HK\$'000 製造及銷售 數據媒體產品 千港元	Distribution of data media products HK\$'000 分銷 數據媒體產品 千港元	Inter-segment elimination HK\$'000 分類間對銷 千港元	Consolidated HK\$'000 綜合 千港元
Revenue	收益					
External sales	外部銷售	148,080	50,255	23,059	-	221,394
Inter-segment revenue (note)	分類間收益 (附註)	34,140	-	-	(34,140)	-
		182,220	50,255	23,059	(34,140)	221,394
Segment (loss) profit	分類 (虧損) 溢利	(147,829)	3,398	732	-	(143,699)
Unallocated operating income	未分配經營收入					190
Unallocated operating expenses	未分配經營開支					(89,948)
Change in fair value of derivative and embedded derivative components of a convertible bond	衍生工具及可換股債券之 嵌入式衍生部分之 公允價值變動					12,457
Loss on disposal of subsidiaries	出售附屬公司之虧損					(17,674)
Finance costs	財務費用					(37,430)
Loss before taxation	除稅前虧損					(276,104)
Income tax expense	所得稅開支					(1,933)
Loss for the year	年度虧損					(278,037)

Note: Inter-segment sales are charged at prevailing market prices.

附註：分類間銷售按現行市場價格計算。

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8. TURNOVER AND SEGMENT INFORMATION

(continued)

Segment revenue and results (continued)

		Remanufacture and sale of computer printing and imaging products HK\$'000 環保再造及 銷售電腦打印 及影像產品 千港元	Manufacture and sale of data media products HK\$'000 製造及銷售 數據媒體產品 千港元	Distribution of data media products HK\$'000 分銷 數據媒體產品 千港元	Trading and mining of mineral resources HK\$'000 買賣及 開採礦產 資源 千港元	Inter-segment elimination HK\$'000 分類間對銷 千港元	Consolidated HK\$'000 綜合 千港元
Segment assets and liabilities As at 31 December 2010	分類資產及負債 於二零一零年 十二月三十一日						
Assets	資產						
Segment assets	分類資產	57,078	17,243	2,688	25,863	-	102,872
Unallocated corporate assets	未分配企業資產						38,684
Total assets	總資產						141,556
Liabilities	負債						
Segment liabilities	分類負債	23,729	13,790	2,825	1,681	-	42,025
Unallocated corporate liabilities	未分配企業負債						231,689
Total liabilities	總負債						273,714
As at 31 December 2009	於二零零九年 十二月三十一日						
Assets	資產						
Segment assets	分類資產	274,325	61,751	6,672	-	-	342,748
Unallocated corporate assets	未分配企業資產						49,035
Total assets	總資產						391,783
Liabilities	負債						
Segment liabilities	分類負債	44,589	15,429	2,518	-	-	62,536
Unallocated corporate liabilities	未分配企業負債						344,151
Total liabilities	總負債						406,687

The accounting policies of the reportable segment are the same as the Group's accounting policies described in note 4. Segment (loss) profit represents the (loss) profit attributable to each segment without allocation of administration expenses, directors' emoluments, loss on disposal of subsidiaries, loss on deregistration of subsidiaries, change in fair value of derivative and embedded derivative components of a convertible bond, share-based payment expenses, finance costs, interest income and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

8. 營業額及分類資料 (續)

分類收益及業績 (續)

可呈報分類之會計政策與附註4所述之本集團之會計政策相同。分類(虧損)溢利指各分類應佔之(虧損)溢利,而並無獲分配行政開支、董事薪酬、出售附屬公司之虧損、附屬公司終止註冊之虧損、衍生工具及可換股債券之嵌入式衍生部份之公允價值變動,以股份為基礎之付款開支、財務費用、利息收入及所得稅開支。此乃向主要營運決策者報告以進行資源分配及業績評估之方法。

8. TURNOVER AND SEGMENT INFORMATION

8. 營業額及分類資料 (續)

(continued)

Other segment information

其他分類資料

		Remanufacture and sale of computer printing and imaging products HK\$'000 環保再造及 銷售電腦 打印及 影像產品 千港元	Manufacture and sale of data media products HK\$'000 製造及 銷售數據 媒體產品 千港元	Distribution of data media products HK\$'000 分銷數據 媒體產品 千港元	Trading and mining of minerals resources HK\$'000 買賣及 開採礦產 資源 千港元	Unallocated HK\$'000 未分配 千港元	Consolidated HK\$'000 綜合 千港元
For the year ended 31 December 2010	截至二零一零年 十二月三十一日止年度						
Amounts included in the measure of segment profit or loss or segment assets:	列入計量分類損益或分類資產之金額：						
Additions to non-current assets	添置非流動資產	8,570	567	-	2,390	-	11,527
Depreciation and amortisation	折舊及攤銷	26,085	267	10	645	49	27,056
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之 (收益)虧損	(312)	1,166	-	-	(587)	267
Inventories written off	撇銷存貨	32,862	-	-	-	-	32,862
Impairment loss on	下列各項之減值虧損						
- inventories	- 存貨	23,484	8,157	1,987	-	-	33,628
- property, plant and equipment	- 物業、廠房及設備	26,008	-	-	-	185	26,193
- intangible assets	- 無形資產	30,471	-	-	-	-	30,471
- refundable deposits paid for acquisition of mining rights	- 已支付收購採礦權之 可退回按金	-	-	-	15,600	-	15,600
- trade and other receivables	- 貿易及其他應收款項	6,006	-	-	-	4,003	10,009
Trade and other receivables write off	貿易及其他應收款項撇銷	8,656	-	-	-	-	8,656
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:	定期向主要營運決策者 提呈但未計入計量 分類損益或分類資產之 金額：						
Interest income	利息收入	(1)	(1)	(3)	(80)	(16)	(101)
Loss on deregistration of subsidiaries	附屬公司取消註冊之虧損	-	-	-	-	1,418	1,418
Change in fair value of derivative and embedded derivative components of a convertible bond	衍生工具及可換股債券之 嵌入式衍生部分之 公允價值變動	-	-	-	-	12,457	12,457
Share-based payment expense	以股份為基礎之付款開支	-	-	-	-	21,483	21,483
Finance costs	財務費用	22,723	406	-	-	7,684	30,813
Income tax (credit) expense	所得稅(抵免)開支	(3,270)	554	-	-	-	(2,716)

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8. TURNOVER AND SEGMENT INFORMATION

(continued)

Other segment information (continued)

		Remanufacture and sale of computer printing and imaging products HK\$'000 環保再造及 銷售電腦 打印及 影像產品 千港元	Manufacture and sale of data media products HK\$'000 製造及 銷售數據 媒體產品 千港元	Distribution of data media products HK\$'000 分銷數據 媒體產品 千港元	Unallocated HK\$'000 未分配 千港元	Consolidated HK\$'000 綜合 千港元
For the year ended 31 December 2009	截至二零零九年十二月 三十一日止年度					
Amounts included in the measure of segment profit or loss or segment assets:	計入計量分類損益或分類 資產之金額：					
Additions to non-current assets	添置非流動資產	47,042	-	-	-	47,042
Depreciation and amortisation	折舊及攤銷	20,529	275	25	-	20,829
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之 收益	(32)	-	-	-	(32)
Impairment loss on	下列各項之減值虧損					
- inventories	- 存貨	82,087	-	-	-	82,087
- property, plant and equipment	- 物業、廠房及設備	16,428	-	-	-	16,428
- intangible assets	- 無形資產	36,125	-	-	-	36,125
- trade and other receivables	- 貿易及其他應收款項	5,910	4,547	-	-	10,457
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:	定期向主要營運決策者提 呈但未計入計量分類損 益或分類資產之金額：					
Interest income	利息收入	(39)	(2)	(33)	-	(74)
Loss on disposal of subsidiaries	出售附屬公司之虧損	-	-	-	17,674	17,674
Change in fair value of derivative and embedded derivative components of a convertible bond	衍生工具及可換股債券之 嵌入式衍生部分之 公允價值變動	-	-	-	(12,457)	(12,457)
Finance costs	財務費用	22,648	2,587	28	12,167	37,430
Income tax expense	所得稅開支	370	1,562	1	-	1,933

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than deferred tax assets, tax recoverable, consideration receivable for the disposal of subsidiaries, bank balances and cash and early redemption option of a convertible bond; and
- all liabilities are allocated to reportable segments other than tax payable, obligation under finance leases, amounts due to directors, bank and other borrowings, other payables, notes payable, deferred tax liabilities and convertible bonds.

就監控分類表現及在分類之間分配資源而言：

- 所有分配予可報告分類之資產（不包括遞延稅項資產、可收回稅項、出售附屬公司之應收代價、銀行結餘及現金及可換股債券之提早贖回權）；及
- 所有分配予可報告分類之負債（不包括應付稅項、融資租約承擔、應付董事款項、銀行及其他借貸、其他應付款項、應付票據、遞延稅項負債及可換股債券）。

8. TURNOVER AND SEGMENT INFORMATION

(continued)

Geographical information

The Group's operations are mainly located in the PRC (country of domicile), including Hong Kong.

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

		Revenue from external customers 來自外部客戶之收益		Non-current assets (note) 非流動資產(附註)	
		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Asia	亞洲				
- the PRC including Hong Kong	- 中國(包括香港)	31,585	28,923	32,209	121,920
- other regions	- 其他地區	42,691	55,762	-	-
Europe	歐洲	32,040	32,865	-	10
North and South America	南北美洲	63,470	103,612	101	142
Others	其他	139	232	-	-
		169,925	221,394	32,310	122,072

Note: Non-current assets excluded deferred tax assets.

Information about major customers

Revenue from customer contributing over 10% of the total sales of the Group are derived from the remanufacture and sale of computer printing and imaging products segment and manufacture and sale of date media products segment in both years and details are as follows:

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Customer A	客戶A	40,406	42,598
Customer B (note)	客戶B(附註)	N/A不適用	28,458
Customer C (note)	客戶C(附註)	17,619	N/A不適用

Note: The corresponding revenue does not contribute over 10% of the total sales of the Group in the respective year.

8. 營業額及分類資料(續)

地區資料

本集團業務主要位於中國(業務所在國家)(包括香港)。

本集團來自外部客戶之收益及按資產地區劃分其非流動資產之資料詳情如下:

附註: 非流動資產不包括遞延稅項資產。

主要客戶資料

於兩個年度內,本集團銷售總額中貢獻超過10%之客戶收益均來自環保再造及銷售電腦打印及影像產品分類及製造及銷售數據媒體產品分類,詳情如下:

附註: 相應收益並無貢獻超過本集團於各年度銷售總額之10%。

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9. OTHER REVENUE AND OTHER (LOSS) INCOME

9. 其他收益及其他(虧損)收入

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Other revenue	其他收益		
Interest income	利息收入	101	74
Gain on foreign exchange contracts	外匯合約收益	-	227
Waiver of other payable	豁免其他應付款項	-	5,911
Others	其他	220	723
		321	6,935
Other (loss) income	其他(虧損)收入		
Loss on deregistration of subsidiaries (Note 35)	註銷附屬公司虧損(附註35)	(1,418)	-
(Loss) gain on disposal of property, plant and equipment	出售物業、廠房及設備(虧損)收益	(267)	32
		(1,685)	32

10. FINANCE COSTS

10. 財務費用

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Interest on bank and other borrowings wholly repayable within five years	須於五年內悉數償還之銀行及其他借貸利息	579	5,826
Interest on bank borrowings not wholly repayable within five years	毋須於五年內悉數償還之銀行借貸利息	-	341
Finance charge on discounted trade receivables to a financial institution	金融機構之貼現應收貿易款項之財務支出	228	65
Interest on the notes payable	應付票據利息	1,554	8,200
Finance charges on obligations under finance leases	融資租約承擔之財務費用	528	691
Imputed interest expenses on a convertible bond arising from initial recognition	初步確認產生之可換股債券之推算利息開支	-	3,319
Imputed interest expenses on convertible bonds (Note 30)	可換股債券之推算利息開支(附註30)	27,924	18,988
		30,813	37,430

11. LOSS FOR THE YEAR

11. 年度虧損

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Loss for the year has been arrived at after charging:	年度虧損已扣除下列各項：		
Staff costs (including directors' emoluments):	員工成本(包括董事酬金)：		
Contributions to defined contribution retirement plans	定額供款退休計劃的供款	751	913
Salaries, wages and other benefits	薪金、工資及其他福利	61,907	68,295
Share-based payment expenses	以股份為基礎之付款開支	21,483	-
		84,141	69,208
Amortisation of intangible assets	無形資產攤銷	10,960	10,545
Depreciation for	折舊		
– owned assets	– 自置資產	14,783	7,195
– assets held under finance leases	– 按融資租約持有之資產	1,313	3,089
Auditor's remuneration	核數師酬金	1,200	2,000
Operating leases charges in respect of properties	有關物業之經營租約費用	11,053	12,162
Cost of inventories recognised as an expense	確認為開支之存貨成本	209,728	222,179
Inventories written off (included in cost of sales)	存貨撇銷(計入銷售成本)	32,862	-
Impairment losses on inventories (included in cost of sales)	存貨之減值虧損(計入銷售成本)	33,628	82,087

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12. IMPAIRMENT LOSSES AND WRITE OFF

12. 減值虧損及撇銷

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Impairment losses on	下列各項之減值虧損		
– property, plant and equipment (Note 17)	– 物業、廠房及設備 (附註17)	26,193	16,428
– intangible assets (Note 18)	– 無形資產 (附註18)	30,471	36,125
– refundable deposit paid for acquisition of mining rights (Note 22)	– 已支付收購採礦權之 可退回按金 (附註22)	15,600	–
– trade and other receivables (Note 21)	– 貿易及其他應收款項 (附註21)	10,009	10,457
Trade and other receivables write off	貿易及其他應收款項撇銷	8,656	–
		90,929	63,010

13. INCOME TAX (CREDIT) EXPENSE

13. 所得稅 (抵免) 開支

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Current tax – Hong Kong Profits Tax	即期稅項 – 香港利得稅		
Provision for the year	本年度撥備	–	18
Under (over)-provision in prior years	過往年度撥備不足 (超額撥備)	554	(157)
		554	(139)
Current tax – PRC Enterprise Income Tax	即期稅項 – 中國企業所得稅		
Provision for the year	本年度撥備	–	1,357
(Over) under-provision in prior years	過往年度 (超額撥備) 撥備不足	(19)	55
		(19)	1,412
Deferred tax (Note 28)	遞延稅項 (附註28)	(3,251)	660
		(2,716)	1,933

13. INCOME TAX (CREDIT) EXPENSE (continued)

No tax is provided on the profit for the year arising in Hong Kong since there are no assessable profit incurred by the Group for the year ended 31 December 2010. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable for the both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

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

In accordance with "Notification of the State Council on Carrying of the Transitional Preferential Policies concerning Enterprise Income Tax" (Guo Fa [2007] No.39) promulgated by the State Council on 26 December 2007, an entity established before 16 March 2007 that was entitled to preferential tax treatment prior to the promulgation date of the EIT Law is subject to transitional tax rates commencing in 2008 before the new corporate income tax rate of 25% applies. In respect of certain PRC subsidiaries of the Group, namely Feitian Magnetic Information-Technology (Shenzhen) Co., Ltd, 深圳利滿豐源打印耗材有限公司 (Shenzhen Afex Print Image Ltd.), 珠海利滿豐源打印耗材有限公司 (Zhuhai Afex Print Image Ltd.) which enjoyed a reduced tax rate of 15% in 2007, the transitional tax rates are 18%, 20%, 22%, 24% and 25% in 2008, 2009, 2010, 2011, 2012 and onwards, respectively.

In 20 July 2007, Inland Revenue Department ("IRD") has initiated tax enquiries and issued protective profits tax demand note relating to the years of assessment 2001/2002 against a subsidiary in the Group. The Group had lodged objections with the IRD and the IRD agreed to hold over the tax claim completely subject to the said subsidiary in question purchasing tax reserve certificates ("TRCs"). TRCs of an aggregate amount of approximately HK\$1,010,000 (2009: HK\$1,010,000) were purchased by the Group up to the end of the reporting period and the amount was included in other receivables in the consolidated statement of financial position as at 31 December 2010.

13. 所得稅(抵免)開支(續)

由於本集團於截至二零一零年十二月三十一日止年度並無產生任何應課稅溢利，故本年度概無就於香港產生之溢利作出任何稅項撥備。香港利得稅乃按該兩個年度的估計應課稅溢利16.5%計算。

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)及企業所得稅法實施細則，中國附屬公司於該兩個年度之稅率為25%。

於其他司法權區產生之稅項乃按有關司法權區之現行稅率計算。

根據國務院於二零零七年十二月二十六日頒佈之《國務院關於實施企業所得稅過渡優惠政策的通知》(國法[2007]39號)，於二零零七年三月十六日前成立於企業所得稅法頒佈日期前享有優惠稅待遇之實體會於新企業所得稅率25%應用前按二零零八年開始之過渡稅率繳納企業所得稅。就本集團若干中國之附屬公司輝電磁訊(深圳)有限公司、深圳利滿豐源打印耗材有限公司及珠海利滿豐源打印耗材有限公司於二零零七年享有優惠稅率15%。二零零八年、二零零九年、二零一零年、二零一一年及二零一二年，過渡稅率分別為18%、20%、22%、24%及25%。

於二零零七年七月二十日，稅務局(「稅務局」)就本集團一間附屬公司於二零零一／二零零二年之評稅年度進行初步稅務查詢及發出保障性利得稅催繳單。本集團已向稅務局提出反對，而稅務局同意暫緩繳交所徵之全數稅款，惟上述有關附屬公司須購買儲稅券(「儲稅券」)。截至報告期末，本集團已購買總額約為1,010,000港元(二零零九年：1,010,000港元)之儲稅券，且有關金額已計入於二零一零年十二月三十一日之綜合財務狀況表之其他應收款項。

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13. INCOME TAX (CREDIT) EXPENSE (continued)

The Group has provided tax liabilities in respect of the mentioned years of assessment. The directors of the Company considered that there was no material under-provision of tax liabilities as at 31 December 2010.

The tax (credit) charge for the year can be reconciled to the loss before taxation per the consolidated statement of comprehensive income using the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled as follows:

13. 所得稅(抵免)開支(續)

本集團已就上述評稅年度之稅項負債計提撥備。本公司董事認為，於二零一零年十二月三十一日概無任何重大撥備不足之稅項負債。

本年度稅項(抵免)開支乃與綜合全面收益表之除稅前虧損(使用本公司及其大部分附屬公司業務所在司法權區之法定稅率計算)對賬如下:

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Loss before taxation	除稅前虧損	(386,627)	(276,104)
Tax at the domestic income tax rate	按國內所得稅率計算之稅項	(70,298)	(45,767)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	34,188	43,451
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(16)	(3,035)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	30,749	2,952
Tax effect of deductible temporary differences not recognised	未確認可扣稅暫時差額之稅務影響	2,126	4,434
Under (over)-provision in prior years	過往年度撥備不足(超額撥備)	535	(102)
Tax (credit) charge for the year	本年度稅項(抵免)開支	(2,716)	1,933

14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

Loss for the year attributable to owners of the Company

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Loss for the year for the purposes of computation of basic and diluted loss per share	就計算每股基本及攤薄虧損而言之 本年度虧損	(383,368)	(278,003)

Number of ordinary shares

		2010 二零一零年	2009 二零零九年
Weighted average number of ordinary shares for the purposes of computation of basic and diluted loss per share	就計算每股基本及攤薄虧損而言之 加權平均普通股數目	1,368,722,647	963,590,597

The calculation of diluted loss per share for the year ended 31 December 2010 and 2009 does not assume the conversion of an unlisted subsidiary's convertible bond. The directors of the Company consider that the value of the subsidiary is lower than the exercise price as the subsidiary had consolidated net liabilities as at 31 December 2009 and 2010.

The diluted loss per share for the year ended 31 December 2009 was the same as the basic loss per share as the conversion of the Company's outstanding convertible bond, and the exercise of the outstanding share options and warrants would result in a decrease in basis loss per share.

The diluted loss per share for the year ended 31 December 2010 is the same as the basic loss per share as the exercise of the Company's outstanding share options and convertible bonds would result in a decrease in basis loss per share.

14. 每股虧損

計算本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據：

本公司擁有人應佔本年度虧損

	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
本公司擁有人應佔本年度虧損	(383,368)	(278,003)

普通股數目

	2010 二零一零年	2009 二零零九年
加權平均普通股數目	1,368,722,647	963,590,597

截至二零一零年及二零零九年十二月三十一日止年度每股攤薄虧損之計算並無假設轉換一間非上市附屬公司之可換股債券。本公司董事認為附屬公司之價值低於行使價，因為該附屬公司於二零零九年及二零一零年十二月三十一日錄得綜合負債淨額。

截至二零零九年十二月三十一日止年度每股攤薄虧損與每股基本虧損相同，因為轉換本公司之未行使可換股債券以及行使未行使購股權及認股權證將導致每股基本虧損減少。

截至二零一零年十二月三十一日止年度每股攤薄虧損與每股基本虧損相同，因為行使本公司之未行使購股權及可換股債券將導致每股基本虧損減少。

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15. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the ten (2009: ten) directors were as follows:

For the year ended 31 December 2010

Executive directors	執行董事：
Yip Wai Lun, Alvin	葉偉倫
Ma Bo Ping	麻伯平
Zhou Yu Sheng (appointed on 25 January 2010)	周豫盛 (於二零一零年 一月二十五日獲委任)
Lam Suk Ling, Shirley (appointed on 8 February 2010)	林淑玲 (於二零一零年 二月八日獲委任)
Lee Cheuk Yin, Dannis (appointed on 29 October 2010)	李卓然 (於二零一零年 十月二十九日獲委任)
Ho Yin King, Helena (resigned on 18 October 2010)	何燕琼 (於二零一零年 十月十八日辭任)
Independent non-executive directors	獨立非執行董事
Leung Ka Kui, Johnny	梁家駒
Chan Kam Kwan, Jason	陳錦坤
Lau Man Tak (appointed on 29 October 2010)	劉文德 (於二零一零年 十月二十九日獲委任)
Lo Kok Kee (resigned on 21 August 2010)	盧國基 (於二零一零年 八月二十一日辭任)
Total	總計

15. 董事酬金

已付或應付十名(二零零九年:十名)董事各自之酬金如下:

截至二零一零年十二月三十一日止年度

Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000 薪金、津貼及實物利益 千港元	Retirement scheme contributions HK\$'000 退休計劃供款 千港元	Total HK\$'000 總計 千港元
-	2,421	13	2,434
-	2,882	-	2,882
-	1,611	-	1,611
-	1,410	10	1,420
-	147	2	149
-	2,629	10	2,639
350	-	-	350
350	-	-	350
161	-	-	161
52	-	-	52
913	11,100	35	12,048

15. DIRECTORS' EMOLUMENTS (continued)

For the year ended 31 December 2009

15. 董事酬金 (續)

截至二零零九年十二月三十一日止年度

		Directors' fees HK\$'000 董事袍金 千港元	Salaries, allowances and benefits in kind HK\$'000 薪金、津貼及實物利益 千港元	Retirement scheme contributions HK\$'000 退休計劃供款 千港元	Total HK\$'000 總計 千港元
Executive directors	執行董事				
Ho Yin King, Helena	何燕琼	-	3,757	12	3,769
Yip Wai Lun, Alvin (appointed on 31 July 2009)	葉偉倫 (於二零零九年七月三十一日獲委任)	-	719	4	723
Ma Bo Ping (appointed on 18 December 2009)	麻伯平 (於二零零九年十二月十八日獲委任)	-	-	-	-
Ho Fai Keung, Jacky (resigned on 31 December 2009)	何輝強 (於二零零九年十二月三十一日辭任)	-	3,363	12	3,375
Cheung Sze Ming (resigned on 31 December 2009)	張詩敏 (於二零零九年十二月三十一日辭任)	-	1,920	12	1,932
Lo Suk King (retired on 18 July 2009)	盧淑琼 (於二零零九年七月十八日退任)	-	418	12	430
Independent non-executive directors	獨立非執行董事				
Leung Ka Kui, Johnny	梁家駒	225	-	-	225
Chan Kam Kwan, Jason	陳錦坤	225	-	-	225
Lo Kok Kee (appointed on 27 July 2009)	盧國基 (於二零零九年七月二十七日獲委任)	87	-	-	87
Li Sau Hung, Eddy (resigned on 18 July 2009)	李秀恆 (於二零零九年七月十八日辭任)	150	-	-	150
Total	總計	687	10,177	52	10,916

During both years ended 31 December 2010 and 2009, no emoluments were paid by the Group to the directors, as an inducement to join or upon joining the Group as compensation for loss of office.

於截至二零一零年及二零零九年十二月三十一日止兩個年度內，本集團並無向董事支付任何酬金，作為促使加入或於加入本集團時的獎勵或作為離職補償。

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16. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments, three (2009: four) are directors whose emoluments are disclosed in note 15. The aggregate of the emoluments in respect of the remaining two individuals (2009: one individual) are as follows:

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Salaries and other emoluments	薪金及其他酬金	1,605	1,947
Share-based payment expense	以股份為基礎之付款開支	3,528	-
Retirement scheme contributions	退休計劃供款	12	-
		5,145	1,947

The emoluments of the two individuals (2009: one individual) with the highest emoluments are within the following bands:

		2010 Number of individuals 二零一零年 人數	2009 Number of individuals 二零零九年 人數
HK\$	港元		
1,000,001 – 1,500,000	1,000,001至1,500,000	-	-
1,500,001 – 2,000,000	1,500,001至2,000,000	-	1
2,000,001 – 2,500,000	2,000,001至2,500,000	1	-
2,500,001 – 3,000,000	2,500,001至3,000,000	1	-

During both years ended 31 December 2010 and 2009, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group as compensation for loss of office.

16. 僱員酬金

在五名最高薪人士中，包括三名董事（二零零九年：四名），該等董事之酬金詳情於附註15披露。其餘兩名（二零零九年：一名）最高薪人士之酬金總額載列如下：

兩名（二零零九年：一名）最高薪人士之酬金界乎下列範圍內：

截至二零一零年及二零零九年十二月三十一日止兩個年度內，本集團並無支付任何酬金予五名最高薪酬之人士（包括董事），作為加入或於加入本集團時之獎勵或作為離職補償。

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Land and buildings at revalued amounts HK\$'000 按重估金額列賬之土地及樓宇 千港元	Plant and machinery HK\$'000 廠房及機器 千港元	Furniture, fixtures and equipment HK\$'000 傢俬、裝置及設備 千港元	Motor vehicles HK\$'000 汽車 千港元	Total HK\$'000 總計 千港元
Cost or valuation	成本或估值					
At 1 January 2009	於二零零九年一月一日	16,679	392,055	77,896	5,207	491,837
Exchange adjustments	匯兌調整	-	173	70	2	245
Additions	添置	-	22,661	9,655	-	32,316
Surplus on valuation	估值盈餘	1,809	-	-	-	1,809
Eliminated on disposals	於出售時對銷	-	(141,248)	(12,852)	(231)	(154,331)
At 31 December 2009	於二零零九年十二月三十一日	18,488	273,641	74,769	4,978	371,876
Comprising	包括					
At cost	按成本	-	273,641	74,769	4,978	353,388
At valuation 2009	按二零零九年估值	18,488	-	-	-	18,488
		18,488	273,641	74,769	4,978	371,876
At 1 January 2010	於二零一零年一月一日	18,488	273,641	74,769	4,978	371,876
Exchange adjustments	匯兌調整	-	356	147	4	507
Additions	添置	-	8,297	2,072	1,158	11,527
Deficit on valuation	估值虧絀	(6)	-	-	-	(6)
Deregistration of subsidiaries	附屬公司撤銷註冊	-	(762)	(679)	-	(1,441)
Written off	撇銷	-	(80,200)	(19,249)	(1,574)	(101,023)
Eliminated on disposals	於出售時對銷	(18,050)	-	(20,456)	(2,173)	(40,679)
At 31 December 2010	於二零一零年十二月三十一日	432	201,332	36,604	2,393	240,761
Comprising	包括					
At cost	按成本	-	201,332	36,604	2,393	240,329
At valuation 2010	按二零一零年估值	432	-	-	-	432
		432	201,332	36,604	2,393	240,761

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17. PROPERTY, PLANT AND EQUIPMENT (continued)

17. 物業、廠房及設備 (續)

		Land and buildings at revalued amounts HK\$'000 按重估金額列賬之土地及樓宇 千港元	Plant and machinery HK\$'000 廠房及機器 千港元	Furniture, fixtures and equipment HK\$'000 傢俬、裝置及設備 千港元	Motor vehicles HK\$'000 汽車 千港元	Total HK\$'000 總計 千港元
Depreciation and impairment	折舊及減值					
At 1 January 2009	於二零零九年一月一日	-	361,349	62,307	4,441	428,097
Exchange adjustments	匯兌調整	-	49	39	-	88
Provided for the year	本年度撥備	416	5,515	4,013	340	10,284
Impairment loss recognised in profit or loss	於損益確認之減值虧損	-	16,428	-	-	16,428
Eliminated on disposals	於出售時對銷	-	(141,248)	(12,852)	(231)	(154,331)
Elimination on revaluation	於重估時對銷	(416)	-	-	-	(416)
At 31 December 2009	於二零零九年十二月三十一日	-	242,093	53,507	4,550	300,150
At 1 January 2010	於二零一零年一月一日	-	242,093	53,507	4,550	300,150
Exchange adjustments	匯兌調整	-	143	98	1	242
Provided for the year	本年度撥備	172	10,234	5,210	480	16,096
Impairment loss recognised in profit or loss	於損益確認之減值虧損	-	19,606	6,402	-	26,008
Deregistration of subsidiaries	附屬公司撤銷註冊	-	(762)	(675)	-	(1,437)
Written off	撇銷	-	(80,200)	(19,249)	(1,574)	(101,023)
Eliminated on disposals	於出售時對銷	(162)	-	(20,456)	(2,042)	(22,660)
Elimination on revaluation	於重估時對銷	(10)	-	-	-	(10)
At 31 December 2010	於二零一零年十二月三十一日	-	191,114	24,837	1,415	217,366
Carrying values	賬面值					
At 31 December 2010	於二零一零年十二月三十一日	432	10,218	11,767	978	23,395
At 31 December 2009	於二零零九年十二月三十一日	18,488	31,548	21,262	428	71,726

17. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Leasehold land and buildings	Shorter of 2.5% or over the term of the leases
Plant and machinery	10% – 20%
Furniture, fixtures and equipment	20%
Motor vehicles	30%

During the year ended 31 December 2010, the directors of the Company conducted a review of the Group's assets related to the remanufacture and sale of computer printing and imaging products segment and determined that a number of those assets were impaired, due to continuous decrease in demand for the relevant products. Accordingly, impairment loss of HK\$19,606,000 and HK\$6,402,000 (2009: impairment loss of HK\$16,428,000 has been recognised in respect of plant and machinery) have been recognised in respect of plant and machinery and furniture, fixture and equipment, respectively, which are used in the remanufacture and sale of computer printing and imaging products segment. The recoverable amounts of the relevant assets have been determined on the basis of their value in use. The discount rates in measuring the amounts of value in use were 12% (2009: 12%) and the growth rates was 0% (2009: 0%) in relation to the assets.

During the year ended 31 December 2010, the Group disposed of all leasehold land and buildings situated in Hong Kong. The leasehold land and buildings of the Group were revalued on 31 December 2009 and 31 December 2010 by Norton Appraisal Limited, an independent qualified valuer. Norton Appraisal Limited was not connected with the Group. For leasehold land and buildings situated in Hong Kong for the year ended 31 December 2009, the valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions. For those located outside Hong Kong for the year ended 31 December 2009 and 2010, a combination of the open market and depreciated replacement cost approaches were used in assessing the land portions of the properties and buildings and structures standing on the land respectively.

17. 物業、廠房及設備 (續)

上述物業、廠房及設備項目按直線法為基準計算折舊，每年之折舊率如下：

租賃土地及樓宇	2.5%或按其 租期(以較短者為準)計算
廠房及機器	10%至20%
傢俬、裝置及設備	20%
汽車	30%

於截至二零一零年十二月三十一日止年度，本公司董事對本集團有關環保再造及銷售電腦打印及影像產品分類之資產作出審閱，並根據對相關產品持續下跌的需求已對該等資產作出減值。因此，就環保再造及銷售電腦打印及影像產品分類所使用之廠房及機器以及傢俬、裝置及設備確認減值虧損分別為19,606,000港元及6,402,000港元(二零零九年：就廠房及機器確認減值虧損為16,428,000港元)。此等相關資產之可收回金額乃根據其在用價值而釐定。用於量度該等資產相關之在用價值之折現率為12%(二零零九年：12%)及增長率為0%(二零零九年：0%)。

截至二零一零年十二月三十一日止年度，本集團出售所有位於香港之租賃土地及樓宇。本集團之租賃土地及樓宇已於二零零九年十二月三十一日及二零一零年十二月三十一日由獨立合資格估值師普敦國際評估有限公司進行重估。普敦國際評估有限公司與本集團並無關連。就截至二零零九年十二月三十一日止年度位於香港之租賃土地及樓宇而言，估值乃經參考處於相同地點及狀況之類似物業交易價格之市場憑據後達致。就截至二零零九年及二零一零年十二月三十一日止年度位於香港以外之租賃土地及樓宇而言，結合使用公開市場以及折舊後重置成本法，以分別評估物業之土地部分以及坐落於該幅土地上之樓宇及構築物。

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綜合財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT (continued)

The revaluation surplus of approximately HK\$4,000 (2009: surplus of HK\$2,225,000) net of deferred tax of nil (2009: HK\$372,000) have been transferred to the properties revaluation reserve of the Group.

If leasehold land and buildings had not been revalued, they would have been included in these consolidated financial statements at historical cost less accumulated depreciation of HK\$444,000 (2009: HK\$8,422,000).

The carrying value of properties shown above comprises:

In Hong Kong	香港地區		
– medium-term leases	– 中期租約	–	18,050
Outside Hong Kong	香港以外地區		
– short-term leases	– 短期租約	432	438
		432	18,488
Representing:	包括:		
Leasehold land and buildings held for own use carried at fair value	按公允價值列賬之持作自用租賃土地及樓宇	432	18,488

The net carrying value of plant and equipment and motor vehicle held under finance leases of the Group was approximately HK\$4,158,000 (2009: HK\$11,354,000). These assets are pledged to secure the Group's obligations under finance leases.

In 2009, the Group has pledged its land and buildings with a net carrying value of approximately HK\$18,050,000 to secure certain bank borrowings granted to the Group. The pledge was released during the year ended 31 December 2010.

In 2010, The Group acquired motor vehicle approximately HK\$567,000 through finance lease.

17. 物業、廠房及設備 (續)

重估盈餘約4,000港元(二零零九年:盈餘2,225,000港元)(已扣除遞延稅項零港元(二零零九年:372,000港元)已轉撥往本集團之物業重估儲備。

倘租賃土地及樓宇並無重估,則將按歷史成本減累計折舊444,000港元(二零零九年:8,422,000港元)計入於該等綜合財務報表中。

上述物業之賬面值包括:

2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
–	18,050
432	438
432	18,488
432	18,488

本集團根據融資租約持有之廠房及設備以及汽車之賬面淨值為約4,158,000港元(二零零九年:11,354,000港元)。該等資產已抵押以擔保本集團之融資租約承擔。

於二零零九年,本集團已抵押其賬面值約18,050,000港元之土地及樓宇作為若干授予本集團之銀行借貸之擔保。該抵押已於截至二零一零年十二月三十一日止年度獲解除。

於二零一零年,本集團透過融資租約收購汽車約567,000港元。

18. INTANGIBLE ASSETS

18. 無形資產

		Development cost HK\$'000 開發成本 千港元	Technical know-how HK\$'000 技術知識 千港元	Distribution channels HK\$'000 分銷渠道 千港元	Total HK\$'000 總計 千港元
Cost	成本				
At 1 January 2009	於二零零九年一月一日	56,912	31,460	15,800	104,172
Additions through acquisition	透過收購添置	-	8,880	-	8,880
Additions through internal development	透過內部發展添置	5,846	-	-	5,846
At 31 December 2009 and at 31 December 2010	於二零零九年十二月三十一日及於二零一零年十二月三十一日	62,758	40,340	15,800	118,898
Amortisation and impairment	攤銷及減值				
At 1 January 2009	於二零零九年一月一日	15,166	6,189	527	21,882
Charge for the year	本年度支出	5,921	3,044	1,580	10,545
Impairment losses	減值虧損	16,019	8,317	11,789	36,125
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日	37,106	17,550	13,896	68,552
Charge for the year	本年度支出	5,892	3,488	1,580	10,960
Impairment losses	減值虧損	11,169	19,302	-	30,471
At 31 December 2010	於二零一零年十二月三十一日	54,167	40,340	15,476	109,983
Carrying values	賬面值				
At 31 December 2010	於二零一零年十二月三十一日	8,591	-	324	8,915
At 31 December 2009	於二零零九年十二月三十一日	25,652	22,790	1,904	50,346

Development costs are internally generated. All of the Group's technical know-how and distribution channel were acquired from third parties.

開發成本乃自內部產生。本集團所有技術知識及分銷渠道乃自第三方收購。

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綜合財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

18. INTANGIBLE ASSETS (continued)

The above intangible assets have definite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Development costs	10 years from the date of commencement of production of the relevant products
Technical know-how	5 – 10 years
Distribution channels	10 years

During the year ended 31 December 2010, the directors of the Company conducted a review of the Group's intangible assets and determined that certain development costs, technical know-how and distribution channels were impaired, due to continuous decrease in demand of the relevant products or cost saving from relevant technical know-how. The value in use was determined based on the estimated future cash flows discounted at a rate of 11% (2009: 12%) per annum. Accordingly, impairment losses of HK\$11,169,000 and HK\$19,302,000 have been recognised in respect of development cost and technical know-how respectively (2009: impairment losses of HK\$16,019,000, HK\$8,317,000 and HK\$11,789,000 have been recognised in respect of development cost, technical know-how and distribution channels respectively).

19. GOODWILL

Cost	成本
Less: Impairment loss	減：減值虧損
Carrying amount	賬面值

In view of significant and continuous losses incurred by the cash-generating unit, the distribution of data media products, full impairment loss had been provided for the goodwill of HK\$39,545,000 in previous years.

18. 無形資產 (續)

以上無形資產具有有限使用年期。該等無形資產以直線法於以下年期進行攤銷：

開發成本	有關產品投產起計十年內
技術知識	五至十年
分銷渠道	十年

截至二零一零年十二月三十一日止年度，本公司董事對本集團無形資產進行檢討，並由於對相關產品之需求持續下跌或就相關技術知識節約成本，確定若干開發成本、技術知識及分銷渠道出現減值。該價值乃根據預計未來現金流量折現率每年11% (二零零九年：12%) 估量，因此，有關開發成本及技術知識，確認之減值虧損分別為11,169,000港元及19,302,000港元 (二零零九年：有關開發成本、技術知識及分銷渠道確認之減值虧損分別為16,019,000港元、8,317,000港元及11,789,000港元)。

19. 商譽

	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Cost	39,545	39,545
Less: Impairment loss	(39,545)	(39,545)
Carrying amount	—	—

鑑於數據媒體產品分銷之現金產生單位產生重大及連續虧損，故已就過往年度之商譽39,545,000港元計提全部減值虧損撥備。

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綜合財務報表附註

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20. INVENTORIES

20. 存貨

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Raw materials	原材料	20,600	109,343
Work in progress	在製品	1,525	8,469
Finished goods	製成品	6,882	32,627
		29,007	150,439

21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收款項

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Trade and bill receivables	貿易應收款項及應收票據	29,046	64,040
Less: impairment loss recognised on trade receivables	減：就貿易應收款項已確認之減值虧損	(16,461)	(9,896)
		12,585	54,144
Other deposits, prepayments and other receivables	其他按金、預付款項及其他應收款項	5,032	13,537
Total trade and other receivables	貿易及其他應收款項總額	17,617	67,681

The Group allows an average credit period of 30 to 120 days (2009: 60 to 180 days) to its trade customers. The following is an aged analysis of trade and bill receivables (net of accumulated impairment losses) as at the end of the reporting period.

本集團給予其貿易客戶之平均信貸期為30至120天(二零零九年: 60至180天)。以下為於報告期末貿易應收款項及應收票據(扣除累計減值虧損)之賬齡分析。

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綜合財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

21. TRADE AND OTHER RECEIVABLES (continued)

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Current	即期	8,734	11,882
Less than 3 months past due	逾期少於三個月	2,999	7,313
3 to 6 months past due	逾期三至六個月	503	297
Over 6 months past due	逾期六個月以上	349	34,652
		12,585	54,144

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$3,851,000 (2009: HK\$42,262,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

In respect of trade and bill receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current liability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customers operate. 69% (2009: 22%) of the trade and bill receivables that are neither past due nor impaired have good settlement history under the Group's individual credit evaluations. The Group does not hold any collateral over these balances. Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. The Group does not hold any collateral over these balances.

21. 貿易及其他應收款項 (續)

	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Current	8,734	11,882
Less than 3 months past due	2,999	7,313
3 to 6 months past due	503	297
Over 6 months past due	349	34,652
	12,585	54,144

計入本集團之貿易應收款項結餘乃已於報告日期逾期之賬面值總計約3,851,000港元(二零零九年: 42,262,000港元)之應收款項, 而本集團並未就其計提減值虧損。本集團就該等結餘並未持有任何抵押。

就有關貿易應收賬款及應收票據而言, 需對信貸超過某一金額之所有客戶進行個別信貸評估。此等評估集中於客戶於到期及支付流動負債時之過去付款記錄, 並計入客戶之特定資料以及與客戶業務有關之經濟環境。根據本集團的個別信用評估, 69%貿易應收賬款及應收票據(二零零九年: 22%)未逾期或未減值, 並擁有良好清償記錄。本集團就該等結餘並未持有任何抵押。未逾期亦未減值的應收款項, 與近期並無拖欠記錄的廣大客戶有關。本集團就該等結餘並未持有任何抵押。

21. TRADE AND OTHER RECEIVABLES (continued)

21. 貿易及其他應收款項 (續)

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Neither past due nor impaired	未逾期或未減值	8,734	11,882
Less than 3 months past due	逾期少於三個月	2,999	7,313
3 to 6 months past due	逾期三至六個月	503	297
Over 6 months past due	逾期六個月以上	349	34,652
		3,851	42,262
		12,585	54,144

Receivables that were past due but not impaired relate to a number of independent customers that have a good repayment record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

已逾期但未減值的應收款項與本集團若干有良好還款記錄的獨立客戶有關。因信貸質素並無重大變動，根據過往經驗，管理層認為並無必要就該等結餘作出減值撥備，且該等結餘被視為仍可悉數收回。

Movement in the impairment losses of trade receivables

貿易應收款項減值虧損變動

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
At 1 January	於一月一日	9,896	22,899
Exchange realignment	匯兌調整	6	-
Impairment losses recognised (Note 12)	已確認減值虧損(附註12)	10,009	10,457
Deregistration of subsidiaries	附屬公司撤銷註冊	(91)	-
Amounts written off as uncollectible	撇銷不可收回款項	(3,000)	(7,407)
Reversal of impairment losses	減值虧損撥回	(359)	(16,053)
At 31 December	於十二月三十一日	16,461	9,896

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable for the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

在釐定貿易應收賬款之可收回性時，本集團考慮由初始授出信貸當日起至報告期末期間，有關貿易應收賬款之信貸質素出現之任何變動。由於客戶基礎大且無關連，故集中信貸風險有限。

21. TRADE AND OTHER RECEIVABLES (continued)

Movement in the impairment losses of trade receivables

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately HK\$16,461,000 (2009: HK\$9,896,000) which were past due for more than 6 months. The Group does not hold any collateral over these balances.

During the year ended 31 December 2010, trade receivable of HK\$8,656,000 (2009: nil) is written off due to the deregistration of the customers during 2010.

Included in trade receivables are factored trade receivables amounting to HK\$9,477,000 (2009: HK\$10,102,000) for the Group. For factored trade receivables, the Group will need to repay the financial institutions if there are credit losses on the trade receivables before the end of factoring period, accordingly, the Group continues to recognise the full carrying amount of the receivables and has recognised the cash received as an unsecured borrowings (See note 25).

Movement in the impairment losses of other receivables

21. 貿易及其他應收款項 (續)

貿易應收款項減值虧損變動

呆賬撥備包括逾期逾六個月之個別減值貿易應收賬款，結餘總額約為16,461,000港元（二零零九年：9,896,000港元）。本集團就該等結餘並未持有任何抵押。

截至二零一零年十二月三十一日止年度，貿易應收賬款8,656,000港元（二零零九年：零）因於二零一零年內客戶取消註冊而撇銷。

包括在貿易應收賬款為本集團貿易應收保理賬款，金額為9,477,000港元（二零零九年：10,102,000港元）。就貿易收保理賬款而言，倘於保理期間結束前貿易應收賬款有信貸虧損，則本集團將需要償還予財務機構，因此，本集團繼續確認應收賬款的全數賬面值並已確認已收現金為一項無抵押借貸（見附註25）。

其他應收款項減值虧損變動

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
At 1 January	於一月一日	-	5,994
Amounts written off as uncollectible	撇銷不可收回金額	-	(5,994)
At 31 December	於十二月三十一日	-	-

22. REFUNDABLE DEPOSIT PAID FOR ACQUISITION OF MINING RIGHTS

22. 已支付收購採礦權之可退回按金

		2010 HK\$'000 二零一零年 千港元
Refundable deposit paid	已支付可退回按金	39,000
Less: impairment loss recognised (Note 12)	減：已確認減值虧損（附註12）	(15,600)
		23,400

Pursuant to a conditional sale and purchase agreement entered into between Jackin Purchasing Co., Ltd. ("Jackin Purchasing"), a wholly owned subsidiary of the Company and Cui Zhan Lin (the "Vendor"), an independent third party on 18 December 2009, Jackin Purchasing conditionally agreed to acquire the entire issued share capital of SE Metal Resource Corp ("SE Metal Resource") which mainly holds a mining rights at a consideration of approximately HK\$832,250,000, of which US\$9,000,000 (approximately HK\$69,750,000) will be settled by cash and the remaining balance of HK\$762,500,000 will be settled in the form of consideration shares and convertible notes to be issued by the Company. During the year ended 31 December 2010, refundable deposit of US\$5,000,000 (approximately HK\$39,000,000) was paid and a share charge over the 50% of the issued share capital of SE Metal Resource in favour of Jackin Purchasing was executed in accordance with the terms thereof. Details are set out in to the Company's announcement dated 8 January 2010.

根據本公司之全資附屬公司Jackin Purchasing Co., Ltd.（「Jackin Purchasing」）與一名獨立第三方崔占林（「賣方」）於二零零九年十二月十八日訂立之一份有條件買賣協議，Jackin Purchasing有條件同意以代價約832,250,000港元購買SE Metal Resource Corp（「SE Metal Resource」）（該公司持有一項採礦權）之全部已發行股本，其中9,000,000美元（約69,750,000港元）將以現金支付，而餘額762,500,000港元將由本公司以發行代價股份及可換股票據方式支付。截至二零一零年十二月三十一日止年度，可退回按金5,000,000美元（約39,000,000港元）乃根據有關協議之條款支付並以Jackin Purchasing為受益人就SE Metal Resource全部已發行股本之50%簽訂股份押記。有關詳情載於本公司日期為二零一零年一月八日之公佈。

22. REFUNDABLE DEPOSIT PAID FOR ACQUISITION OF MINING RIGHTS (continued)

Pursuant to a supplement agreement entered into between Jackin Purchasing and the Vendor on 1 September 2010, Jackin Purchasing and the Vendor agreed to revise the consideration to HK\$500,000,000 of which US\$9,000,000 (approximately HK\$69,750,000) will be settled by cash and the remaining balance of HK\$430,250,000 will be settled in the form of consideration shares and convertible notes to be issued by the Company. The refundable deposit of US\$5,000,000 (equivalent to HK\$39,000,000) was retained by the Vendor as part of deposit for the revised consideration. Details are set out in to the Company's announcement dated 29 September 2010.

On 22 March 2011, the Company announced that the conditional sales and purchase agreement had been terminated by a termination notice served to the Vendor. Relevant details are set out in the Company's announcement dated 22 March 2011 and in note 37 and 41.

In view of the counterclaim and dispute with the Vendor (see note 37(b)), the directors of the Company believe it is uncertain that the Group is able to fully recover the refundable deposits from the Vendor. The directors of the Company decide to make impairment loss of US\$2,000,000 (equivalent to HK\$15,600,000) on the refundable deposit based on the expense counterclaimed by the Vendor.

22. 已支付收購採礦權之可退回按金 (續)

根據Jackin Purchasing與賣方於二零一零年九月一日訂立之補充協議，Jackin Purchasing與賣方同意將代價重訂為500,000,000港元，當中9,000,000美元（約69,750,000港元）將以現金支付而餘款430,250,000港元將由本公司以透過發行代價股份及可換股票據之方式償還。可退回按金5,000,000美元（相等於39,000,000港元）由賣方保留作為重訂代價之部分按金。有關詳情載於本公司日期為二零一零年九月二十九日之公佈。

於二零一一年三月二十二日，本公司宣佈有條件買賣協議已通過向賣方發出終止通知方式予以終止。有關詳情載於本公司日期為二零一一年三月二十二日之公佈及附註37及41。

鑑於與賣方（見附註37(b)）之反索償及糾紛，本公司董事認為，本集團不確定能從賣方全數收回可退回按金。本公司董事決定就可退回按金根據賣方所反索償之開支計算而作出減值虧損為2,000,000美元（相等於15,600,000港元）。

23. BANK BALANCES

Bank balances

Bank balances and cash comprise bank balances and cash held by the Group, short-term bank deposits with maturity of three months or less. The bank balances carry interest at market rates which range from 0.01% to 0.36% (2009: 0.01% to 0.1%) per annum. In 2010, the short-term bank deposits of HK\$17,170,000 carry interest at fixed rates ranged from 0.31% – 1.7% per annum.

24. TRADE AND OTHER PAYABLES

Trade payables	貿易應付賬款
Accruals and other payables	應計費用及其他應付款項
Amount due to a related company	應付關連公司款項
Amounts due to directors	應付董事款項

The amount due to a related company, Titron Industries Limited ("Titron"), in which Yip Wai Lun, Alvin ("Mr. Yip") being the common director, is unsecured, interest-free and repayable on demand.

The amounts due to directors were unsecured, interest-free and repayable on demand.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

Within 3 months	三個月內
Over 3 months but within 6 months	超過三個月但於六個月內
Over 6 months but within 9 months	超過六個月但於九個月內
Over 9 months but within 12 months	超過九個月但於十二個月內
Over 1 year	超過一年

23. 銀行結餘

銀行結餘

銀行結餘及現金包括本集團持有之銀行結餘及現金，及於三個月或更短期限到期之短期銀行存款。銀行結餘按市場利率界乎每年0.01厘至0.36厘（二零零九年：0.01厘至0.1厘）計息。於二零一零年，短期銀行存款17,170,000港元按固定利率界乎每年0.31厘至1.7厘計息。

24. 貿易及其他應付款項

2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
13,799	35,404
52,009	41,200
1,089	1,999
–	720
66,897	79,323

應付關連公司Titron Industries Limited ("Titron") (葉偉倫先生(「葉先生」)為共同董事)之款項乃無抵押、免息，並須應要求償還。

應付董事款項乃無抵押、免息，並須應要求償還。

以下為於報告期末按發票日期呈列之貿易應付賬款之賬齡分析：

2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
9,390	25,536
1,526	4,298
787	4,580
1,439	685
657	305
13,799	35,404

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24. TRADE AND OTHER PAYABLES (continued)

The average credit period on purchases of goods is 30-90 days (2009: 30-90 days). The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

24. 貿易及其他應付款項 (續)

購買貨品之平均信貸期為30至90天(二零零九年: 30至90天)。本集團已制定適當之財務風險管理政策以確保所有應付款項不超過信貸期限。

25. BANK AND OTHER BORROWINGS

25. 銀行及其他借貸

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Bank loans and overdrafts	銀行貸款及透支		
– import and export loans	– 進出口貸款	–	7,896
– term loans	– 定期貸款	3,434	8,852
– mortgage loans	– 按揭貸款	–	8,173
– overdrafts (note)	– 透支(附註)	–	1,254
Other borrowings	其他借貸	3,434	26,175
– Advance from financial institution on discounted trade receivables	– 金融機構就貼現貿易應收款項之墊款	7,464	8,454
		10,898	34,629
Secured	有抵押	–	8,173
Unsecured	無抵押	10,898	26,456
		10,898	34,629
Carrying amount repayable:	應償付賬面值:		
On demand or within one year	按要求或於一年內	10,898	27,500
More than one year, but not exceeding two years	多於一年但少於兩年	–	1,043
More than two years, but not more than five years	多於兩年但少於五年	–	3,130
More than five years	超過五年	–	2,956
		10,898	34,629
Less: amounts due within one year shown under current liabilities	減: 於一年內到期之款項於流動負債項下呈列	(10,898)	(27,500)
		–	7,129

25. BANK AND OTHER BORROWINGS (continued)

The exposure of borrowings to various interest rates changes is as follows:

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Fixed-rate borrowings	固定利率借貸	1,755	3,943
Variable-rate borrowings	可變利率借貸	9,143	30,686
		10,898	34,629

Note:

In 2009, bank overdrafts carry interest at market rates which range from 5% to 6.5% per annum.

The weighted effective interest rates (per annum) at the end of the reporting period are as follows:

		2010 二零一零年	2009 二零零九年
Bank borrowings	銀行借貸	6.03%	3.22%

25. 銀行及其他借貸 (續)

借貸因各項利率變動之風險如下：

附註：

於二零零九年，銀行透支按市場利率介乎每年5厘至6.5厘計息。

於報告期末之加權實際利率（每年）如下：

26. NOTES PAYABLE

The analysis of the carrying amount of notes payable is as follows:

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Guaranteed Notes 15%	15厘有擔保票據	-	31,200
Accrued interests on Guaranteed Notes 15%	15厘有擔保票據之應計利息	-	5,417
		-	36,617

26. 應付票據

應付票據賬面值之分析如下：

26. NOTES PAYABLE (continued)

Guaranteed notes issued in 2008

Pursuant to a subscription agreement entered into between the Company and Martin Currie China Hedge Fund L.P. (“Martin Currie”) on 6 October 2008, the Company issued, and Martin Currie subscribed for, notes (the “Guaranteed Notes”) in the aggregate principal of HK\$31,200,000. The Guaranteed Notes carry interest at a fixed rate of 15% per annum and are repayable by 27 June 2010. The Guaranteed Notes were guaranteed by a substantial shareholder of the Company.

Breach of financial covenants

As at 31 December 2009, the Group had breached certain financial covenants in respect of Guaranteed Notes payable with carrying value of HK\$36,617,000. Upon discovery of the breach, the directors of the Company commenced a renegotiation of the terms of these Guaranteed Notes payable of HK\$36,617,000 with Martin Currie. Subsequently, the Group obtained confirmation from Martin Currie to waive the compliance of financial covenants up to maturity date.

The Guaranteed Notes was redeemed on 31 May 2010 at HK\$38,171,000 which included the principal amount of the Guaranteed Notes plus accrued interest.

Secured notes and unlisted warrants issued in 2007

Pursuant to a subscription agreement (the “Subscription Agreement”) entered into between the Company and Martin Currie, a substantial shareholder of the Company, on 14 June 2007, the Company issued, and Martin Currie subscribed for, notes (the “Secured Notes”) in the aggregate principal of HK\$78,000,000 on 27 June 2007. The Secured Notes carry interest at a fixed rate of 10% per annum and are repayable by 27 June 2010.

26. 應付票據 (續)

於二零零八年發行之有擔保票據

根據本公司與Martin Currie China Hedge Fund L.P. (「Martin Currie」)於二零零八年十月六日訂立之認購協議，本公司已發行而Martin Currie則已認購總本金額為31,200,000港元之票據(「有擔保票據」)。有擔保票據以固定年息率15厘計息，並須於二零一零年六月二十七日前償還。有擔保票據由本公司一名主要股東擔保。

違反財務契約

於二零零九年十二月三十一日，本集團違反賬面值為36,617,000港元之應付有擔保票據之若干財務契約。於發現違約情況後，本公司董事已就該等36,617,000港元之應付有擔保票據之條款與Martin Currie重新展開磋商。隨後，截至到期日本集團已取得Martin Currie之確認以豁免遵守財務契約。

有擔保票據按38,171,000港元(包括有擔保票據之本金額加應計利息)於二零一零年五月三十一日被贖回。

於二零零七年發行之有抵押票據及非上市認股權證

根據本公司與本公司之一名主要股東Martin Currie於二零零七年六月十四日訂立之認購協議(「認購協議」)，於二零零七年六月二十七日，本公司發行而Martin Currie認購總本金額為78,000,000港元之票據(「有抵押票據」)。有抵押票據按固定年息率10厘計息，並須於二零一零年六月二十七日前償還。

26. NOTES PAYABLE (continued)**Secured notes and unlisted warrants issued in 2007** (continued)

In addition, on 27 June 2007, pursuant to the Subscription Agreement, the Company issued, at zero consideration, to Martin Currie 56,317,689 unlisted warrants of the Company conferring rights entitling the holders to subscribe for up to HK\$31,200,000 in aggregate in cash for 56,317,689 new shares of HK\$0.1 each of the Company at an initial subscription price of HK\$0.554 per share. The warrants are detachable and exercisable within a period of two and half years from 28 December 2007 to 27 June 2010. 56,317,689 of these unlisted warrants were exercised during the year ended 31 December 2009.

The Secured Notes was redeemed on 6 April 2009 pursuant to a subscription agreement in relation to the issue of convertible bonds (Note 30(a)) at HK\$79,950,000 which included the principal amount of the Secured Notes plus accrued interests.

Unlisted warrants issued in 2006

Pursuant to several subscription agreements (the "Other Subscription Agreements") entered into between Jackin Total Fulfilment Services Limited (the "Issuer"), a wholly-owned subsidiary of the Company, and certain independent third parties (the "Subscribers") on 28 December 2005, the Issuer issued, and the Subscribers subscribed for, notes (the "Unsecured Notes") in the aggregate principal of HK\$25 million on 24 March 2006. The Unsecured Notes carried interest at a fixed rate of 10% per annum, were unsecured and repayable by 23 March 2009. The Other Subscription Agreements and the supplementary amendments also provided that upon the receipt of proceeds from the final award in relation to a legal claim by the Group up to the aggregate principal amount of the Unsecured Notes outstanding together with interest thereon from time to time, the Issuer should within 30 days redeem the Unsecured Notes. Accordingly, the Issuer redeemed the Unsecured Notes in full in June 2006 and a loss on redemption of HK\$3,407,000 was recognised in profit or loss in 2006.

26. 應付票據 (續)**於二零零七年發行之有抵押票據及非上市認股權證** (續)

此外，於二零零七年六月二十七日，根據認購協議，本公司無償向Martin Currie發行56,317,689份本公司之非上市認股權證，該等認股權證賦予持有人權利，可按初步認購價每股0.554港元，以現金認購56,317,689股本公司每股面值0.1港元之新股，即合共最多達31,200,000港元。該等認股權證為可分離及可自二零零七年十二月二十八日起至二零一零年六月二十七日止兩年半期間內行使。截至二零零九年十二月三十一日止年度，56,317,689份該等非上市認股權證已獲行使。

有抵押票據已根據就發行可換股債券(附註30(a))相關之認購協議，按79,950,000港元(包括有抵押票據之本金額加應計利息)於二零零九年四月六日贖回。

於二零零六年發行之非上市認股權證

根據本公司一家全資附屬公司Jackin Total Fulfilment Services Limited(「發行人」)與若干獨立第三方(「認購人」)於二零零五年十二月二十八日訂立之數項認購協議(「其他認購協議」)，於二零零六年三月二十四日，發行人已發行而認購人則已認購總本金額為25,000,000港元之票據(「無抵押票據」)。無抵押票據為無抵押，按固定年息率10厘計息，並須於二零零九年三月二十三日償還。其他認購協議及補充修訂亦規定，在本集團接獲該法律索償之最終款項時，發行人須於30天內贖回無抵押票據，惟最多以尚未行使之無抵押票據總本金額連同不時應計之利息為限。因此，發行人於二零零六年六月悉數贖回無抵押票據，而贖回之虧損3,407,000港元已於二零零六年的損益賬中確認。

26. NOTES PAYABLE (continued)**Unlisted warrants issued in 2006** (continued)

In addition, on 24 March 2006, pursuant to the Other Subscription Agreements, the Company issued, at zero consideration, to the Subscribers of 137,484,000 unlisted warrants of the Company conferring rights entitling the holders to subscribe for up to HK\$17,872,920 in aggregate in cash for 137,484,000 new shares of HK\$0.1 each of the Company at an initial subscription price of HK\$0.13 per share. The warrants are exercisable within a period of three years from 24 March 2006 to 23 March 2009.

72,234,000 of these warrants were exercised during the year ended 31 December 2007 and the remaining 65,250,000 of these warrants were exercised during the year ended 31 December 2009.

27. OBLIGATIONS UNDER FINANCE LEASES

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average term is 3 years (2009: 3 years).

Interest rates underlying all obligations under finance leases at respective contract dates are ranging as follows:

		2010 二零一零年	2009 二零零九年
Fixed-rate	固定利率	2.80%-3.5%	2.80%-6.23%
Variable-rate	可變利率	-	2.05%-3.13%

26. 應付票據 (續)**於二零零六年發行之非上市認股權證** (續)

此外，於二零零六年三月二十四日，根據其他認購協議，本公司無償向認購人發行137,484,000份本公司之非上市認股權證，該等認股權證賦予持有人權利，可按初步認購價每股0.13港元，以現金認購本公司每股面值0.1港元之137,484,000股新股，即合共最多達17,872,920港元。該等認股權證可自二零零六年三月二十四日至二零零九年三月二十三日止三年期間內行使。

截至二零零七年十二月三十一日止年度內，72,234,000份認股權證已獲行使，截至二零零九年十二月三十一日止年度內餘下65,250,000份認股權證已獲行使。

27. 融資租約承擔

本集團之政策乃根據融資租約租賃若干廠房及設備。平均租期為3年（二零零九年：3年）。

所有融資租約項下承擔相關之利率於各合約日期介乎之範圍如下：

27. OBLIGATIONS UNDER FINANCE LEASES

(continued)

Amounts payable under finance leases

27. 融資租約承擔 (續)

融資租約項下應付款項

		Minimum lease payments		Present value of the minimum lease payments	
		31/12/2010	31/12/2009	31/12/2010	31/12/2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		最低租賃付款		最低租賃付款之現值	
		二零一零年	二零零九年	二零一零年	二零零九年
		十二月三十一日	十二月三十一日	十二月三十一日	十二月三十一日
		千港元	千港元	千港元	千港元
Within one year	1年內	1,384	7,129	1,228	6,592
In more than one year but not more than two years	超過1年但2年內	191	1,264	184	1,159
		1,575	8,393	1,412	7,751
Less: future finance charge	減：日後融資支出	(163)	(642)	N/A 不適用	N/A 不適用
Present value of lease obligations	租約承擔之現值	1,412	7,751	1,412	7,751
Less: amount due for settlement with 12 months (shown under the current liabilities)	減：12個月內清償之到期款項（於流動負債項下呈列）			(1,228)	(6,592)
Amount due for settlement after 12 months	12個月後清償之到期款項			184	1,159

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

In 2009 and 2010, all obligations under finance leases are denominated in HK\$.

本集團之融資租約承擔乃以出租人就出租資產之抵押作擔保。

於二零零九年及二零一零年，所有融資租約承擔均以港元列值。

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28. DEFERRED TAX

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Deferred tax assets	遞延稅項資產	1,162	1,131
Deferred tax liabilities	遞延稅項負債	(2,607)	(7,568)
		(1,445)	(6,437)

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

		Accelerated tax depreciation HK\$'000 加速稅項折舊 千港元	Tax losses HK\$'000 稅項虧損 千港元	Revaluation of properties HK\$'000 物業重估 千港元	Amortisation of intangible assets HK\$'000 無形資產攤銷 千港元	Total HK\$'000 總計 千港元
Deferred tax rising from:	遞延稅項產生自：					
At 1 January 2009	於二零零九年一月一日	6,681	(7,559)	1,338	4,945	5,405
(Credited) charged to profit or loss (note 13)	自損益內(計入)扣除 (附註13)	(5,056)	6,428	-	(712)	660
Charged to properties revaluation reserve	自物業重估儲備扣除	-	-	372	-	372
At 31 December 2009	於二零零九年 十二月三十一日	1,625	(1,131)	1,710	4,233	6,437
At 1 January 2010	於二零一零年一月一日	1,625	(1,131)	1,710	4,233	6,437
Exchange realignment	匯兌調整	-	(31)	-	-	(31)
(Credited) charged to profit or loss (note 13)	自損益內(計入)扣除 (附註13)	(436)	-	-	(2,815)	(3,251)
Credited to properties revaluation reserve	計入物業重估儲備	-	-	(1,710)	-	(1,710)
At 31 December 2010	於二零一零年 十二月三十一日	1,189	(1,162)	-	1,418	1,445

28. 遞延稅項

就綜合財務狀況報表之呈列而言，若干遞延稅項資產及負債已予對銷。以下為就財務呈報而言作出之遞延稅項結餘分析：

以下為當前以及先前年度內已確認之主要遞延稅項負債(資產)及其變動：

28. DEFERRED TAX (continued)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$312,664,000 (2009: HK\$162,255,000). In accordance with the accounting policy set out in note 4, the Group has recognised deferred tax assets in respect of tax losses of HK\$5,910,000 as at 31 December 2009 and 2010. Deferred tax assets have not been recognised in respect of the remaining tax losses as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

Tax losses of approximately HK\$10,945,000 attributable to a subsidiary in Hong Kong were cancelled during the year ended 31 December 2010 under the IRD's profit tax assessment issued against the subsidiary.

Tax losses of HK\$52,156,000 (2009: HK\$5,696,000) attributable to certain subsidiaries in the PRC had an expiry period of five years. The remaining tax losses of approximately HK\$260,508,000 (2009: HK\$156,559,000) do not expire under current tax legislation.

At 31 December 2010, the Group has deductible temporary difference of approximately HK\$37,021,000 (2009: HK\$26,885,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At 31 December 2009, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was HK\$1,064,000 (2010: nil). No liability had been recognised in respect of these differences because the Group was in a position to control the timing of the reversal of the temporary differences and it was probable that such differences will not reverse in the foreseeable future.

28. 遞延稅項 (續)

於報告期末，本集團之未動用稅項虧損約312,664,000港元（二零零九年：162,255,000港元）。根據附註4所載之會計政策，本集團就於二零零九年及二零一零年十二月三十一日5,910,000港元之稅項虧損確認遞延稅項資產。由於在有關稅務司法權區及就有關實體而言有可供動用之虧損以抵銷未來應課稅溢利之可能性很低，故並無就其餘稅項虧損確認遞延稅項資產。

根據稅務局針對附屬公司頒發之利得稅評稅，香港附屬公司應佔稅項虧損約10,945,000港元於截至二零一零年十二月三十一日止年度已予以註銷。

若干中國附屬公司應佔稅項虧損52,156,000港元（二零零九年：5,696,000港元），屆滿期間為五年。根據現行稅法，餘下稅項虧損260,508,000港元（二零零九年：156,559,000港元）並無屆滿。

於二零一零年十二月三十一日，本集團可扣減暫時差額約為37,021,000港元（二零零九年：26,885,000港元）。該可扣減暫時差額，因其不可能於應課稅溢利將可用作扣減暫時差額中獲動用，故並無確認有關之遞延稅項資產。

於二零零九年十二月三十一日，尚未確認遞延稅項負債之附屬公司未分配盈利相關的暫時差額合共為1,064,000港元（二零一零年：無）。由於本集團可控制撥回暫時差額之時間，而該等差額預期於可見將來不會撥回，因此亦無就該等差額確認負債。

29. EMPLOYEE RETIREMENT BENEFITS

The Group operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the plan vest immediately.

Pursuant to the regulations of the relevant authorities in the PRC, the subsidiaries of the Group in this country participate in respective government retirement benefit scheme (the “Scheme”) whereby the subsidiaries are required to contribute to the Schemes to fund the retirement benefits of the eligible employees. Contributions made to the Schemes are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirement in the PRC. The relevant authorities of the PRC are responsible for the entire pension obligations payable to the retired employees. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contribution under the Schemes.

The employees of the Company’s subsidiaries in other jurisdictions are members of state-managed retirement benefits schemes operated by the government of the respective jurisdictions. The subsidiaries are required to contribute a specified percentage of their payroll costs to the retirement benefits schemes. The only obligation of the Group with respect of the retirement benefits schemes is to make the specified contributions.

During the year, the Group made retirement benefits scheme contributions totalling HK\$751,000 (2009: HK\$913,000). At the end of the reporting period, there are no forfeited contributions.

29. 僱員退休福利

本集團根據香港強制性公積金計劃條例，為根據香港僱傭條例受僱之僱員運作強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員之有關收入之5%作出供款，惟以每月有關收入20,000港元為上限。向計劃作出之供款即時歸僱員所有。

根據中國相關機構之法規，本集團在該國之附屬公司參與各項政府退休福利計劃（「該計劃」），據此，附屬公司須為該計劃供款以資助合資格僱員之退休福利。為該計劃作出之供款乃根據中國規定所規定之適用薪金之若干百分比計算。中國之相關機構乃負責應付予退休僱員之全部退休金責任。本集團就該計劃之唯一責任為根據該計劃支付持續需要之供款。

於其他司法權區之本公司附屬公司之僱員為各個司法權區政府運作之國家管理退休計劃之成員。附屬公司須向退休福利計劃作出相當於該僱員薪金之特定百分比供款。本集團對退休福利計劃之唯一責任乃作出特定供款。

於年內，本集團作出退休福利計劃供款合共751,000港元（二零零九年：913,000港元）。於報告期末，概無任何被沒收供款。

30. CONVERTIBLE BONDS

- (a) On 6 April 2009, Ugent Holdings Limited (“Ugent”), a wholly-owned subsidiary of the Group, issued to an independent third party a convertible bond at a nominal value of HK\$177,000,000 (“Ugent CB”). The Ugent CB is denominated in Hong Kong dollars. The Ugent CB entitles the holder to convert it into ordinary shares of Ugent at any time between the date of issue of the Ugent CB and its maturity date on 6 April 2012 at an initial conversion price of HK\$41,300 per share, subject to adjustments. If the Ugent CB has not been converted, it would be redeemed on 6 April 2012 at the nominal value. Interest of 12% per annum will be paid semi-annually on every 31 March and 30 September.

Ugent can early redeem the Ugent CB after one calendar year from the issue date at a redemption price equal to the applicable early redemption amount predetermined in the Ugent CB agreements, which is an amount equal to the principal amount of the Ugent CB plus any accrued and unpaid interest. The bondholder can request Ugent to early redeem the Ugent CB at any time upon the occurrence of a change of control in Ugent, at a redemption price equal to the applicable early redemption amount predetermined in the Ugent CB agreements. In the opinion of the directors of the Company, the Group can maintain control in Ugent throughout the period until Ugent CB’s maturity date, Ugent CB is classified as non-current liability.

30. 可換股債券

- (a) 於二零零九年四月六日，本集團之全資附屬公司Ugent Holdings Limited（「Ugent」），向一間獨立第三方發行面值177,000,000港元之可換股債券（「Ugent可換股債券」）。Ugent可換股債券乃以港元列值。Ugent可換股債券賦予持有人權利於發行Ugent可換股債券當日及其於二零一二年四月六日屆滿日期之任何時間內按每股股份41,300港元之初步兌換價（可予調整）將其兌換為Ugent普通股。倘若Ugent可換股債券未獲兌換，其將於二零一二年四月六日按面值贖回。12厘年息將於三月三十一日及九月三十日每半年支付一次。

Ugent可於發行日期起計一曆年後按等於Ugent可換股債券協議預先釐定之適用提早贖回金額（等於Ugent可換股債券之本金加上任何應計及未付利息之金額）之贖回價提早贖回Ugent可換股債券。而債券持有人可於Ugent控制權發生變動時任何時間，要求Ugent按等於Ugent可換股債券協議預先釐定之適用提早贖回金額之贖回價提早贖回Ugent可換股債券。本公司董事認為，本集團可於該期間直至Ugent可換股債券到期日維持Ugent之控制權，因此，Ugent可換股債券被歸類為非流動負債。

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30. CONVERTIBLE BONDS (continued)

(a) (continued)

The Ugent CB contains three components, liability component, conversion option derivative and early redemption option. The conversion option derivative and early redemption option are measured at fair value with changes in fair value recognised in profit or loss.

The fair value of the liability component was calculated as the present value of the coupon interest payments and the redemption amount. The effective interest rate of the liability component is 12.1%. The embedded conversion option represents the fair value of the bondholders' option to convert the Ugent CB into equity of Ugent, but the conversion will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of Ugent's own equity instruments. The fair value of the embedded conversion option and Ugent's early redemption option were determined using Trinomial Option Pricing Model and the inputs into the model at each respective date were as follows:

		At 6 April 2009	At 31 December 2009
		於二零零九年 四月六日	於二零零九年 十二月三十一日
Embedded conversion option	嵌入式轉換權		
Conversion price	換股價	HK\$41,300港元	-
Stock price	股價	HK\$41,300港元	HK\$1,812港元
Volatility	波幅	87.14%	92.61%
Dividend yield	股息率	0%	0%
Option life (years)	期權年期(年)	3	2.26
Risk free rate	無風險利率	1.248%	1.50%

30. 可換股債券 (續)

(a) (續)

Ugent可換股債券包含三個部分，即負債部分、轉換權衍生工具及提早贖回選擇權。轉換權衍生工具及提早贖回選擇權以公允價值計量而公允價值之變動會在損益中確認。

負債部分之公允價值按息票利息付款現值及贖回金額計算。計算負債部分所用之實際利率為12.1厘。嵌入式轉換權指債券持有人將Ugent可換股債券轉換為Ugent股本之選擇權之公允價值，惟轉換將以定額現金或其他財務資產交換為Ugent本身之股本工具以外之其他方式結算。嵌入式轉換權及Ugent提早贖回權之公允價值採用三項式期權定價模式釐定，於各日輸入模式之數據如下：

30. CONVERTIBLE BONDS (continued)

(a) (continued)

Early redemption option	提早贖回權	At 6 April 2009 於二零零九年 四月六日	At 31 December 2009 於二零零九年 十二月三十一日
Stock price	股價	HK\$180,319,170港元	HK\$160,071,784港元
Exercise price	行使價	HK\$177,000,000港元	HK\$230,100,000港元
Volatility	波幅	41.47%	31.20%
Dividend yield	股息率	0%	0%
Option life (years)	期權年期(年)	3	2.26
Risk free rate	無風險利率	1.248%	1.50%

As Ugent has net liabilities and incurred loss for the year ended 31 December 2010, it is not optimal for the Ugent CB holder to convert Ugent share at the conversion price of HK\$41,300 per share. Since the conversion option is extremely out of the money, the fair value of embedded conversion option becomes zero.

As Ugent has net liabilities and incurred loss for the year ended 31 December 2010, it is not optimal for the Company to early redeem the convertible bonds. Thus, the fair value of early redemption option becomes nil.

30. 可換股債券 (續)

(a) (續)

由於截至二零一零年十二月三十一日止年度Ugent擁有淨負債及產生虧損，故Ugent可換股債券持有人以每股換股價41,300港元轉換Ugent股份並不是最佳選擇。由於轉換權大量流出現金，故嵌入式轉換權之公允價值為零。

由於截至二零一零年十二月三十一日止年度Ugent擁有淨負債及產生虧損，故本公司提早贖回可換股債券並不是最佳選擇。因此，提早贖回可換股債券之公允價值為零。

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30. CONVERTIBLE BONDS (continued)

(a) (continued)

The movement of the components of the Ugent CB during the year is set out below:

		Liability component HK\$'000 負債部分 千港元	Embedded conversion option HK\$'000 嵌入式轉換權 千港元	Early redemption option HK\$'000 提早贖回權 千港元	Total HK\$'000 總計 千港元
Principal amount at the date of issue	於發行日期之本金額	177,000	–	–	177,000
Imputed interest expense arising from initial recognition	初步確認產生之推算利息開支	3,319	–	–	3,319
Loss (gain) arising on changes in fair value on initial recognition	初步確認時公允價值變動產生之虧損 (收益)	–	69,139	(54,288)	14,851
Fair value at date of issue	於發行日期之公允價值	180,319	69,139	(54,288)	195,170
Transaction costs	交易成本	(5,090)	–	–	(5,090)
Imputed interest expenses	推算利息開支	15,925	–	–	15,925
Interest paid	已付利息	(10,502)	–	–	(10,502)
(Gain) loss arising on changes in fair value	公允價值變動產生之 (收益) 虧損	–	(69,139)	41,831	(27,308)
At 31 December 2009	於二零零九年十二月三十一日	180,652	–	(12,457)	168,195
Imputed interest expenses	推算利息開支	21,796	–	–	21,796
Interest paid	已付利息	(10,620)	–	–	(10,620)
Interest accrued	應計利息	(10,620)	–	–	(10,620)
Loss arising on changes in fair value	公允價值變動產生之虧損	–	–	12,457	12,457
At 31 December 2010	於二零一零年十二月三十一日	181,208	–	–	181,208

None of the Ugent CB had been converted into ordinary shares of Ugent during the year (2009: Nil).

30. 可換股債券 (續)

(a) (續)

Ugent可換股債券部分於年內之變動載列如下：

年內(二零零九年：零)，概無Ugent可換股債券已獲轉換為Ugent普通股。

30. CONVERTIBLE BONDS (continued)

(b) On 9 September 2009, the Company issued to an independent third party a convertible bond at its nominal value of HK\$50,000,000 (the "CB"). The CB is denominated in Hong Kong dollars. The CB entitles the holder to convert it into ordinary shares of the Company at any time between the date of issue of the CB and its maturity date on 8 September 2011 at an initial conversion price of HK\$0.25 per share, subject to adjustments. If the CB has not been converted, it would be redeemed on 8 September 2011 at its nominal value. Interest of 15% per annum will be paid on maturity.

The CB contains two components, liability and equity elements. The equity element is presented in equity heading "convertible bonds reserve". The effective interest rate of the liability component is 21.6%.

30. 可換股債券 (續)

(b) 於二零零九年九月九日，本公司按面值50,000,000港元向獨立第三方發行可換股債券（「可換股債券」）。可換股債券以港元計值。可換股債券賦予持有人權利於可換股債券發行日期至到期日（二零一一年九月八日）內任何時間按初步換股價每股0.25港元（可予調整）將可換股債券兌換為本公司普通股。倘可換股債券並無獲兌換，則可於二零一一年九月八日按面值贖回。按年利率15厘計算之利息將於到期時支付。

可換股債券包含兩部分，負債部分及權益部分。權益部分於權益項下之「可換債券儲備」中呈報。負債部分之實際利率為21.6厘。

		Liability component HK\$'000 負債部分 千港元	Equity component HK\$'000 權益部分 千港元	Total HK\$'000 總計 千港元
Principal amount	於發行日期之本金額			
at the date of issue		45,580	4,420	50,000
Less: direct issue costs	減：直接發行成本	(192)	(19)	(211)
		45,388	4,401	49,789
Imputed interest expenses	推算利息開支	3,063	-	3,063
At 31 December 2009	於二零零九年 十二月三十一日	48,451	4,401	52,852
Imputed interest expenses	推算利息開支	6,128	-	6,128
Interest accrued	應計利息	(7,029)	-	(7,029)
Converted into ordinary shares	轉換為普通股	(47,550)	(4,401)	(51,951)
At 31 December 2010	於二零一零年十二月 三十一日	-	-	-

30. CONVERTIBLE BONDS (continued)

(b) (continued)

On 15 March 2010, 18 March 2010, 9 August 2010, 19 August 2010 and 29 September 2010, CB with an aggregate principal amount of HK\$50,000,000 were converted by the then bondholders into 200,000,000 new ordinary shares of the Company of HK\$0.10 each at a conversion price of HK\$0.25 per share. The difference of approximately HK\$31,951,000 between nominal value of the ordinary shares issued and then aggregate carrying amounts of the liability and equity components of the relevant convertible bonds at the dates of conversions was transferred to the Company's share premium account.

None of the CB had been converted into ordinary shares during the year ended 31 December 2009.

30. 可換股債券 (續)

(b) (續)

於二零一零年三月十五日、二零一零年三月十八日、二零一零年八月九日、二零一零年八月十九日及二零一零年九月二十九日，本金總額50,000,000港元之可換股債券由當時之債券持有人以每股換股價0.25港元轉換為200,000,000股每股面值為0.10港元之本公司之新普通股。已發行普通股之面值與於轉換日期相關可換股債券之負債及權益部份之當時總賬面值之差額約31,951,000港元乃轉撥予本公司之股份溢價賬。

於截至二零零九年十二月三十一日止年度，概無可換股債券轉換為普通股。

31. SHARE CAPITAL

31. 股本

		Notes	Number of shares '000 股份數目 千股	Amount HK\$'000 金額 千港元
		附註		
Authorised:	法定：			
Ordinary shares of \$0.10 each	每股面值0.10港元之 普通股			
At 1 January 2009 and 31 December 2009	於二零零九年一月一日及 二零零九年 十二月三十一日		2,000,000	200,000
Increase on 8 December 2010	於二零一零年 十二月八日增加	(a)	2,000,000	200,000
At 31 December 2010	於二零一零年十二月三十一日		4,000,000	400,000
Issued and fully paid:	已發行及繳足：			
At 1 January 2009	於二零零九年一月一日		798,787	79,879
Share issued under share option scheme	根據購股權計劃發行之股份	(b)	13,744	1,374
Share issued on exercise of warrants	行使認股權證而發行之股份	(c)	121,568	12,157
Issue of subscription shares	發行認購股份	(d)	159,000	15,900
At 31 December 2009	於二零零九年 十二月三十一日		1,093,099	109,310
Share issued under share option scheme	根據購股權計劃發行之 股份	(e)	652	65
Share issued on conversion of convertible bonds	轉換可換股債券發行之 股份	(f)	200,000	20,000
Issue of subscription shares	發行認購股份	(g)	210,000	21,000
At 31 December 2010	於二零一零年 十二月三十一日		1,503,751	150,375

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31. SHARE CAPITAL (continued)

Notes:

- (a) Pursuant to an ordinary resolution passed by the shareholders at the special general meeting held on 8 December 2010, the authorised share capital was increased from HK\$200,000,000 to HK\$400,000,000 by the creation of an additional 2,000,000,000 ordinary shares of HK\$0.10 each which rank pari passu with the existing shares in all respects.
- (b) On 11 September 2009, 13,744,000 shares options were exercised to subscribe for 13,744,000 ordinary shares in the Company at an aggregate consideration of HK\$2,172,000 of which HK\$1,374,000 was credited to share capital and the balance of HK\$798,000 was credited to the share premium account. HK\$1,319,000 was transferred from the capital reserve to the share premium account.
- (c) During the year ended 31 December 2009, warrants were exercised to subscribe for 65,250,000 ordinary shares at an exercise price of HK\$0.13 per share and 56,317,689 ordinary shares at exercise price of HK\$0.554 per share, respectively. The total consideration amounting to HK\$39,682,000 of which HK\$12,157,000 was credited to share capital and the balance of HK\$27,525,000 was credited to the share premium account. The equity component of the warrants of HK\$2,729,000 was transferred from the capital reserve to the share premium account.
- (d) On 11 February 2009, Sun Union Enterprises Limited ("Sun Union"), a substantial shareholder of the Company, entered into a placing agreement and agreed to place a maximum of 80,000,000 existing shares of the Company at HK\$0.3 per share to certain independent third parties (the "Placing"). Sun Union also entered into a subscription agreement with the Company and agreed to subscribe a maximum of 80,000,000 new ordinary shares of HK\$0.10 each in the share capital of the Company at the subscription price of HK\$0.3 per share (the "Subscription"). The subscription price of HK\$0.3 representing a premium of approximately 9.09% over the closing market price of the Company's share on 10 February 2009.

31. 股本 (續)

附註：

- (a) 根據於二零一零年十二月八日舉行之股東特別大會上股東通過之一項普通決議案，藉額外增設2,000,000,000股每股面值0.10港元之普通股（與現有股份在各方面享有同等權益）將法定股本由200,000,000港元增至400,000,000港元。
- (b) 於二零零九年九月十一日，13,744,000份購股權獲行使以認購本公司13,744,000股普通股，總代價為2,172,000港元，其中1,374,000港元計入股本，而餘額798,000港元計入股份溢價賬。1,319,000港元已由資本儲備轉撥至股份溢價賬。
- (c) 於截至二零零九年十二月三十一日止年度內，認股權證獲行使，以分別按每股0.13港元之行使價認購65,250,000股普通股及按每股0.554港元之行使價認購56,317,689股普通股。總代價為39,682,000港元，其中12,157,000港元已計入股本，而餘額27,525,000港元已計入股份溢價賬。認股權證之權益部分2,729,000港元已由資本儲備轉撥至股份溢價賬。
- (d) 於二零零九年二月十一日，本公司之主要股東Sun Union Enterprises Limited（「Sun Union」）訂立一份配售協議，同意按每股0.3港元之價格配售最多80,000,000股本公司之現有股份予若干獨立第三方（「配售事項」）。Sun Union亦與本公司訂立一份認購協議，同意按每股0.3港元之認購價認購最多80,000,000股本公司股本中每股面值0.10港元之新普通股（「認購事項」）。認購價0.3港元較本公司股份於二零零九年二月十日之收市價溢價約9.09%。

31. SHARE CAPITAL (continued)

(d) (continued)

Details of the Placing and the Subscription are set out, inter alia, in the announcement of the Company dated 11 February 2009 and 24 February 2009. The subscription was completed on 19 February 2009 and 24 February 2009, and 50,000,000 new shares at the subscription price of HK\$0.3 per share were allotted and issued to Sun Union on 24 February 2009. The net proceeds from the subscription were used as general working capital of the Group.

On 21 May 2009, the Company entered into another subscription agreement with Mr. Chan Ping Che ("Mr. Chan"), an independent third party, and pursuant to which Mr. Chan has agreed to subscribe for new shares to be issued by the Company. Accordingly, 109,000,000 new shares at the subscription price of HK\$0.195 per share were allotted and issued on 29 May 2010. The subscription price of HK\$0.195 representing a discount of approximately 18.75% to the closing market price of the Company's share on 30 April 2009. The net proceeds from the subscription were used as general working capital of the Group.

- (e) On 11 May 2010, 652,000 share options were exercised to subscribe for 652,000 ordinary shares in the Company at an aggregate consideration of HK\$512,000 of which HK\$65,000 was credited to share capital and the balance of HK\$447,000 was credited to the share premium account. HK\$177,000 was transferred from the capital reserve to the share premium account.

31. 股本 (續)

(d) (續)

有關配售事項及認購事項之詳情乃載於(其中包括)本公司於二零零九年二月十一日及二零零九年二月二十四日刊發之公佈。認購事項已於二零零九年二月十九日及二零零九年二月二十四日完成,而50,000,000股新股份已於二零零九年二月二十四日按每股0.3港元之認購價配發及發行予Sun Union。認購事項所得款項淨額已用作本集團之一般營運資金。

於二零零九年五月二十一日,本公司與獨立第三方陳秉志先生(「陳先生」)訂立另一份認購協議,據此,陳先生已同意認購將由本公司發行之新股份。因此,109,000,000股新股份已於二零一零年五月二十九日按每股0.195港元之認購價配發及發行。認購價0.195港元較本公司股份於二零零九年四月三十日之收市價折讓約18.75%。認購事項之所得款項淨額已用作本集團之一般營運資金。

- (e) 於二零一零年五月十一日,652,000份購股權已獲行使以認購本公司652,000股普通股,總代價為512,000港元,其中65,000港元計入股本,而餘額447,000港元計入股份溢價賬。177,000港元已由資本儲備轉撥至股份溢價賬。

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31. SHARE CAPITAL (continued)

- (f) During the year ended 31 December 2010, convertible bonds amounting to HK\$50,000,000 were converted into 200,000,000 ordinary shares of HK\$0.10 each at the fixed conversion price of HK\$0.25 per share (Note 30(b)).
- (g) On 13 January 2010, the Company entered into a subscription agreement with certain independent third parties, and pursuant to which the independent third parties agreed to subscribe for new shares to be issued by the Company. Accordingly, 210,000,000 new shares at the subscription price of HK\$0.95 per share were allotted and issued on 21 January 2010 (the "2010 Placing"). The subscription price of HK\$0.95 representing a discount of approximately 19.5% to the closing market price of the Company's share on 12 January 2010. The net proceeds after share issue expense of HK\$193,515,000 from the 2010 Placing were used for payment of refundable deposit for the acquisition of the entire issued share capital of SE Metal Resource Corp. and the preliminary expenses on the related due diligence and evaluation exercise. Details of the 2010 Placing are set out, inter alia, in the announcement of the Company dated on 14 January 2010.

All shares issued during the years ended 31 December 2010 and 2009 rank pari passu with the then existing shares in issue in all respects.

32. SHARE OPTION SCHEME

The Company has a share option scheme which was adopted on 12 June 2004 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, to take up options at nominal consideration to subscribe for shares of the Company.

31. 股本 (續)

- (f) 於截至二零一零年十二月三十一日止年度，50,000,000港元之可換股債券按每股0.25港元之固定轉換價轉換成200,000,000股每股面值0.10港元之普通股（附註30(b)）。
- (g) 於二零一零年一月十三日，本公司與若干獨立第三方訂立一份認購協議，據此，獨立第三方同意認購本公司將予發行之新普通股。因此，於二零一零年一月二十一日，210,000,000股新普通股按每股0.95港元之認購價予以配發及發行（「二零一零年配售事項」）。認購價0.95港元較本公司股份於二零一零年一月十二日之收市價折讓約19.5%。二零一零年配售事項之所得款項淨額（扣除股份發行開支後）193,515,000港元已用作支付收購SE Metal Resource Corp.之全部已發行股本之可退還按金以及有關盡職審查及評估工作之初步開支。有關二零一零年配售事項之詳情乃載於（其中包括）本公司日期為二零一零年一月十四日之公佈。

截至二零一零年及二零零九年十二月三十一日止年度內已發行之全部股份與當時已發行之現有股份在各方面均享有同等權益。

32. 購股權計劃

本公司已於二零零四年六月十二日採納一項購股權計劃，據此，本公司董事已獲授權可酌情邀請本集團僱員以象徵式代價接納購股權，從而認購本公司股份。

32. SHARE OPTION SCHEME (continued)

The total number of shares which may be issued upon exercise of all options to be granted under the scheme shall not in aggregate exceed 10% of the total number of shares in issue as at the date of approval of the scheme, unless the Company obtains a fresh approval from its shareholders. Notwithstanding this, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme shall not exceed 30% of the total number of shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to any individual in any 12-month period shall not exceed 1% of the total number of shares in issue at any point in time, without prior approval from the Company's shareholders. Options granted to any individual who is a substantial shareholder of the Company or independent non-executive director or any of their respective associates in the 12-month period up to and including the date of such grant in excess of 0.1% of the Company's share capital at the date of grant or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 28 days of the date of grant upon payment of HK\$1 per grant of options. Options may generally be exercised at any time during the period after the options have been granted, such period to expire not later than 10 years after the date of the grant of the options. The subscription price for shares will not be less than the higher of (i) the closing price of the Company's shares on the date of options granted; (ii) the average closing price of the Company's shares for the 5 business days immediately preceding the date of options granted; and (iii) the nominal value of the Company's shares. There is no minimum period for which an option must be held before it can be exercised.

32. 購股權計劃 (續)

根據計劃可能授出之所有購股權於獲行使後可能發行之股份總數，除非本公司取得其股東之重新批准，否則不可超過於批准計劃當日已發行股份總數之10%。儘管如此，根據計劃授出但未行使之所有購股權於行使後可能發行之最高股份數目，不可超過不時已發行股份總數之30%。於任何12個月期間向任何人士授出之購股權獲行使後已發行及將予發行之股份總數，在未事先獲本公司股東批准，不可超過任何時間已發行股份總數之1%。於直至授出購股權日期（包括該日）止12個月期間向任何為本公司主要股東或獨立非執行董事或任何彼等各自之聯繫人士授出超過本公司於授出當日股本之0.1%或價值超過5,000,000港元之購股權，必須事先獲本公司股東批准。

授出之購股權須於授出當日起28日內接受，並為每次授出之購股權支付1港元。購股權一般可由授出購股權後之期間內隨時行使，而有關期間於不遲於授出購股權當日後10年屆滿。股份認購價將不會低於(i)授出購股權當日本公司股份收市價；(ii)緊接授出購股權當日前五個營業日之本公司股份平均收市價；及(iii)本公司股份面值三者中之較高者。本公司並無規定購股權獲行使前須持有之最短期限。

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32. SHARE OPTION SCHEME (continued)

Details of specific categories of options are as follows:

	Date of grant 授出日期	Vesting period 歸屬期間	Exercised period 行使期間	Exercise price 行使價
2005	25 January 2005	–	25 January 2005 – 24 January 2015	HK\$0.158
2005	二零零五年一月二十五日		二零零五年一月二十五日至 二零一五年一月二十四日	0.158港元
2007	3 May 2007	–	3 May 2007 – 2 May 2009	HK\$0.293
2007	二零零七年五月三日		二零零七年五月三日至 二零零九年五月二日	0.293港元
2010A	29 January 2010	–	29 January 2010 – 28 January 2012	HK\$0.786
2010A	二零一零年一月二十九日		二零一零年一月二十九日至 二零一二年一月二十八日	0.786港元
2010B	29 January 2010	29 January 2010 – 28 July 2010	29 July 2010 – 28 January 2012	HK\$0.786
2010B	二零一零年一月二十九日	二零一零年一月二十九日至 二零一零年七月二十八日	二零一零年七月二十九日至 二零一二年一月二十八日	0.786港元
2010C	29 January 2010	29 January 2010 – 28 January 2011	29 January 2011 – 28 January 2012	HK\$0.786
2010C	二零一零年一月二十九日	二零一零年一月二十九日至 二零一一年一月二十八日	二零一一年一月二十九日至 二零一二年一月二十八日	0.786港元

The fair value of share options granted on 25 January 2005 and 3 May 2007 were calculated using the Black-Scholes option pricing model. The fair value of share options granted on 29 January 2010 was calculated using The Trinomial option pricing model. The inputs into the model were as follows:

		2010A	2010B	2010C	2007 (note i)	2005
		2010A	2010B	2010C	2007 (附註i)	2005
Fair value at measurement date	於計量日期之公允價值	HK\$0.271港元	HK\$0.272港元	HK\$0.272港元	HK\$0.097港元	HK\$0.096港元
Stock asset price	股份資產價格	HK\$0.750港元	HK\$0.750港元	HK\$0.750港元	HK\$0.280港元	HK\$0.1580港元
Exercise price	行使價	HK\$0.786港元	HK\$0.786港元	HK\$0.786港元	HK\$0.293港元	HK\$0.1580港元
Expected volatility	預期波幅	69.80%	69.80%	69.80%	96.77%	72.00%
Expected life	預期有效期	2 years年	1.5 years年	1 year年	0.5 year年	5 years年
Risk-free rate	無風險比率	0.530%	0.530%	0.530%	0.990%	2.801%
Expected dividend yield	預期股息率	0%	0%	0%	0%	0%

32. 購股權計劃 (續)

有關購股權特定類別之詳情如下：

於二零零五年一月二十五日及二零零七年五月三日授出之購股權之公允價值乃採用柏力克-舒爾斯期權定價模式計算。於二零一零年一月二十九日授出之購股權之公允價值乃採用三項式期權定價模式計算。該模式之輸入值如下：

32. SHARE OPTION SCHEME (continued)

Note:

- (i) Share options granted on 3 May 2007 were revalued on 2 May 2009 when the directors approved to extend exercise period of the outstanding 23,650,000 options by one year. Accordingly, the options were revalued using new parameters as a result of the increased expected life in accordance with HKFRS 2.

The expected volatility was based on the historical volatility of the Company's share price over the previous ten years. The expected life used in the model was adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

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

		Outstanding at 1 January 2010 '000 於二零一零年 一月一日 尚未行使 千份	Granted during the year '000 於年內授出 千份	Lapsed during the year '000 於年內失效 千份	Cancelled during the year '000 於年內註銷 千份	Exercised during the year '000 於年內行使 千份	Outstanding at 31 December 2010 '000 於二零一零年 十二月三十一日 尚未行使 千份
2005	2005	245	-	-	(52)	-	193
2010A	2010A	-	69,140	-	-	(652)	68,488
2010B	2010B	-	4,500	-	-	-	4,500
2010C	2010C	-	6,000	-	-	-	6,000
		245	79,640	-	(52)	(652)	79,181
Exercisable at the end of the reporting period	於報告期末可行使						73,181
Weighted average exercise price:	加權平均行使價:	HK\$0.1580港元	HK\$0.7860港元	-	HK\$0.1580港元	HK\$0.7860港元	HK\$0.7845港元

32. 購股權計劃 (續)

附註:

- (i) 關於二零零七年五月三日授出的購股權，於二零零九年五月二日董事批准延長23,650,000份尚未行使購股權的行使期一年時已重估。根據香港財務報告準則第2號，因為預期年期增加，故該等購股權乃使用新參數予以重估。

預期波幅乃根據本公司股價於過去十年間之過往波動情況釐定。在管理層最佳估計下，該模式所使用之預計年期已因不可轉讓性、行使限制及行為因素之影響而予以調整。

年內董事及僱員持有之本公司購股權之變動於下表披露：

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32. SHARE OPTION SCHEME (continued)

32. 購股權計劃 (續)

		Outstanding at 1 January 2009 '000 於二零零九年 一月一日 尚未行使 千份	Granted during the year '000 於年內授出 千份	Lapsed during the year '000 於年內失效 千份	Cancelled during the year '000 於年內註銷 千份	Exercised during the year '000 於年內行使 千份	Outstanding at 31 December 2009 '000 於二零零九年 十二月三十一日 尚未行使 千份
2005	2005	14,089	-	-	(100)	(13,744)	245
2007	2007	22,250	-	(22,250)	-	-	-
		36,339	-	(22,250)	(100)	(13,744)	245
Exercisable at the end of the reporting period	於報告期末可行使						245
Weighted average exercise price:	加權平均行使價:	HK\$0.2407港元	-	HK\$0.2930港元	HK\$0.1580港元	HK\$0.1580港元	HK\$0.1580港元

The weighted average share price for share options exercised during the year was HK\$0.7860 (2009: HK\$0.1580). The options outstanding at 31 December 2010 had a weighted average exercise price of HK\$0.7845 (2009: HK0.1580) and a weighted average remaining contractual life of 1 year (2009: 5 years).

於年內行使之購股權之加權平均股價為0.7860港元(二零零九年:0.1580港元)。於二零一零年十二月三十一日尚未行使之購股權之加權平均行使價為0.7845港元(二零零九年:0.1580港元),而加權平均剩餘合約年期為1年(二零零九年:5年)。

32. SHARE OPTION SCHEME (continued)**Terms of unexpired and unexercised share options at the end of the reporting period**

Exercised period	行使期間	Exercise price 行使價 HK\$ 港元	2010 Number 二零一零年 數目 '000 千份	2009 Number 二零零九年 數目 '000 千份
25 January 2005 to 24 January 2015	二零零五年一月二十五日至 二零一五年一月二十四日	0.158	193	245
29 January 2010 to 28 January 2012	二零一零年一月二十九日至 二零一二年一月二十八日	0.786	78,988	—
			79,181	245

The Group recognised the total expense of HK\$21,483,000 (2009: Nil) for the year ended 31 December 2010 in relation to share options granted by the Company.

33. RELATED PARTY TRANSACTIONS**Compensation of key management personnel**

The remuneration of directors and other members of key management during the year were as follows:

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Short-term employee benefits	短期僱員福利	13,618	12,811
Post-employment benefits	離職福利	47	52
Equity compensation benefits	股本報酬福利	3,528	—
		17,193	12,863

32. 購股權計劃 (續)**於報告期末之未屆滿及未行使購股權之條款**

Exercise price 行使價 HK\$ 港元	2010 Number 二零一零年 數目 '000 千份	2009 Number 二零零九年 數目 '000 千份
0.158	193	245
0.786	78,988	—
	79,181	245

截至二零一零年十二月三十一日止年度，本集團已就本公司授出之購股權確認總開支21,483,000港元（二零零九年：無）。

33. 關連人士交易**主要管理人員之報酬**

董事及其他主要管理層成員於年內之薪酬如下：

	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Short-term employee benefits	13,618	12,811
Post-employment benefits	47	52
Equity compensation benefits	3,528	—
	17,193	12,863

33. RELATED PARTY TRANSACTIONS (continued)

Other related party transactions

Other than the amounts due to related companies and directors as disclosed in note 24, the Group entered into the following transactions with related parties:

During the year ended 31 December 2010, the Group paid rentals to Chan Siu Chu, the mother of a director of the Company, namely Ho Yin King, Helena ("Ms. Ho"), amounting to approximately HK\$235,000 (2009: HK\$282,000). As Ms. Ho resigned on 29 October 2010, the rental to Chan Siu Chu disclosed in this paragraph was calculated up to the date of resignation of Ms. Ho.

During the year ended 31 December 2010, the Group paid commission to Titron, in which Mr. Yip being the common director, amounting to approximately HK\$1,516,000 (2009: HK\$475,000). Mr. Yip appointed as the executive director of the Company on 31 July 2009.

34. DISPOSAL OF SUBSIDIARIES

Disposal of 100% equity interest in Jackin Accessories Industrial Company Limited and its subsidiaries

On 23 November 2009, the Group entered into a conditional sale and purchase agreement with Zhe Wei Limited, an independent third party, to dispose of the entire equity interest in Jackin Accessories Industrial Limited ("Jackin Accessories") and its subsidiaries including Prince Diamond Co., Limited and Sky City Macao Commercial Offshore Limited (collectively referred to as the "Jackin Accessories Group") for a consideration of HK\$60,000,000. Upon completion of the disposal on 31 December 2009, the Group ceased to hold any equity interest in Jackin Accessories Group.

For the period from 1 January 2009 to 31 December 2009, Jackin Accessories Group contributed turnover of approximately HK\$35,934,000 and loss of approximately HK\$3,477,000 to the Group from its operations.

33. 關連人士交易 (續)

其他關連人士之交易

除附註24所披露之應付予關連公司及董事之款項外，本集團與關連人士訂立下列交易：

截至二零一零年十二月三十一日止年度內，本集團支付租金予陳少珠，陳少珠乃本公司董事何燕琼（「何女士」）之母親，合共約235,000港元（二零零九年：282,000港元）。由於何女士已於二零一零年十月二十九日辭任，故本段所披露之支付予陳少珠之租金按直至何女士辭任日期計算。

截至二零一零年十二月三十一日止年度內，本集團向Titron（葉先生為其共同董事）支付佣金約1,516,000港元（二零零九年：475,000港元）。葉先生於二零零九年七月三十一日獲委任為本公司執行董事。

34. 出售附屬公司

出售於Jackin Accessories Industrial Company Limited及其附屬公司之全部股權

於二零零九年十一月二十三日，本集團與獨立第三方Zhe Wei Limited訂立一項有條件買賣協議，以出售於Jackin Accessories Industrial Limited（「Jackin Accessories」）及其附屬公司（包括Prince Diamond Co., Limited及天城澳門離岸商業服務有限公司（統稱為「Jackin Accessories集團」））之全部股權，代價為60,000,000港元。於二零零九年十二月三十一日完成出售事項後，本集團不再持有於Jackin Accessories集團之任何股權。

自二零零九年一月一日至二零零九年十二月三十一日止期間，Jackin Accessories集團經營業務向本集團貢獻營業額約35,934,000港元及虧損約3,477,000港元。

34. DISPOSAL OF SUBSIDIARIES (continued)

Disposal of 100% equity interest in Jackin Accessories Industrial Company Limited and its subsidiaries (continued)

For details, please refer to the announcement of the Company dated 23 November 2009.

34. 出售附屬公司 (續)

出售於Jackin Accessories Industrial Company Limited及其附屬公司之全部股權 (續)

有關詳情，請參閱本公司日期為二零零九年十一月二十三日之公佈。

		HK\$'000 千港元
Net liabilities disposed of:	出售負債淨值：	
Amounts due from group companies	應收集團公司款項	165,522
Trade and other receivables	貿易及其他應收款項	79,005
Bank balances and cash	銀行結餘及現金	973
Amounts due to group companies	應付集團公司款項	(244,136)
Trade and other payables	貿易及其他應付款項	(2,304)
		(940)
Waiver of loans granted by group companies	集團公司授出之貸款豁免	78,614
Loss on disposal	出售虧損	(17,674)
Total consideration	總代價	60,000
Satisfied by:	以下列方式支付：	
Cash consideration	現金代價	40,000
Consideration receivable for disposal of subsidiaries (note)	出售附屬公司應收代價 (附註)	20,000
		60,000
Net cash outflow arising on disposal:	出售所產生之現金流出淨額：	
Cash consideration	現金代價	40,000
Bank balances and cash disposed of	出售之銀行結餘及現金	(973)
		39,027

Note:

The consideration receivable was secured by the issued ordinary shares of Jackin Accessories, and the pledge was released subsequently upon the settlement of the outstanding balance by Zhe Wei Limited. The amount of consideration receivable was fully settled on 8 January 2010.

附註：

應收代價乃以Jackin Accessories之已發行普通股作抵押，而該抵押隨後已於Zhe Wei Limited清償未償還結餘後獲解除。該應收代價金額已於二零一零年一月八日悉數償付。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

34. DISPOSAL OF SUBSIDIARIES (continued)

The disposed group contributed approximately cash inflow of HK\$29,782,000 in respect of operating activities and cash outflow of HK\$20,681,000 in respect of financing activities for the year ended 31 December 2009.

35. DEREGISTRATION OF SUBSIDIARIES

During the year ended 31 December 2010, the Group deregistered a total of eight wholly-owned subsidiaries, namely Cheson Magnetic Limited ("Cheson Magnetic"), Creative Information Technology (Shanghai) Co. Ltd. ("Creative Information"), Dandong Afex Print Image Ltd* ("Dandong Afex"), Dalian Hongyunda Trading Company Limited* ("Dalian Hongyunda"), Jackin Optical Marketing Company Limited Taiwan Branch ("Jackin Taiwan"), Shenzhen Huijunda Computer Company Ltd.* ("Shenzhen Huijunda"), Sunny Corporation Limited* ("Sunny Corporation") and Super World Inc. ("Super World").

Net assets (liabilities) of the deregistered subsidiaries at their respective dates of deregistration were as follows:

		Cheson Magnetic	Creative Information	Dalian Hongyunda	Dandong Afex	Jackin Taiwan	Shenzhen Huijunda	Sunny Corporation	Super World	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		置誠磁電	創科資訊	大連鴻運達	丹東利滿豐源	輝影光學台灣	深圳輝駿達	新怡輝速達	Super World	合計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Net assets (liabilities) at the date of deregistration:	於註銷日期之資產(負債)淨額:									
Properties, plant and equipment	物業、廠房及設備	-	-	4	-	-	-	-	-	4
Trade and other receivables	貿易及其他應收款項	-	-	772	-	-	261	-	-	1,033
Amounts due from fellow subsidiaries	應收同系附屬公司款項	26,174	7,445	167	690	-	859	421	-	35,756
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(21,244)	(4,996)	-	(1,328)	(2,360)	(2,102)	(2,488)	(1,330)	(35,848)
Net assets (liabilities)	資產(負債)淨額	4,930	2,449	943	(638)	(2,360)	(982)	(2,067)	(1,330)	945
Release on exchange reserve	匯兌儲備撥回	-	9	(327)	(106)	179	232	372	22	381
Waiver on the amounts due (from) to fellow subsidiaries	豁免(應收)應付同系附屬公司款項	(4,930)	(2,449)	(167)	638	2,360	1,243	2,067	1,330	92
Loss (gain) on deregistration	註銷時虧損(收益)	-	9	449	(106)	179	493	372	22	1,418

* The English transliteration of the Chinese name of the company is for identification purpose only and should not be regarded as the official English name of the company.

The deregistered subsidiaries did not have significant contribution to the Group's loss and cash flow for the year.

34. 出售附屬公司(續)

截至二零零九年十二月三十一日止年度，所出售集團就經營業務貢獻現金流入及就融資活動貢獻現金流出分別約29,782,000港元及20,681,000港元。

35. 註銷附屬公司

截至二零一零年十二月三十一日止年度內，本集團共註銷八間全資附屬公司，即置誠磁電有限公司(「置誠磁電」)、創科資訊科技(上海)有限公司(「創科資訊」)、丹東利滿豐源打印耗材有限公司(「丹東利滿豐源」)、大連鴻運達貿易有限公司(「大連鴻運達」)、香港商輝影光學銷售有限公司台灣分公司(「輝影光學台灣」)、深圳輝駿達計算機有限公司(「深圳輝駿達」)、深圳市新怡輝速達實業有限公司(「新怡輝速達」)及Super World Inc. (「Super World」)。

已註銷附屬公司於各自註銷日期之資產(負債)淨額如下：

* 該公司中文名稱之英語譯文僅作識別用途，不應視為該公司之官方名稱。

已註銷附屬公司並無為本年度本集團之虧損及現金流作出重大貢獻。

36. COMMITMENTS

(a) Operating lease commitment

The Group as lessee

At the end of the reporting period, the Group had future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Within one year	一年內	4,118	9,519
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	1,450	3,180
		5,568	12,699

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of one to five years and rentals are fixed for an average of one to two years.

37. CONTINGENT LIABILITIES

- (a) As at 31 December 2009, the Company has issued guarantees to certain banks in respect of banking facilities granted to certain wholly-owned subsidiaries which remained in force so long as the subsidiaries had drawn down under the banking facilities.

The Company was also one of the entities covered by certain cross guarantee arrangements issued by the Company and certain of its wholly-owned subsidiaries to certain banks in respect of banking facilities granted to the Group which remained in force so long as the Group has drawn down under the banking facilities. Under each of these guarantees, the Company and all the subsidiaries that were a party to the guarantee are jointly and severally liable for all and any of the borrowings of each of them from the bank which is the beneficiary of the guarantee.

36. 承擔

(a) 經營租約承擔

本集團作為承租人

於報告期末，本集團根據不可撤銷經營租約就已到期土地及樓宇之未來最低租約付款如下：

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Within one year	一年內	4,118	9,519
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	1,450	3,180
		5,568	12,699

經營租約付款為本集團就其若干辦公物業所應付租金。租約平均每一至五年釐定一次，而租金乃平均每一至兩年釐定一次。

37. 或然負債

- (a) 於二零零九年十二月三十一日，本公司已就授予若干全資附屬公司之銀行信貸向若干銀行發出擔保，而只要該等附屬公司已根據銀行之信貸額取得借貸，則發出之擔保仍屬有效。

本公司亦為由本公司及其若干全資附屬公司就授予本集團之信貸額而向若干銀行發出之若干交互擔保安排所涉及之其中一間實體，而只要本集團已根據銀行之信貸額取得借貸，則發出之擔保仍屬有效。根據各項擔保，擔保之訂約方本公司及所有附屬公司須共同及個別就彼等各自銀行（擔保之受益人）取得之全部及任何借貸承擔責任。

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For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

37. CONTINGENT LIABILITIES (continued)

(a) (continued)

As at 31 December 2009, the directors of the Company did not consider it probable that a claim would be made against the Company under any of the above guarantees. The maximum liability of the Company at the end of the reporting period under the sole guarantee by the Company was the aggregate amount of the facilities drawn down by the subsidiaries of HK\$5,081,000. The maximum liability of the Company as at 31 December 2009 under the cross guarantee was the aggregate amount of the facilities drawn down by all the subsidiaries that were covered by the cross guarantee, being HK\$23,721,000. The above mentioned cross guarantees were terminated during 2010 and as at 31 December 2010, the Group did not have any significant contingent liabilities.

(b) Subsequent to the termination notice served by the Company to the Vendor and his legal representative, on 24 March 2011, the Group received a counterclaim from the legal representative of the Vendor claiming against Jackin Purchasing for a total sum of approximately US\$3,845,000 (equivalent to approximately HK\$29,917,000) pertaining to the exploration and drilling expenses alleged incurred on behalf of or for the benefit of Jackin Purchasing. It is proposed by the Vendor to offset the above amount against the refundable deposit of US\$5,000,000 (equivalent to HK\$39,000,000) he received from the Group.

There is no settlement agreement being reached for the counterclaim as mentioned above up to the date of approval of these financial statements. Based on the advice from the legal advisor of the Group, the directors of the Company are of the opinion that the legal basis of the above counterclaim is yet to be established and proved by the Vendor. Consequently, the directors of the Company considered that the counterclaims by the Vendor against the Group do not have any merit as at 31 December 2010 and, accordingly, no provision for contingent liability in respect thereto is required to be made in consolidated financial statement.

38. NON-CASH TRANSACTION

During the year ended 31 December 2010, additions to motor vehicle of the Group acquired under finance lease amounted to HK\$567,000 (2009: Nil).

37. 或然負債 (續)

(a) (續)

於二零零九年十二月三十一日，本公司董事認為根據任何上述擔保不大可能向本公司作出索償。於報告期末，本公司根據本公司作為唯一擔保所獲之最大負債為由有關附屬公司所提取之借貸總額5,081,000港元。於二零零九年十二月三十一日，本公司根據該等交互擔保所獲之最大負債為由該等交互擔保所涉及之所有附屬公司所提取之借貸總額為23,721,000港元。上述交互擔保於二零一零年內及於二零一零年十二月三十一日終止，本集團並無任何重大或然負債。

(b) 於本公司向賣方及其法定代表發出終止通知後，於二零一一年三月二十四日，本集團接獲賣方之法定代表發出之反訴，代表或為Jackin Purchasing之利益對聲稱所產生之開採及鑽探開支合共3,845,000美元（相等於約29,917,000港元）向Jackin Purchasing提出索償。賣方擬將上述金額與本集團將收取之可退回按金5,000,000美元（相等於39,000,000港元）抵銷。

直至批准該等財務報表日期為止尚未就上述反訴達成和解協議。根據本集團法律顧問之意見，本公司董事認為，上述反訴之法律依據尚未成立及獲賣方證明。因此，本公司董事認為，於二零一零年十二月三十一日，賣方對本集團提出之反訴並無具有任何理據，故無需於綜合財務報表內就此作出或然負債撥備。

38. 非現金交易

於截至二零一零年十二月三十一日止年度內，本集團以融資租約購買之汽車之添置達567,000港元（二零零九年：無）

39. STATEMENT OF FINANCIAL POSITION INFORMATION OF THE COMPANY

Statement of financial position of the Company at the end of the reporting period is as follows:

39. 本公司之財務狀況資料表

本公司於報告期末之財務狀況表如下：

		Notes	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
		附註		
Non-current asset	非流動資產			
Investment in subsidiaries	於附屬公司之投資	(a)	-	-
Current assets	流動資產			
Deposits and prepayment	按金及預付款項		162	200
Amounts due from subsidiaries	應收附屬公司款項	(a)	107,402	283,466
Bank balances and cash	銀行結餘及現金		4,598	10,461
			112,162	294,127
Current liabilities	流動負債			
Other payables	其他應付款項		13,255	10,349
Notes payable	應付票據		-	36,617
Amounts due to subsidiaries	應付附屬公司款項	(b)	133,218	128,162
			146,473	175,128
Net current (liabilities) assets	流動(負債)資產淨值		(34,311)	118,999
Total assets less current liabilities	總資產減流動負債		(34,311)	118,999
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券		-	48,451
Net (liabilities) assets	(負債)資產淨值		(34,311)	70,548
Capital and reserves	股本及儲備			
Share capital	股本		150,375	109,310
Reserves	儲備	(c)	(184,686)	(38,762)
Total equity	權益總額		(34,311)	70,548

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39. STATEMENT OF FINANCIAL POSITION INFORMATION OF THE COMPANY (continued)

Notes:

(a) Interests in subsidiaries

		Notes	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
		附註		
Unlisted investments, at cost	非上市投資，按成本		39,172	39,172
Amounts due from subsidiaries	應收附屬公司款項—即期			
– current		(i)	584,184	460,177
			623,356	499,349
Less: Impairment loss recognised on investment	減：就投資已確認之減值虧損		(39,172)	(39,172)
Impairment loss recognised on amount due from subsidiaries – current	就應收附屬公司款項 已確認之減值虧損—即期		(476,782)	(176,711)
			(515,954)	(215,883)
			107,402	283,466
Analysed for reporting purposes as:	就報告目的作出之分析：			
Non-current asset	非流動資產		–	–
Current asset	流動資產		107,402	283,466
			107,402	283,466

(i) The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

(b) The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

39. 本公司之財務狀況資料表 (續)

附註：

(a) 於附屬公司之權益

	Notes	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
	附註		
Unlisted investments, at cost		39,172	39,172
Amounts due from subsidiaries			
– current	(i)	584,184	460,177
		623,356	499,349
Less: Impairment loss recognised on investment		(39,172)	(39,172)
Impairment loss recognised on amount due from subsidiaries – current		(476,782)	(176,711)
		(515,954)	(215,883)
		107,402	283,466
Analysed for reporting purposes as:			
Non-current asset		–	–
Current asset		107,402	283,466
		107,402	283,466

(i) 應收附屬公司款項無抵押及免息，並須應要求償還。

(b) 應付附屬公司款項均無抵押及免息，並須應要求償還。

39. STATEMENT OF FINANCIAL POSITION
INFORMATION OF THE COMPANY (continued)

39. 本公司之財務狀況資料表 (續)

Notes: (continued)

附註：(續)

(c) Reserves

(c) 儲備

		Share premium HK\$'000 (Note (i))	Capital reserve HK\$'000 (Note (ii))	Contribution surplus HK\$'000	Convertible bonds reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
		股份溢價 千港元 (附註(i))	資本儲備 千港元 (附註(ii))	供款盈餘 千港元	可換股 債券儲備 千港元	累計虧損 千港元	總計 千港元
At 1 January 2009	於二零零九年一月一日	122,076	6,255	15,048	-	(71,620)	71,759
Loss for the year	年度虧損	-	-	-	-	(163,210)	(163,210)
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	(163,210)	(163,210)
Issue of convertible bond	發行可換股債券	-	-	-	4,420	-	4,420
Equity-settled share-based transaction	以股本結算股份為基礎之交易	-	-	-	-	-	-
- lapse of options granted to employees	- 授予僱員之購股權失效	-	(2,183)	-	-	2,183	-
Issue of new shares on exercise of warrants	行使認股權證而發行新股	30,254	(2,729)	-	-	-	27,525
Issue of new shares under share option scheme	根據購股權計劃發行新股	2,117	(1,319)	-	-	-	798
Issue of subscription shares	發行認購股份	20,355	-	-	-	-	20,355
Transaction costs attributable to issue of subscription shares	應佔發行認購股份之交易成本	(390)	-	-	-	-	(390)
Transaction costs attributable to issue of convertible bonds	應佔發行可換股債券之交易成本	-	-	-	(19)	-	(19)
At 31 December 2009	於二零零九年十二月三十一日	174,412	24	15,048	4,401	(232,647)	(38,762)
Loss for the year	年度虧損	-	-	-	-	(367,919)	(367,919)
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	(367,919)	(367,919)
Equity-settled share-based transaction	以股本結算股份為基礎之交易	-	-	-	-	-	-
- recognition of equity-settled share-based payment expenses	- 確認以權益結算之股份為基礎之付款開支	-	21,483	-	-	-	21,483
- lapse of options granted to employees	- 授予僱員之購股權失效	-	(5)	-	-	5	-
Issue of new shares under share options scheme	根據購股權計劃發行新股	624	(177)	-	-	-	447
Issue of new shares on conversion of convertible bonds	兌換可換股債券而發行新股	31,951	-	-	(4,401)	-	27,550
Issue of subscription shares	發行認購股份	178,500	-	-	-	-	178,500
Transaction costs attributable to issue of subscription shares	應佔發行認購股份之交易成本	(5,985)	-	-	-	-	(5,985)
At 31 December 2010	於二零一零年十二月三十一日	379,502	21,325	15,048	-	(600,561)	(184,686)

39. STATEMENT OF FINANCIAL POSITION INFORMATION OF THE COMPANY (continued)

Notes: (continued)

(c) Reserves (continued)

Notes:

- i) The application of the share premium account is governed by Section 40 of the Bermuda Companies Act 1981.
- ii) At 31 December 2010 and 2009, the capital reserve comprises the followings:
 - (1) the fair value of the actual or estimated number of unexercised share options granted to directors and employees of the Company recognised in accordance with the accounting policy adopted for share-based payments as further detailed in note 4 to the consolidated financial statements.
 - (2) the value of the unexercised warrants issued by the Company recognised in accordance with the accounting policy adopted for compound financial instruments as further detailed in note 4 to the consolidated financial statements.

39. 本公司之財務狀況資料表 (續)

附註：(續)

(c) 儲備 (續)

附註：

- i) 股份溢價賬之應用受一九八一年百慕達公司法第40條規管。
- ii) 於二零一零年及二零零九年十二月三十一日，資本儲備由下列項目組成：
 - (1) 根據進一步詳情載列於綜合財務報表附註4的以股份為基礎付款而採納之會計政策確認而授予本公司董事及僱員之未行使購股權之實際或估計數目之公允價值。
 - (2) 根據進一步詳情載列於綜合財務報表附註4的為複合財務工具而採納之會計政策確認本公司發行之未行使認股權證之價值。

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 December 2010 and 2009 are as follows:

40. 本公司之主要附屬公司之詳情

於二零一零年及二零零九年十二月三十一日，本公司之主要附屬公司之詳情如下：

Name of Company	Place of incorporation and operation (Note a)	Particulars of issued and paid up share capital/ registered capital	Percentage of ownership interest held by the Group (Note b)	Principal activities
公司名稱	註冊成立及營運地點 (附註a)	已發行及繳足股本/ 註冊資本詳情	本集團所持有之 所有人權益百分比 (附註b) %	主要業務
Afex International (HK) Limited	Hong Kong	50,000 ordinary shares of HK\$1 each	100	Trading of computer printing and imaging products
榮輝國際(香港)有限公司	香港	每股面值1港元之普通股50,000股	100	買賣電腦印刷及影像產品
Clearview Development Limited	British Virgin Islands ("BVI")	10,000 ordinary shares of US\$1 each	100	Investment holding
Clearview Development Limited	英屬處女群島 (「英屬處女群島」)	每股面值1美元之普通股10,000股	100	投資控股
Feitian Magnetic Information-Technology (Shenzhen) Co., Ltd. (Note c)	The PRC	US\$2,500,000	100	Manufacturing of data media products
輝電磁訊(深圳)有限公司 (附註c)	中國	2,500,000美元	100	製造數據媒體產品
Fortune Luck Development Ltd.	BVI	4 ordinary shares of US\$1 each	100	Distribution of data media products
鴻運發展有限公司	英屬處女群島	每股面值1美元之普通股4股	100	分銷數據媒體產品
Great China Global Limited	BVI	1 ordinary share of US\$1 each	100	Distribution of data media products
偉漢國際有限公司	英屬處女群島	每股面值1美元之普通股1股	100	分銷數據媒體產品

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綜合財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

40. 本公司之主要附屬公司之詳情 (續)

Name of Company	Place of incorporation and operation (Note a)	Particulars of issued and paid up share capital/ registered capital	Percentage of ownership interest held by the Group (Note b)	Principal activities
公司名稱	註冊成立及營運地點 (附註a)	已發行及繳足股本/ 註冊資本詳情	本集團所持有之 所有人權益百分比 (附註b) %	主要業務
Havenport Management Limited	BVI	10,000 ordinary shares of US\$1 each	100	Investment holding
Havenport Management Limited	英屬處女群島	每股面值1美元之普通股10,000股	100	投資控股
Jackin Imaging Products Limited	Hong Kong	100 ordinary shares of HK\$1 each	100	Development of computer printing and imaging products
輝影打印耗材有限公司	香港	每股面值1港元之普通股100股	100	開發電腦印刷及影像產品
Jackin Trading Company Limited	BVI	1 ordinary share of US\$1 each	100	Trading of data media products
輝影貿易有限公司	英屬處女群島	每股面值1美元之普通股1股	100	買賣數據媒體產品
Jackin Magnetic Company Limited	Hong Kong	10 ordinary shares of HK\$100 each and 10,000 non-voting deferred shares of HK\$100 each (Note d)	100	Trading of data media products
輝影磁電有限公司	香港	每股面值100港元之普通股10股及每股面值100港元之無投票權遞延股份10,000股(附註d)	100	買賣數據媒體產品
Jackin Manufacturing (Shenzhen) Limited	BVI	1 ordinary share of US\$1 each	100	Investment holding
Jackin Manufacturing (Shenzhen) Limited	英屬處女群島	每股面值1美元之普通股1股	100	投資控股

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES
OF THE COMPANY (continued)40. 本公司之主要附屬公司之詳情
(續)

Name of Company	Place of incorporation and operation (Note a)	Particulars of issued and paid up share capital/ registered capital	Percentage of ownership interest held by the Group (Note b)	Principal activities
公司名稱	註冊成立及營運地點 (附註a)	已發行及繳足股本/ 註冊資本詳情	本集團所持有之 所有人權益百分比 (附註b) %	主要業務
Jackin U.S.A. Inc.	United States of America	1 ordinary share of US\$1 each	100	Trading of computer printing and imaging products
Jackin U.S.A. Inc.	美國	每股面值1美元之普通股1股	100	買賣電腦印刷及影像產品
Jackin Video Cassette Co. Limited	Hong Kong	1,000 ordinary shares of HK\$1 each and 1,000,000 non-voting deferred shares of HK\$1 each (Note d)	100	Property holding
輝聲影帶有限公司	香港	每股面值1港元之普通股1,000股及每股面值1港元之無投票權遞延股份1,000,000股 (附註d)	100	物業控股
Jackin Video Cassette (Taiwan) Limited	Taiwan	2,000,000 ordinary shares of NT\$10 each	99.9	Property holding
台灣輝聲錄影帶股份有限公司	台灣	每股面值新台幣10元之普通股2,000,000股	99.9	物業控股
Noble Team Holdings Limited	BVI	10,000 ordinary shares of US\$1 each	100	Investment holding
Noble Team Holdings Limited	英屬處女群島	每股面值1美元之普通股10,000股	100	投資控股
Oakview International Limited	BVI	100 ordinary shares of US\$1 each	100	Investment holding
Oakview International Limited	英屬處女群島	每股面值1美元之普通股100股	100	投資控股

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綜合財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

40. 本公司之主要附屬公司之詳情 (續)

Name of Company 公司名稱	Place of incorporation and operation (Note a) 註冊成立及營運地點 (附註a)	Particulars of issued and paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of ownership interest held by the Group (Note b) 本集團所持有之 所有人權益百分比 (附註b) %	Principal activities 主要業務
深圳利滿豐源打印耗材有限公司(Shenzhen Afex Print Image Ltd.) (Note c)	The PRC	HK\$5,000,000	100	Remanufacturing of computer printing and imaging products
深圳利滿豐源打印耗材有限公司(附註c)	中國	5,000,000港元	100	環保再造電腦印刷及影像產品
Tempair Developments Limited	BVI	10,000 ordinary shares of US\$1 each	100	Investment holding
Tempair Developments Limited	英屬處女群島	每股面值1美元之普通股10,000股	100	投資控股
Ugent Holdings Limited	BVI	10,000 ordinary shares of US\$1 each	100	Investment holding
Ugent Holdings Limited	英屬處女群島	每股面值1美元之普通股10,000股	100	投資控股
珠海利滿豐源打印耗材有限公司(Zhuhai Afex Print Image Ltd.) (Note c)	The PRC	HK\$5,000,000	100	Remanufacture of computer printing and imaging products
珠海利滿豐源打印耗材有限公司(附註c)	中國	5,000,000港元	100	環保再造電腦印刷及影像產品
深圳市深索資訊科技有限公司(Note c)	The PRC	RMB500,000	100	Distribution of data media products
深圳市深索資訊科技有限公司(附註c)	中國	人民幣500,000元	100	分銷數據媒體產品

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES
OF THE COMPANY (continued)40. 本公司之主要附屬公司之詳情
(續)

Name of Company	Place of incorporation and operation (Note a)	Particulars of issued and paid up share capital/ registered capital	Percentage of ownership interest held by the Group (Note b)	Principal activities
公司名稱	註冊成立及營運地點 (附註a)	已發行及繳足股本/ 註冊資本詳情	本集團所持有之 所有人權益百分比 (附註b) %	主要業務
China Metal Trading Company Limited	Hong Kong	1 ordinary shares of HK\$1 each	100	Trading of mineral resources
中國金屬貿易有限公司	香港	每股面值1港元之普通股1股	100	礦產資源貿易
Energy Best Investments Limited	BVI	1 ordinary shares of US\$1 each	100	Inactive
Energy Best Investments Limited	英屬處女群島	每股面值1美元之普通股1股	100	暫無營業
Guojin Metal Mining Company Limited	Hong Kong	1 ordinary shares of HK\$1 each	100	Inactive
Guojin Metal Mining Company Limited	香港	每股面值1港元之普通股1股	100	暫無營業
Jackin Purchasing Limited	Hong Kong	2 ordinary shares of HK\$1 each	100	Investment holding
Jackin Purchasing Limited	香港	每股面值1港元之普通股2股	100	投資控股

Notes:

(a) Other than those subsidiaries incorporated in the BVI, whose place of operations are basically in Hong Kong, the places of operations of all other subsidiaries are the same as their places of incorporation.

(b) Except for Oakview International Limited, which is directly owned by the Company, all other subsidiaries are indirectly held by the Company.

附註:

(a) 除於英屬處女群島註冊成立之附屬公司而經營地點主要為香港外，所有其他附屬公司之經營地點與其註冊成立地點相同。

(b) 除Oakview International Limited由本公司直接擁有外，所有其他附屬公司均由本公司間接持有。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Note: (continued)

- (c) These subsidiaries are wholly foreign-owned enterprises established in the PRC.
- (d) The Group holds 100% of the issued ordinary share capital. The deferred shares, which are not held by the Group, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the respective companies or to participate in any distribution on winding up.

In the opinion of the directors of the Company, the subsidiaries of the Company listed in the above table principally affected the results, assets and liabilities of the Group. To give details of other subsidiaries would result in particulars of excessive length.

None of the subsidiaries had any debt securities at the end of both reporting periods nor at any time during both reporting periods.

41. EVENTS AFTER THE REPORTING PERIOD

- (i) On 23 January 2011, Energy Best Investments Limited (“Energy Best”), a wholly owned subsidiary of the Company, entered into an agreement with Mr. Yip, a director of the Company, an associated company of him and two other shareholders of members of the Titron Group (as defined below). Pursuant to which, Energy Best agreed to purchase 100% equity interests in Titron Industries Limited, Titron Manufacturing Limited, Titron International Limited, Titron Precision Limited and 東莞德越電子塑膠製品有限公司 (collectively referred to as the “Titron Group”) at a consideration of HK\$120,000,000 including the cash payment of HK\$15,000,000 and the issuance of convertible notes of HK\$105,000,000.

40. 本公司之主要附屬公司之詳情 (續)

附註：(續)

- (c) 該等附屬公司均為於中國成立之外商獨資企業。
- (d) 本集團持有100%已發行普通股股本。並非由本集團持有之遞延股份實際上無權收取股息或接收有關公司任何股東大會之通告或出席有關公司任何股東大會並於會上投票，亦無權於其清盤時參與任何分派。

本公司董事認為，上表列示之本公司附屬公司主要影響本集團之業績、資產及負債，刊載其他附屬公司之詳細資料會令本文過於冗長。

概無附屬公司於兩個報告期末或兩個報告期內任何時間持有任何債務證券。

41. 報告期後事項

- (i) 於二零一一年一月二十三日，本公司之全資附屬公司Energy Best Investments Limited (「Energy Best」) 與本公司董事葉先生、彼之一間聯營公司及Titron集團(定義見下文)成員公司之兩名其他股東訂立一份協議。據此，Energy Best同意購買Titron Industries Limited、Titron Manufacturing Limited、Titron International Limited、Titron Precision Limited及東莞德越電子塑膠製品有限公司(統稱為「Titron集團」)之全部股權，代價為120,000,000港元(包括現金支付15,000,000港元及發行105,000,000港元之可換股票據)。

41. EVENTS AFTER THE REPORTING PERIOD

(continued)(i) *(continued)*

The acquisitions of Titron Group is subject to, among other things, the approval of shareholders of the Company. After completion, Titron Group will become wholly owned subsidiaries of Energy Best. Details of the acquisition are set out, inter alia, in the announcement of the Company dated 25 January 2011.

(ii) On 1 February 2011, Golden Passage Limited (“Golden Passage”), a wholly owned subsidiary of the Company, entered into a memorandum of understanding (“Memorandum”) with Fortune Voyage Limited and Sino Rise Enterprises Limited, independent third parties, to which Golden Passage proposed to acquire the entire issued share capital of Smart Ascent International Limited (“Smart Ascent”) which in turn own a PRC company principally engaged in the exploration, mining, processing and sale of mineral products. The Memorandum give Golden Passage the exclusivity period of 45 business days to conduct the necessary due diligence on Smart Ascent and the PRC company, and no formal sales and purchase agreement entered into up to the date of this report.

(iii) Pursuant to the non-legally binding term sheet in relation to the debt restructuring and disposal of Ugent as announced on 5 October 2010. On 10 March 2011, the Company further announced the term sheet will not proceed. Details are set out, inter alia, in the announcement of the Company dated 5 October 2010 and 10 March 2011.

(iv) On 22 March 2011, the Company announced that the conditional sale and purchase agreement between Jackin Purchasing and the Vendor dated 18 December 2009 together with the two supplement agreements dated 21 January 2010 and 1 September 2010 in respect of acquisition of the entire issued share capital of SE Metal Resource Corp. had been terminated.

41. 報告期間後事項 (續)

(i) (續)

收購Titron集團須待(其中包括)本公司股東批准後,方可作實。於完成後, Titron集團將成為Energy Best之全資附屬公司。收購詳情載於(其中包括)本公司日期為二零一一年一月二十五日之公佈。

(ii) 於二零一一年二月一日,本公司之全資附屬公司Golden Passage Limited(「Golden Passage」)與獨立第三方Fortune Voyage Limited及Sino Rise Enterprises Limited訂立一份諒解備忘錄(「備忘錄」),據此,Golden Passage擬收購Smart Ascent International Limited(「Smart Ascent」)之全部已發行股本,而Smart Ascent擁有一間主要從事勘探、開採、加工及銷售礦產品之中國公司。備忘錄授予Golden Passage 45個營業日之獨家期間以就Smart Ascent及中國公司進行必要之盡職審查,而直至本報告日期概無訂立正式買賣協議。

(iii) 誠如二零一零年十月五日所公佈,根據有關債務重組及出售Ugent之一份不具法律約束力之條款清單,本公司於二零一一年三月十日進一步宣佈條款清單將不會進行。詳情載於(其中包括)本公司日期為二零一零年十月五日及二零一一年三月十日之公佈。

(iv) 於二零一一年三月二十二日,本公司宣佈,Jackin Purchasing與賣方於二零零九年十二月十八日訂立之有條件買賣協議連同日期為二零一零年一月二十一日及二零一零年九月一日有關收購SE Metal Resource Corp.之全部已發行股本之兩份補充協議已被終止。

Financial Summary

財務概要

1. RESULTS

1. 業績

For the year ended 31 December
截至十二月三十一日止年度

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Turnover	營業額	169,925	221,394	455,531	418,159	345,222
(Loss)/profit before taxation	稅前(虧損)/溢利	(386,627)	(276,104)	(151,959)	35,521	69,747
Income tax	所得稅	2,716	(1,933)	(7,828)	(2,045)	(4,782)
(Loss)/profit for the year	本年度(虧損)/溢利	(383,911)	(278,037)	(159,787)	33,476	64,965
Non-controlling interests	非控股權益	543	34	-	-	-
(Loss)/profit for the year attributable to owners of the Company	本公司擁有人應佔本年度(虧損)/溢利	(383,368)	(278,003)	(159,787)	33,476	64,965

2. ASSETS AND LIABILITIES

2. 資產及負債

At 31 December
於十二月三十一日

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元	2007 HK\$'000 二零零七年 千港元	2006 HK\$'000 二零零六年 千港元
Assets	資產					
Property, plant and equipment	物業、廠房及設備	23,395	71,726	63,740	113,225	99,344
Goodwill	商譽	-	-	-	39,545	39,545
Other assets	其他資產	118,161	320,057	525,172	531,640	414,346
Total assets	資產總額	141,556	391,783	588,912	684,410	553,235
Liabilities	負債					
Current liabilities	流動負債	89,715	161,728	374,126	218,148	255,375
Non-current liabilities	非流動負債	183,999	244,959	36,334	129,414	20,670
Total liabilities	負債總額	273,714	406,687	410,460	347,562	276,045
Total assets less total liabilities	資產總額減 負債總額	(132,158)	(14,904)	178,452	336,848	277,190
Non-controlling interests	非控股權益	543	-	-	-	-
(Capital deficiency) equity attributable to owners of the Company	本公司擁有人應佔(資本虧絀)股權	(131,615)	(14,904)	178,452	336,848	277,190

