Coolpoint Energy Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code 8032)

Annual Report **2009**

COOLPOINT
ZERO WASTE

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This report, for which the directors of Coolpoint Energy Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange for the purpose of giving information with regard to Coolpoint Energy Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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CORPORATE PROFILE

DIRECTORS

Executive Directors

Mr. Wang Yinan *(Chairman)*
Mr. Fung Wing Cheung, Tony
Mr. Fung Yiu Fai, Peter
Mr. Leung King Yue, Alex
Ms. Lam Wing Ah

Non-executive Director

Miss Fung Yee Kei, Kay

Independent Non-executive Directors

Mr. Chee Man Sang, Eric
Ms. Lam Tak Yee
Mr. Tang Chi Chung, Matthew

AUTHORISED REPRESENTATIVES

Mr. Leung King Yue, Alex
Ms. Lam Wing Ah

AUDIT COMMITTEE

Mr. Chee Man Sang, Eric (Chairman)
Ms. Lam Tak Yee
Mr. Tang Chi Chung, Matthew

NOMINATION COMMITTEE

Ms. Lam Tak Yee *(Chairman)*
Mr. Ma Man Pong

REMUNERATION COMMITTEE

Mr. Tang Chi Chung *(Chairman)*
Mr. Chee Man Sang, Eric
Ms. Lam Tak Yee

COMPLIANCE OFFICER

Mr. Leung King Yue, Alex

COMPANY SECRETARY

Mr. Ma Man Pong

AUDITOR

Grant Thornton
Certified Public Accountants
6th Floor, Nexxus Building
41 Connaught Road Central
Hong Kong

BANKERS

Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited

LEGAL ADVISERS

Mason Ching & Associates
1803, 18th Floor
World-Wide House
19 Des Voeux Road, Central
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
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Cayman Islands

PRINCIPAL PLACE OF BUSINESS

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22-26 Minden Avenue, Tsim Sha Tsui
Kowloon
Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICES

Cayman Islands

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705 George Town
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Cayman Islands

Hong Kong

Tricor Secretaries Limited
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28 Queen's Road East
Wanchai
Hong Kong

WEBSITE ADDRESS

www.coolpoint.com.hk

STOCK CODE

8032

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors (the "Board"), I hereby present the results of Coolpoint Energy Limited (the "Company" and formerly named as GreaterChina Technology Group Limited) and its subsidiaries (together the "Group") for the 17 months period, which ended on the 31 December 2009 as the Company has changed its financial year end from 31 July to 31 December.

During the period, the Company has disposed of its equity interests in its western medicine manufacturing plant at a net consideration of HK$44.1 million and such transaction was completed in July 2009. The Company then leaseback the manufacturing plant and facilities from Guangdong Richtungen Pharmaceutical Co., Ltd. for the manufacturing and production of western medicine for a term of 3 years terminable with 1 month notice after an initial period of 6 months. The major reason being medicine manufacturing business has been making losses for the past three financial years and the Directors intend to reduce its losses by improving efficiency. Since the site area used by the manufacturing plants of the Group was less than 20% of total site area the resources of the Group can be more efficiently utilized if the entire interest in site area is sold and the manufacturing plants and facilities are leased back for the medicine manufacturing business.

Apart from western medicine, we are still participating in the business of Traditional Chinese Medicine health supplements and engaging in the trading of pharmaceutical and healthcare products. However, we don't expect our future growth will be coming from this business segment because of limited resource and a very competitive environment.

To diversify and expand our business, thus enhancing shareholders' value, we acquired Coolpoint Ventilation Equipment Limited ("Coolpoint HK") in August 2009. Coolpoint HK engaged in the business of design, installation and manufacture of energy saving equipment. Coolpoint HK has its unique patented technology to save significant energy costs for our customers while at the same time reduce heat emissions for the good of the environment. Through our proprietary energy efficient heat exchange technology, hot water can be generated through the capturing of waste heat exhaust from air-conditioning units. The Company has paid approximately HK$28.8 million in cash and has issued 959.2 million consideration shares to complete the acquisition of a 96.72% equity interest in Coolpoint HK.

At present, Coolpoint HK only supplies custom-made energy saving equipment to commercial users in Hong Kong and industrial users in the People's Republic of China (the "PRC") on a very limited scale. The Board believes that there is immense potential in Coolpoint HK if its products can be standardized and offered to the consumer market in the PRC, especially with favourable government policies and incentives to encourage investment and application of environmental friendly and energy saving solutions.

I am delighted to join the Company as the Chairman on 21 October, 2009 but it comes with enormous responsibility and demands strong leadership. Our product range is wide and it takes time, skill and effort to promote and convince our target customers. We have approached various institutions in Beijing with energy saving mandates and explored opportunities to co-operate with strategic partners. As a milestone since our acquisition of Coolpoint HK, on 8 February, 2010 we entered into a memorandum of development with Tsingdao Haier Air-conditioning Co., Limited, a subsidiary of Tsingdao Haier Co., Limited (a joint stock company incorporated in the PRC and listed on the Shanghai Stock Exchange (Stock Code: 600690)) for a joint development project.

We will continue to put our efforts on Coolpoint HK and also explore further business opportunities which can enhance our revenue stream and profitability and to maximize shareholders' value.

I would like to take this opportunity to express my gratitude to all members of the Board and staff for their dedication and contribution to the Group and to those who have continuously supported us.

Wang Yinan
Chairman

Hong Kong, 19 March 2010

MANAGEMENT DISCUSSION AND ANALYSIS

It has been a very significant year in the history of the Group. In July 2009 we announced the acquisition of a controlling stake in Coolpoint HK for the initial consideration of HK$89.35 million, a transaction that marks our foray into the green business. The acquisition was completed in August 2009 and the Company changed its name from GreaterChina Technology Group Limited into Coolpoint Energy Limited to reflect its new lease of life.

Coolpoint HK is a promising company focusing on the research and development, installation and manufacturing of its own brand energy saving air cooling and water heating equipment. Its patented technology and proprietary developed equipment enjoys strong and consistent recognition from within the energy saving industry, governmental and academic bodies and customers. It is a registered Environmental Technology Service Provider under the Cleaner Production Partnership Programme jointly promoted by the Environmental Protection Department of the Government of the Hong Kong SAR and the Hong Kong Productivity Council. Customers in approved pilot projects enjoy Government grants of up to HK$190,000 under this programme for the use of energy efficient solutions offered by Coolpoint HK. Both Hong Kong Electric and China Light and Power recognize Coolpoint HK as their partner in energy saving products. Rebates are occasionally offered by the two leading utility companies in Hong Kong to customers for the use of our products. Our equipment are also on display in the showroom of the two power companies.

Coolpoint HK has a formidable customer base. Our energy saving equipment are being installed in the Government of the Hong Kong SAR, leading restaurants chains, airlines, blue-chip industrial companies and residences of ultra-high net worth individuals in Hong Kong and China.

Our four main categories of products include the following:

1. **Instant refrigerant water heater**
   – generates instant hot water for domestic use that can save up to 75% in energy consumption

2. **Refrigerant boiler**
   – generates steam of above 100 degrees Celsius that can save up to 60% in energy consumption

3. **Lead evaporating air conditioner**
   – air cooling systems that save up to 50% compared to conventional air-conditioning units

4. **Five-in-one central air conditioning system**
   – a model that can generate heated air, cool-air, hot water separately and concurrently that can save up to 80% in energy consumption.

Our equipment can capture as much energy that would have otherwise been wasted in conventional equipment offered by competing vendors. Our competitive advantage is vividly reflected in our corporate motto-“Zerowaste”.

In order to strengthen the financial position of the Group and enlarge our shareholders base, in July 2009 the company raised HK$45,000,000 in gross proceeds through the placing of 300,000,000 shares at HK$0.15 each. The proceeds are being used as general working capital to fund the Group in its expansion in the green business and future investment.

MANAGEMENT DISCUSSION AND ANALYSIS

With the fund raised the Group has strengthened its team of energy saving consultants and technical support personnel in Hong Kong to improve our ability to reach out to customers and to provide necessary and immediate assistance where necessary. The group is actively participating in tradeshows and seminars to raise our profile amongst our target customers. At the same time, we are reconnected with our existing client base with an aim to generate additional repeated business. We are also in the process of selection approved dealerships and distributors. This model of development will be duplicated and perfected in other major cities of China in the not too distant future.

The proceeds are also being applied to improve our research and development, management, testing and design capability and product reliability, which were lacking when Coolpoint HK was run as a small family-owned business

In addition to the development of our existing and new customer base in commercial segment, the Group is negotiating to enter into strategic relationship with major appliances manufacturer in China. On 21 October 2009, Mr. Wang Yinan has been appointed an executive director and the Chairman of the Company.

Mr. Wang has extensive experience in energy and finance businesses in the PRC, and is familiar with the policy making of the PRC Government.

The extensive experience and connection of our Chairman has struck immediate impact. On 8 February 2010, the Group has entered into a memorandum of development with Tsingdao Haier Air-conditioning Co., Limited, a subsidiary of Tsingdao Haier Co., Limited ("Haier"), the leading household appliances manufacturer in China, in which the Group will jointly develop with Tsingdao Haier Air-conditioning Co., Limited a five-in-one central air-conditioning system for the domestic market in China. A development committee has been established and prototype machines are now being assembled in our Zhongshan facility. According to our schedule, formal testing will be commissioned in the headquarters of Haier in Qingdao before the start of the third quarter this year. We strongly believe the combination of our know-how in water heating and flexibility in product development and Haier's quality assurance and marketing channels, this joint-development programme will strike success.

Since August 2009 we have laid significant effort in fine-tuning our product offerings, improving our customer services and product reliability. We expect 2010 to be a year that our investment will bear fruit which will translate into improving financial performance and public recognition of our brand and motto – "Coolpoint – Zerowaste".

Key development strategy for 2010:

Commercial market	–	Expand our team of energy saving consultants
		Continuous improvement in product reliability and customer services
		Expand our network of dealers and distributors
		Enhance awareness of our brand
		Expand our geographical coverage in the PRC
Mass market	–	Strategic partnership with Haier, major appliance maker

Further strategic partnerships

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Segment Information

For the 17 months period ended 31 December 2009, the Group recorded a total revenue of HK$10.9 million, of which HK$1.1 million was contributed from the business of sales of nutraceutical Chinese herbal products and related services, HK$8.7 million from sales of western generic medicine in the PRC and HK$1.1 million was contributed from the new business for manufacturing and trading of energy saving equipments. Comparing to total revenue of HK$11.8 million in the previous financial year, sales of nutraceutical Chinese herbal products and related services dropped by HK$3.3 million because the delay of obtaining proper health regulatory approval and licenses in various markets. Such decrease is partially compensated by the HK$1.3 million increase in sales of western generic medicine and the sales contribution from our new energy saving equipments.

The gross profit decreased from HK$5.9 million to HK$4.6 million mainly because the decline in sales of healthcare products.

During the period from August 2008 to July 2009, the Group mainly incurred an impairment loss on property and land use rights of HK$28.3 million and the selling, administrative and other operating expenses were HK$19.2 million in deriving a net loss of HK$36.3 million, in contrast with loss for the last financial year of HK$30.5 million. Following the disposal of manufacturing plant and facilities in July 2009, our company generated a net cash inflow of HK$43.7 million and our on-going operating expenses have been significantly reduced afterwards.

From August 2009 towards the end of December 2009, the Group further recorded a net loss of HK$15.7 million which mainly included certain one-time items such as the non-cash share-based payment of approximately HK$9.0 million, inventory provision of approximately HK$2.6 million and net operating expenses were controlled as less than HK$1 million per month.

The losses attributable to the owners of the Company for the period ended 31 December 2009 were HK$52.0 million, representing a basic loss per share of HK cents 2.18, as comparing to a basic loss of HK cents 1.49 in previous financial year.

As at 31 December 2009, net assets of the Company was approximately HK$241.5 million, as comparing to HK$75.4 million as at 31 July 2008. The increase was mainly attributable to the acquisition of Coolpoint HK and the goodwill of HK$188.4 million arising upon the completion.

OTHER FINANCIAL INFORMATION

Liquidity and financial resources

During the period, the Group financed its operations mainly by internally generated cash and placing of its shares.

There was one very substantial acquisition and one very substantial disposal of subsidiaries during the period. There was no significant investment held by the Group during the period.

As at 31 December 2009, the Group had cash and cash equivalents of approximately HK$35.66 million (as at 31 July 2008: HK$0.23 million).

The current ratio of the Group was 8.1 as at 31 December 2009 compared to 0.5 as at 31 July 2008. The gearing ratio, defined as the ratio of total borrowings to total assets, was Nil as at 31 December 2009 as compared to 6.5% as at 31 July 2008.

Overall, the net assets of the Group were approximately HK$241.5 million equivalent to approximately HK$0.07 per share.

Exposure to foreign currency risk

Major currencies used for the Group's transactions were Hong Kong dollars and Renminbi. As the fiscal policy of the PRC government in relation to Renminbi is stable throughout the years, there was no significant currency exposure.

Pledge of the Group's Assets

As at 31 December 2009, no assets had been pledged. As at 31 July 2008, parts of the land use rights and buildings of the Group with a carrying amount of approximately HK$12.1 million and HK$20.4 million respectively were pledged to a bank to secure the bank loans.

Commitments

As at 31 December 2009, the Group had an operating lease commitments for properties of the Group amounting to approximately HK$0.66 million (as at 31 July 2008: HK$2.6 million). Other than the aforementioned, there were no other material capital commitments as at 31 December 2009 (as at 31 July 2008: Nil).

Employees and remuneration policies

Remuneration of the staff comprised of monthly salary, provident fund contributions, medical claims, education allowances and discretionary options issued based on their contribution to the Group. Staff costs including Directors' remuneration for the financial period under review amounted to HK$10.7 million (year ended 31 July 2008: HK$12.1 million). The Group also engages professional consultants to ensure the competitiveness of the remuneration policy which, in turn, would support the business growth of the Group. As at 31 December 2009, The Group employed 75 full time employees (as at 31 July 2008: 75) and their remuneration is determined with reference to market rates.

DIRECTORS AND SENIOR MANAGEMENT

Directors

The Company has five Executive Directors, one Non-executive Director and three Independent Non-executive Directors. Their details are set out below:

Executive Directors

Mr. Wang Yinan ("Mr. Wang"), aged 52, joined the Group in October 2009. He is also the chairman of the Group. Mr. Wang has extensive experience in energy and finance businesses in the PRC, and is familiar with the policy making of the PRC Government. Mr. Wang graduated with a Master Degree in Economics from Jilin University（吉林大學）, one of the top ten universities in China according to the Chinese University Alumni Association.

Mr. Fung Wing Cheung, Tony ("Mr. Tony Fung"), aged 58, joined the Group in October 2009. Mr. Tony Fung has over 30 years of experience in the securities business, property development and investment in China and has extensive exposure in international finance, commodities, direct investment and fund management. He is also a director of Yu Ming Property Management Limited ("Yu Ming Property").

Mr. Fung Yiu Fai, Peter ("Mr. Peter Fung"), aged 63, joined the Group in October 2009. Mr. Peter Fung has almost 30 years of experience in investment banking and has extensive exposure in strategic investments in Hong Kong and South East Asia. Mr. Peter Fung received a Bachelor of Science degree from McGill University in 1969, and a Master of Science and Master of Business Administration degree from Northwestern University in 1971 and 1973 respectively. He is also a director of Yu Ming Property.

Mr. Leung King Yue, Alex ("Mr. Leung"), aged 33, joined the Group in July 2008. Mr. Leung holds a bachelor degree in Commerce specialising in Economics and Finance from the University of Melbourne in Australia and is a Chartered Financial Analyst of the United States of America. Mr. Leung started his career in investment banking with Yu Ming Investment Management Limited ("Yu Ming') in 2000 focusing on private equity projects, corporate finance advisory, merger and acquisition transactions and listed equities. Mr. Leung then joined JK Capital Management Limited, a then sister company of Yu Ming, in 2003 as a portfolio manager specialising in investments in global high yield fixed income securities and listed Chinese equities. He is licensed by the SFC to carry out securities advisory, corporate finance advisory and asset management activities. He is currently a Responsible Officer of both JK Capital Management Limited and Asian Asset Management Limited. Mr. Leung is also an executive director of Mastermind Capital Limited ("Mastermind") (Stock Code: 905) and an independent non-executive director of First Natural Foods Holdings Limited (Provisional Liquidators Appointed) ("First Natural Food") (Stock Code: 1076) since 9 March 2007 and 17 December 2008 respectively.

Ms. Lam Wing Ah ("Ms. Fanny Lam"), aged 29, joined the Group in July 2008. She holds a bachelor degree in Business Administration from the Chinese University of Hong Kong and a bachelor degree of Laws from the University of London. Ms. Fanny Lam is also a director of Yu Ming Property, responsible for the operation and management of properties held by Yu Ming Property.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Director

Miss Fung Yee Kei, Kay ("Miss Fung"), aged 32, joined the Group in October 2009. Miss Fung holds a Bachelor of Arts degree majoring in Psychology from York University, Canada. In 2007, she obtained another degree in Bachelor of Laws (LLB) from the University of London.

Independent Non-executive Directors

Mr. Chee Man Sang, Eric ("Mr. Chee"), aged 48, joined the Group in February 2009. Mr. Chee is a practising Certified Public Accountant in Hong Kong and a senior partner of Chan Chee Cheng & Co., a firm of certified public accountants. Mr. Chee holds a Bachelor Degree in Commerce (majoring in Accounting) from Birmingham University. He had worked in two international accounting firms in Canada and Hong Kong. Mr. Chee is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada.

Mr. Chee was appointed as an independent non-executive director of Hop Fung Group Holdings Limited (Stock Code: 2320) and Mastermind (Stock Code: 905) on 4th September 2003 and 9 March 2007 respectively, both of the companies are listed on the Stock Exchange.

Ms. Lam Tak Yee ("Ms. Lam"), aged 34, joined the Group in February 2009, Ms. Lam was the strategic and corporate director of I.T. Limited (Stock Code: 999) responsible for strategic and financial planning and corporate development. Prior to joining I.T. Limited, she was in investment banking for almost 10 years, handling mergers and acquisitions, new listing and corporate finance activities. Ms. Lam graduated from The Hong Kong University of Science and Technology with first class honours in Bachelor's degree of Business Administration (Finance) in May 1997. She is also a Chartered Financial Analyst since September 2000.

Ms. Lam has been an independent non-executive director of SHK Hong Kong Industries Limited (Stock Code: 666), a company listed on the Main Board of the Stock Exchange, since 23 May, 2008.

Mr. Tang Chi Chung, Matthew ("Mr. Tang"), aged 49, joined the Group in February 2009. Mr. Tang has 20 years of extensive experience in fresh produce marketing. He started his career in fresh produce business as a business development manager of Polly Peck International (Hong Kong) Limited, the then shareholder of Del Monte Fresh Produce (HK) Limited. Between 1992 and 2002, Mr. Tang worked for a number of fresh produce marketing companies, including the position of general manager of Fresh Produce Department of Dah Chong Hong, Limited, and business development director of Del Monte Fresh Produce (HK) Limited. Since 2002, He worked for Linkage Holdings Limited developing fresh fruits and vegetables business in the People's Republic of China and overseas. Mr. Tang is also an independent non-executive director of First Natural Food (Stock Code: 1076) since 19 December 2008.

Senior Management

Chief Financial Officer

Mr. Chan Sze Chung, Anthony ("Mr. Chan"), aged 40, joined the Group in December 2009. Mr. Chan is responsible for financial, human resources and administration matters. Prior to joining the Group, he has been employed with Deloitte Touche Tohmatsu and was appointed as Chief Financial Officer of Nam Tai Electronic and Electrical Products Limited, a company was listed on the Main Board of the Stock Exchange. Mr. Chan is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a member of American Institute of Certified Public Accountants. In addition, he is a Chartered Financial Analyst in the United States.

Company Secretary

Mr. Ma Man Pong ("Mr. Ma"), aged 39, joined the Group in July 2008. Mr. Ma is a member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Ma holds a bachelor degree of Business majoring in banking and finance from the University of South Australia.

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 17 to the financial statements.

RESULTS AND DIVIDENDS

The Group's loss for the period ended 31 December 2009 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 24 to 101.

The directors do not recommend the payment of any dividend for the period ended 31 December 2009.

CHARITABLE DONATIONS

Donations made by the Group during the period was Nil (year ended 31 July 2008: HK$27,019).

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 17 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Company and the Group during the period are set out in note 15 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of changes in the Company's share capital and share options during the period, together with the reasons thereof, are set out in notes 32 and 33 to the financial statements respectively.

PRE-EMPTIVE RIGHTS

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

PURCHASE , REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period ended 31 December 2009.

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the four financial years ended from 31 July 2005 to 31 July 2008 and 17 months period ended 31 December 2009 is set out on page 102 of the annual report.

RESERVES

Details of movements in the reserves of the Company and the Group during the period are set out in note 34(b) to the financial statements and in the consolidated statement of changes in equity on page 32 respectively.

DISTRIBUTABLE RESERVES

At 31 December 2009, the Company's reserves available for distribution to shareholders comprising share premium account less accumulated losses, amounted to approximately HK$216,930,000.

DIRECTORS' REPORT

MAJOR CUSTOMERS AND SUPPLIERS

In the period under review, sales to the Group's five largest customers accounted for approximately 65% of the sales for the period and sales to the largest customer included therein accounted for approximately 25% of sales.

Purchases from the Group's five largest suppliers accounted for approximately 59% purchases for the year and purchases from the largest supplier included therein accounted for approximately 15% of purchases.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

DIRECTORS

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

Executive directors:

Mr. Leung King Yue, Alex	
Ms. Lam Wing Ah	
Mr. Wang Yinan *(Chairman)*	(appointed on 21 October 2009)
Mr. Fung Wing Cheung, Tony	(appointed on 21 October 2009)
Mr. Fung Yiu Fai, Peter	(appointed on 21 October 2009)
Ms. Kuo Kwan	(resigned on 14 September 2008)
Ms. Chung Wai Han	(resigned on 21 October 2009)
Mr. Leong Chi Wai	(resigned on 21 October 2009)
Mr. Ma Man Pong	(resigned on 21 October 2009)

Non-executive director:

Miss Fung Yee Kei, Kay	(appointed on 21 October 2009)
Ms. Cheng Kit Yin, Kelly	(resigned on 21 October 2009)

Independent non-executive directors:

Mr. Chee Man Sang, Eric	(appointed on 18 February 2009)
Ms. Lam Tak Yee	(appointed on 18 February 2009)
Mr. Tang Chi Chung, Matthew	(appointed on 18 February 2009)
Dr. Lau Lap Ping	(resigned on 18 February 2009)
Mr. Man Kong Yui	(resigned on 18 February 2009)
Mr. Yeung Chi Hung	(resigned on 18 February 2009)

The terms of office of each director are subject to retirement by rotation in accordance with the Company's Articles of Association.

At the forthcoming Annual General Meeting, Ms. Lam Wing Ah will retire as director by rotation and, being eligible, offers herself for re-election in accordance with Articles 108(A) and 108(B). Mr. Wang Yinan, Mr. Fung Wing Cheung, Tony, Mr. Fung Yiu Fai, Peter, Miss Fung Yee Kei, Kay, Mr. Chee Man Sang, Eric, Ms. Lam Tak Yee, and Mr. Tang Chi Chung, Matthew will retire and, being eligible, offer themselves for re-election in accordance with Article 112.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 9 to 10 of the annual report.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the period.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION

As at 31 December 2009, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which are notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange, were as follows:

Long positions

Name of directors	Note	Capacity	Personal interests	Corporate interests	Number of share options held	Total interests	% of total relevant issued shares held as at 31 December 2009
Wang Yinan		Beneficial owner	–	–	70,000,000	70,000,000	2.11%
Fung Wing Cheung, Tony	1	Interest in controlled corporation	–	1,075,532,204	–	1,075,532,204	32.48%
Leung King Yue, Alex		Beneficial owner	–	–	20,000,000	20,000,000	0.60%
Lam Wing Ah		Beneficial owner	10,000,000	–	10,000,000	20,000,000	0.60%
Fung Yee Kei, Kay	1	Interest in controlled corporation	–	1,075,532,204	–	1,075,532,204	32.48%

Save as disclosed above, as at 31 December 2009, none of the directors of the Company has any interest and short positions in the shares, equity derivatives, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they are deemed or taken to have under such provisions of the SFO, or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

Note:

1. Blue Bright Limited ("Blue Bright") is the registered holder of the shares of the Company (the "Shares"), and is a 85% owned subsidiary of Well Harvest Properties Limited ("Well Harvest"). 60% of the issued share capital of Well Harvest is owned by Mr. FUNG Wing Cheung, Tony. 40% of the issued share capital of Well Harvest is owned by Fairmate Investment Limited ("Fairmate") and Fairmate is a wholly-owned subsidiary of Axenia Holdings (PTC) Limited ("Axenia"). 50% of the issued share capital of Axenia is owned by Miss Fung Yee Kei, Kay.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option scheme disclosures in note 33 to the financial statements, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2009, so far as is known to any Directors or chief executive of the Company, other than the interests and short positions in shares and underlying shares of the Directors or chief executives of the Company as disclosed above, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Name of shareholders	**Notes**	**Number of Shares** *(Note 1)*	**Percentage of the issued share capital**
Blue Bright	2, 8	1,075,532,204	32.48
Well Harvest	2, 9	1,075,532,204	32.48
Fairmate	3, 10	1,075,532,204	32.48
Axenia	3, 10	1,075,532,204	32.48
Fung Yee Ling, Lynn ("Lynn Fung")	4	1,075,532,204	32.48
Leung's Holdings Limited ("Leung's Holdings")	5	950,000,000	28.68
Leung Hin Ting	6	950,000,000	28.68
Tang Yuk Yee	7	950,000,000	28.68

Notes:

1. This represents the number of Shares over which the Shareholders, directly or indirectly, exercise control.

2. Blue Bright is the registered holder of the Shares, and is a 85% owned subsidiary of Well Harvest.

3. 40% of the issued share capital of Well Harvest is owned by Fairmate and Fairmate is a wholly-owned subsidiary of Axenia.

4. 50% of the issued share capital of Axenia is owned by Ms. Lynn Fung.

5. Leung's Holdings is the registered holder of the Shares.

6. 40% of the issued share capital of Leung's Holdings is owned by Mr. Leung Hin Ting. Ms. Tang Yuk Yee is the spouse of Mr. Leung Hin Ting.

7. 40% of the issued share capital of Leung's Holdings is owned by Ms. Tang Yuk Yee. Mr. Leung Hin Ting is the spouse of Ms. Tang Yuk Yee.

8. Each of these Directors namely, Mr. Fung Wing Cheung, Tony, Mr. Fung Yiu Fai, Peter, Mr. Leung King Yue, Alex and Ms. Lam Wing Ah is also a director of Blue Bright.

9. Each of these Directors namely, Mr. Fung Wing Cheung, Tony, Mr. Fung Yiu Fai, Peter, and Ms. Lam Wing Ah is also a director of Well Harvest.

10. Each of these Directors namely, Mr. Fung Yiu Fai, Peter and Miss Fung Yee Kei, Kay is also a director of Fairmate and Axenia respectively.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' and Chief Executives' interests and short positions in shares, underlying shares and debentures of the Company and associated corporation" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

GROUP'S EMOLUMENT POLICY

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

The emoluments of the directors of the Company are approved by the board of directors, 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 are set out in note 33 to the consolidated financial statements.

DIRECTORS' REPORT

CONNECTED AND RELATED PARTY TRANSACTIONS

Details of the disclosable related party transactions of the Group are set out in note 39 to the financial statements.

CORPORATE GOVERNANCE

A report on the principal corporate governance practice adopted by the Company is set out in pages 17 to 21 of the annual report.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

For the period ended 31 December 2009, the directors are not aware of any business or interest of the directors, the management shareholders and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best of the Directors' knowledge, as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the GEM Listing Rules.

AUDITOR

A resolution for the re-appointment of Grant Thornton as the auditors of the Company for the ensuring year will be proposed at the forthcoming annual general meeting. During the period, Shu Lun Pan Horwath Hong Kong CPA Limited resigned as the auditors of the Company and Grant Thornton were appointed by the directors to fill the casual vacancy. There have been no other changes of auditors in the past three years.

By Order of the Board

Ma Man Pong
Secretary

Hong Kong, 19 March 2010

CORPORATE GOVERNANCE PRACTICES

Throughout the financial period ended 31 December 2009, the Group had complied with the code provisions in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules (the "CG Code"), except for the deviation to Code Provision A.4.1 as explained in this report. The board of Directors (the "Board") has continued to monitor and review the Group's progress in respect of corporate governance practices to ensure compliance.

MODE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 (where applicable) of the GEM Listing Rules as the code for dealing in securities of the Company by the Directors (the "Code").

The Company has made specific enquiry of all Directors of the Company, and the Directors have confirmed compliance with the Code during the period ended 31 December 2009.

Specific employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with the same Code. No incident of non-compliance was noted by the Company for the period ended 31 December 2009.

BOARD OF DIRECTORS

The Company is governed by the Board, which has the responsibility for leadership and control of the Company. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board set strategies and directions for the Group's affairs and activities with a view to develop its business and to enhance shareholders value.

The Board currently comprises of five Executive Directors, one Non-executive Director and three Independent Non-executive Directors and all Directors had served during the period ended 31 December 2009.

CORPORATE GOVERNANCE REPORT

The Board met 10 times during the period ended 31 December 2009. Its composition and the attendance of individual directors at these board meetings were as follows:

Name		Number of attendance	
Executive Directors			
Mr. Leung King Yue, Alex		7/10	70%
Ms. Lam Wing Ah		9/10	90%
Mr. Wang Yinan (Chairman)	(appointed on 21 October 2009)	0/1	0%
Mr. Fung Wing Cheung, Tony	(appointed on 21 October 2009)	0/1	0%
Mr. Fung Yiu Fai, Peter	(appointed on 21 October 2009)	0/1	0%
Ms. Kuo Kwan	(resigned on 14 September 2008)	–	–
Ms. Chung Wai Han	(resigned on 21 October 2009)	9/9	100%
Mr. Leong Chi Wai	(resigned on 21 October 2009)	3/9	33%
Mr. Ma Man Pong	(resigned on 21 October 2009)	9/9	100%
Non-executive Directors			
Miss Fung Yee Kei, Kay	(appointed on 21 October 2009)	1/1	100%
Ms. Cheng Kit Yin, Kelly	(resigned on 21 October 2009)	9/9	100%
Independent Non-executive Directors			
Mr. Chee Man Sang, Eric	(appointed on 18 February 2009)	4/6	67%
Ms. Lam Tak Yee	(appointed on 18 February 2009)	6/6	100%
Mr. Tang Chi Chung, Matthew	(appointed on 18 February 2009)	6/6	100%
Dr. Lau Lap Ping	(resigned on 18 February 2009)	2/4	50%
Mr. Man Kong Yui	(resigned on 18 February 2009)	3/4	75%
Mr. Yeung Chi Hung	(resigned on 18 February 2009)	4/4	100%
Average attendance rate			68%

In compliance with Rules 5.01 and 5.02 of the GEM Listing Rules, the Company has three Independent Non-executive Directors (the "INED(s)"), namely Mr. Chee Man Sang, Eric, Ms. Lam Tak Yee and Mr. Tang Chi Chung, Matthew. These INEDs help the management to formulate the Group's development strategies, ensure the Board prepares its financial and other mandatory reports in strict compliance with required standards, and ensure the Company maintains appropriate system to protect the interests of the Company and its shareholders. The Board has received the annual confirmation in respect of their independence from each of the INEDs, and believes that independence is in compliance with the GEM Listing Rules as at the date of this annual report.

The Board has established three committees: Nomination Committee, Remuneration Committee and Audit Committee. All of the committees have terms of reference which accord with the principles set out in the CG Code. More details of these committees are set out in separate sections in this report.

NON-EXECUTIVE DIRECTORS

The code provision A.4.1 of the CG Code states that Non-executive Directors should be appointed for specific terms, subject to re-election.

The Company has deviated from this provision in that all Non-executive Director and Independent Non-executive Directors are not appointed for specific terms. They are, however, subject to retirement by rotation at least once every three years as all Directors are subject to retirement by rotation in accordance with the Company's Articles of Association.

NOMINATION COMMITTEE

The Nomination Committee has 2 members, comprising Ms. Lam Tak Yee (Independent Non-executive Director) and Mr. Ma Man Pong. The Committee is chaired by Ms. Lam Tak Yee.

The terms of reference of the Nomination Committee have been determined with reference to the CG Code.

The Nomination Committee is responsible for identifying potential new directors and recommends to the Board for decision. A director appointed by the Board is subject to election by shareholders at the first annual general meeting after his appointment. Under the Articles, all directors are subject to retirement by rotation and re-election by shareholders every 3 years.

Potential new directors are selected on the basis of their qualifications, skill and experience which the Nomination Committee considers will make a positive contribution to the performance of the Board.

The nomination committee met 2 times during the period ended 31 December 2009 and all the members attended the meetings.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee on 1 August 2005 with written terms of reference. The Remuneration Committee has 3 members, comprising Mr. Tang Chi Chung, Matthew (Chairman of the Remuneration Committee), Mr. Chee Man Sang, Eric and Ms. Lam Tak Yee. The written terms of reference include the specific duties of making recommendations to the Board of the Company on the Company's policy and structure for all remuneration of directors and senior management, having the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management and making recommendations to the Board of the remuneration of non-executive directors.

The Remuneration Committee met 1 time during the period ended 31 December 2009 and all the members attended the meeting.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Company's Audit Committee was formed on 17 March 2000 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's internal control procedures and annual report, financial statements, half-year reports and quarterly reports and to provide advice and comments thereon to the board of Directors. The Audit Committee currently comprises three Independent Non-executive Directors, Mr. Chee Man Sang, Eric (Chairman of the Audit Committee), Ms. Lam Tak Yee and Mr. Tang Chi Chung, Matthew. The Audit Committee members have reviewed this Annual Report and has provided advice and comments thereon.

The Audit Committee held 6 meetings for the period ended 31 December 2009. Its composition and attendance of individual members at these Audit Committee meetings are as follows:

Members of the Audit Committee		**Number of attendance**	
Mr. Chee Man Sang, Eric	(appointed on 18 February 2009)	4/4	100%
Ms. Lam Tak Yee	(appointed on 18 February 2009)	4/4	100%
Mr. Tang Chi Chung, Matthew	(appointed on 18 February 2009)	4/4	100%
Dr. Lau Lap Ping	(resigned on 18 February 2009)	1/2	50%
Mr. Man Kong Yui	(resigned on 18 February 2009)	2/2	100%
Mr. Yeung Chi Hung	(resigned on 18 February 2009)	2/2	100%
Average attendance			92%

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the accounts of the Company. The Directors have prepared the financial statements on the assumption that the Group will continue as a going concern by taking into consideration that the holding company has agreed to provide adequate financial support to the Group to enable it to meet all its financial obligations as they fall due. The Directors are not aware of any other material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

The responsibilities of the external auditor about their financial reporting are set out in the Independent Auditors' Report on pages 22 and 23 of this report.

AUDITORS' REMUNERATION

During the period, remuneration paid/payable to auditors for audit services of the Group is approximately HK$320,000.

INTERNAL CONTROL

The Board is responsible for the maintenance of a sound and effective internal control system of the Group and has established the Group's internal control policies and procedures for monitoring the internal control system.

The internal control system of the Group is designed for the achievement of business objectives, safeguard assets against unauthorized use or disposition, ensure maintenance of proper books and records for the provision of reliable financial information for internal use or publication, and to ensure compliance with relevant legislations and regulations. The management and various departments conduct periodic self-assessment of the effectiveness of the internal control policies and procedures. Besides, the Board reviews at least annually the overall effectiveness of the Group's internal control system.

The Board is of the view that the Group's internal control system is effective to achieve the Group's internal control objectives and will continue to assess the effectiveness of internal controls by considering reviews performed by the Audit Committee, executive management and auditor.

SHAREHOLDERS RELATIONS

The Group is committed to maintaining a high level of transparency and employs a policy of open and timely disclosure of relevant information to its shareholders.

The Board strives to encourage and maintain constant dialogue with its shareholders through various means. The Directors host the annual general meeting each year to meet the shareholders and answer their enquiries. The Company also updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company has provided an effective communication platform to the public and the shareholders.

INDEPENDENT AUDITORS' REPORT

Grant Thornton
均富

Member of Grant Thornton International Ltd

To the members of Coolpoint Energy Limited
(formerly known as GreaterChina Technology Group Limited)
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Coolpoint Energy Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 24 to 101, which comprise the consolidated and company statements of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 1 August 2008 to 31 December 2009, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the Group's loss and cash flows for the period from 1 August 2008 to 31 December 2009 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Grant Thornton
Certified Public Accountants

6th Floor, Nexxus Building
41 Connaught Road Central
Hong Kong
19 March 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 August 2008 to 31 December 2009

	Notes	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Revenue	6	10,887	11,799
Cost of sales		(6,331)	(5,900)
Gross profit		4,556	5,899
Other income	7	11,462	1,860
Selling, administrative and other operating expenses		(67,280)	(37,841)
Finance costs	8	(1,384)	(439)
Loss before income tax	9	(52,646)	(30,521)
Income tax expense	10	–	–
Loss for the period/year		(52,646)	(30,521)
Other comprehensive income			
Release of translation reserve upon disposal of a subsidiary		(12,588)	–
Exchange (loss)/gain on translation of financial statements of foreign operations		(387)	6,645
Other comprehensive income for the period/year		(12,975)	6,645
Total comprehensive income for the period/year		(65,621)	(23,876)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 August 2008 to 31 December 2009

	Notes	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Loss for the period/year attributable to:			
Owners of the Company	11	(52,006)	(30,521)
Minority interest		(640)	–
		(52,646)	(30,521)
Total comprehensive income attributable to:			
Owners of the Company		(64,981)	(23,876)
Minority interest		(640)	–
		(65,621)	(23,876)
Loss per share for loss attributable to the owners of the Company during the period/year	12		
– Basic (HK cents)		(2.18)	(1.49)
– Diluted (HK cents)		N/A	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	31 December 2009 HK$'000	31 July 2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	10,419	52,014
Land use rights	16	5,172	29,225
Goodwill	18	188,434	–
Other intangible assets	19	6	1,797
Available-for-sale investments	20	–	194
		204,031	83,230
Current assets			
Inventories	21	5,765	3,774
Trade receivables	22	489	2,310
Other receivables, deposits and prepayments	23	818	1,122
Held-to-maturity securities	24	–	394
Cash and cash equivalents	25	35,658	230
		42,730	7,830

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	31 December 2009 HK$'000	31 July 2008 HK$'000
Current liabilities			
Trade payables	26	(74)	(712)
Other payables and accruals	26	(1,318)	(3,813)
Receipts in advance		(280)	(1,398)
Other tax payables		–	(646)
Amount due to a former director	27	–	(2,166)
Amount due to former ultimate holding company	27	–	(978)
Obligations under finance lease	28	–	(179)
Borrowings	29	–	(5,704)
Amount due to a minority shareholder	30	(3,634)	–
		(5,306)	(15,596)
Net current assets/(liabilities)		37,424	(7,766)
Total assets less current liabilities		241,455	75,464
Non-current liability			
Obligations under finance lease	28	–	(63)
Net assets		241,455	75,401
EQUITY			
Share capital	32	33,119	20,427
Reserves	34(a)	204,480	54,974
Equity attributable to Company's owners		237,599	75,401
Minority interest		3,856	–
Total equity		241,455	75,401

Director

Director

STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	31 December 2009 HK$'000	31 July 2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	6	9
Interests in subsidiaries	17	–	–
		6	9
Current assets			
Amounts due from subsidiaries	17	270,720	80,673
Other receivables, deposits and prepayments	23	234	67
Held-to-maturity securities	24	–	394
Cash and cash equivalents	25	35,261	32
		306,215	81,166
Current liabilities			
Other payables and accruals	26	(481)	(1,936)
Amount due to a subsidiary	17	(43,078)	–
Amount due to a former director	27	–	(2,166)
Amount due to former ultimate holding company	27	–	(978)
		(43,559)	(5,080)
Net current assets		262,656	76,086
Net assets		262,662	76,095
EQUITY			
Share capital	32	33,119	20,427
Reserves	34(b)	229,543	55,668
Total equity		262,662	76,095

Director

Director

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 1 August 2008 to 31 December 2009

	Notes	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Cash flows from operating activities			
Loss before income tax		(52,646)	(30,521)
Adjustments for:			
Depreciation on property, plant and equipment	9	5,660	6,286
Provision for slow moving inventories	9	3,057	524
Impairment loss on other intangible assets	9	1,282	430
Impairment loss on construction in progress	9	–	4,000
Impairment loss on land use rights	9	9,572	–
Impairment loss on buildings	9	18,724	–
Amortisation of other intangible assets	9	477	677
Amortisation of land use rights	9	720	681
Equity settled share-based payment expenses	9	9,021	4,525
Bank interest income	7	(2)	(24)
Interest expense	8	1,384	439
Write back of other payables	7	(584)	(856)
Reversal of provision for impairment of trade receivables	9	–	(8)
Write back of provision for other receivables	9	–	(923)
Provision for impairment of trade receivables recognised	9	123	95
Gain on disposal of a subsidiary	7	(10,744)	–
Loss on disposal of held-to-maturity securities	9	125	–
Impairment loss on held-to-maturity securities	9	–	386
Impairment loss on available-for-sale investments	9	194	–
Written off of construction in progress	9	–	437
Gain on disposal of property, plant and equipment	7	(58)	–
Written off of property, plant and equipment	9	395	3
Gain on trading of securities		–	(14)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 1 August 2008 to 31 December 2009

	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Operating loss before working capital changes	(13,300)	(13,863)
Increase in inventories	(1,061)	(4)
Decrease in trade receivables	1,495	1,795
Decrease in other receivables, deposits and prepayments	397	4,689
Increase/(Decrease) in trade payables	222	(394)
(Decrease)/Increase in other payables and accruals	(1,616)	815
(Decrease)/Increase in other tax payables	(430)	537
(Decrease)/Increase in receipts in advance	(217)	472
Increase in amount due to a minority shareholder	227	–
Effect of foreign exchange rate changes	–	(1,035)
Cash used in operations	(14,283)	(6,988)
Interest received	2	24
Net cash used in operating activities	(14,281)	(6,964)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 1 August 2008 to 31 December 2009

	Notes	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(287)	(18)
Proceeds from disposal of property, plant and equipment		261	–
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	41	(28,679)	–
Proceeds from disposal of a subsidiary, net of cash disposed	40.2	43,710	–
Proceeds from disposal of trading securities		–	14
Proceeds from disposal of held-to-maturity securities		269	–
Net cash generated from/(used in) investing activities		15,274	(4)
Cash flows from financing activities			
Proceeds from issuance of share capital (net of share issue expenses)		43,850	–
Proceeds from exercise of share options		920	183
(Decrease)/Increase in amount due to former ultimate holding company		(978)	978
(Decrease)/Increase in amount due to a former director		(2,166)	2,166
Repayment of finance lease obligations		(242)	(148)
Repayment of bank borrowings		(5,704)	–
Advances from a related company		13,922	–
Repayment of advances from a related company		(13,922)	–
Interest paid on other loans		(1,254)	–
Interest paid on bank borrowings		(113)	(409)
Interest paid on finance lease obligations		(17)	(30)
Net cash generated from financing activities		34,296	2,740
Net increase/(decrease) in cash and cash equivalents		35,289	(4,228)
Cash and cash equivalents at beginning of the period/year		230	4,384
Effect of foreign exchange rate changes, on cash held		139	74
Cash and cash equivalents at end of the period/year		35,658	230

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 August 2008 to 31 December 2009

	Attributable to owners of the Company						Minority interest	Total equity
	Share capital	Share premium*	Share option reserve*	Translation reserve*	Accumulated losses*	Total		
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 August 2008	20,427	399,251	4,525	12,990	(361,792)	75,401	–	75,401
Issue of share capital	3,000	42,000	–	–	–	45,000	–	45,000
Share issue expenses	–	(1,150)	–	–	–	(1,150)	–	(1,150)
Exercise of share options	100	1,538	(718)	–	–	920	–	920
Equity settled share-based payment	–	–	9,021	–	–	9,021	–	9,021
Lapse of share options	–	–	(215)	–	215	–	–	–
Acquisition of a subsidiary (Note 41)	9,592	163,796	–	–	–	173,388	4,496	177,884
Transactions with owners	12,692	206,184	8,088	–	215	227,179	4,496	231,675
Loss for the period	–	–	–	–	(52,006)	(52,006)	(640)	(52,646)
Other comprehensive income								
– Release of translation reserve upon disposal of a subsidiary	–	–	–	(12,588)	–	(12,588)	–	(12,588)
– Exchange loss on translation of financial statements of foreign operations	–	–	–	(387)	–	(387)	–	(387)
Total comprehensive income for the period	–	–	–	(12,975)	(52,006)	(64,981)	(640)	(65,621)
Balance at 31 December 2009	33,119	605,435	12,613	15	(413,583)	237,599	3,856	241,455

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 August 2008 to 31 December 2009

	Attributable to owners of the Company					
	Share capital HK$'000	Share premium* HK$'000	Share option reserve* HK$'000	Translation reserve* HK$'000	Accumulated losses* HK$'000	Total HK$'000
Balance at 1 August 2007	20,389	399,095	97	6,345	(331,357)	94,569
Equity settled share-based payment	–	–	4,525	–	–	4,525
Cancellation of share options	–	–	(86)	–	86	–
Exercise of share options	38	156	(11)	–	–	183
Transactions with owners	38	156	4,428	–	86	4,708
Loss for the year	–	–	–	–	(30,521)	(30,521)
Other comprehensive income						
– Exchange gain on translation of financial statements of foreign operations	-	-	-	6,645	-	6,645
Total comprehensive income for the year	–	–	–	6,645	(30,521)	(23,876)
Balance at 31 July 2008	20,427	399,251	4,525	12,990	(361,792)	75,401

* These reserve accounts comprise the consolidated reserves of approximately HK$204,480,000 (31 July 2008: HK$54,974,000) in the consolidated statement of financial position as at 31 December 2009.

NOTES TO THE FINANCIAL STATEMENTS

For the Period From 1 August 2008 To 31 December 2009

1. GENERAL INFORMATION

Coolpoint Energy Limited (the "Company") is a limited liability company incorporated in the Caymans Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business is 5th Floor, Goldsland Building, 22-26 Minden Avenue, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on The Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company changed its financial year end date from 31 July to 31 December. In consequence, the comparative figures for the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes to the financial statements were not directly comparable.

Pursuant to the special resolution passed on 12 August 2009, the Company changed its name from "GreaterChina Technology Group Limited" to "Coolpoint Energy Limited" with effect from 13 August 2009.

The Company is an investment holding company. The principal activities and other particulars of its subsidiaries are set out in Note 17. The Company and its subsidiaries are referred to as the "Group" hereafter.

The financial statements for the period from 1 August 2008 to 31 December 2009 were approved for issue by the board of directors on 19 March 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements on pages 24 to 101 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in Note 3.

The financial statements have been prepared on the historical cost basis except for financial instruments classified as available-for-sale investments which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (see Note 2.3 below) made up to 31 December.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Minority interest represents the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Group and are not the Group's financial liabilities.

Minority interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Profit or loss attributable to the minority interests are presented separately in the consolidated statement of comprehensive income as an allocation of the Group's results. Where losses applicable to the minority exceeds the minority interests in the subsidiary's equity, the excess and further losses applicable to the minority are allocated against the minority interest to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. Otherwise, the losses are charged against the Group's interests. If the subsidiary subsequently reports profits, such profits are allocated to the minority interest only after the minority's share of losses previously absorbed by the Group has been recovered.

2.3 Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In consolidated financial statements, acquisition of subsidiaries (other than those under common control) is accounted for by applying the purchase method. This involves the estimation of fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation

The financial statements are presented in thousands of units of Hong Kong Dollars (HK$'000), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

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 and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into the Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 have been treated as assets and liabilities of the foreign operation and translated into Hong Kong dollars at the closing rates. Goodwill arising on the acquisitions of foreign operations before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on sale.

2.5 Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation on other assets is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	$2^1/_2$-5%
Leasehold improvements	Over the lease term
Machinery and office equipment	$7^1/_2$-$33^1/_3$%
Motor vehicles	9-25%
Furniture and fixtures	9-$33^1/_3$%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any revaluation surplus remaining in equity is transferred to retained earnings on the disposal of land and building.

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

2.6 Leasehold land and land use rights

Upfront payments made to acquire land held under an operating lease are stated at costs less accumulated amortisation and any accumulated impairment losses. The determination if an arrangement is or contains a lease and the lease is an operating lease is detailed in Note 2.13. Amortisation is calculated on a straight line basis over the term of the lease/right of use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

2.7 Goodwill

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary.

Goodwill represents the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The cost of the business combination is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, plus any costs directly attributable to the business combination.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see Note 2.17).

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in profit or loss.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal. Goodwill relating to business combinations or investments in associates or jointly controlled entities prior to 1 January 2001 continues to be held in reserves and will be charged to the retained profits at the time when the business, associate or jointly controlled entity to which the goodwill relates is disposed of or when a cash-generating unit to which goodwill relates becomes impaired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (other than goodwill)

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Trademarks	10 years
Intellectual properties	10-20 years

Intangible assets, with finite useful lives, are tested for impairment as described below in Note 2.17.

2.9 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries are set out below.

Financial assets are classified into the following categories:

– held-to-maturity securities
– loans and receivables
– available-for-sale investments

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(i) Held-to-maturity securities

Held-to-maturity securities are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity securities are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(iii) Available-for-sale investments

Non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets are classified as available-for-sale investments.

All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised in other comprehensive income and accumulated separately in the available-for-sale investments revaluation reserve in equity, except for impairment losses and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss is reclassified from equity to profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

For available-for-sale investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each reporting date subsequent to initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

– Significant financial difficulty of the debtor;
– A breach of contract, such as a default or delinquency in interest or principal payments;
– It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
– Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
– A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If any such evidence exists, the impairment loss is measured and recognised as follows:

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity securities carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Available-for-sale investments

When a decline in the fair value of an available-for-sale investments has been recognised in other comprehensive income and accumulated in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as an impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Reversals in respect of investment in equity instruments classified as available-for-sale and stated at fair value are not recognised in the profit or loss. The subsequent increase in fair value is recognised in other comprehensive income. Impairment losses in respect of debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversal of impairment losses in such circumstances are recognised in profit or loss.

(iii) Financial assets carried at cost

The amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Financial assets other than financial assets at fair value through profit or loss and trade receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

Impairment losses recognised in an interim period in respect of available for sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. Consequently, if the fair value of an available for sale equity security increases in the remainder of an annual period, or in a subsequent period, the increase is recognised in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

(i) Air-conditioners and ventilation systems
Cost is determined using the first-in, first-out method, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads.

(ii) Herbal products and western medicine products
Cost is determined using the standard costing method, and in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

2.12 Financial liabilities

The Group's financial liabilities include trade payables, other payables and accruals, amounts due to former ultimate holding company and a former director, obligations under finance lease, borrowings and amount due to a minority shareholder.

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2.22).

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Finance lease liabilities
Finance lease liabilities are measured at initial value less the capital element of lease repayments (see Note 2.13).

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial liabilities (Continued)

Other financial liabilities

Trade payables, other payables and accruals, amounts due to former ultimate holding company and a former director and amounts due to a minority shareholder and a subsidiary are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2.13 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments of such assets, are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligation under finance leases.

Subsequent accounting for assets held under finance lease agreements corresponds to those applied to comparable acquired assets. The corresponding finance lease liability is reduced by lease payments less finance charges.

Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges as the lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to the statement of comprehensive income on a straight line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Provisions and contingent liabilities

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

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisaton, if appropriate.

2.15 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Portal development and information technology advisory and consultation income is recognised when the services are provided.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Impairment of non-financial assets

The following assets are subject to impairment testing:

- Goodwill arising on acquisition of a subsidiary;
- Other intangible assets;
- Property, plant and equipment;
- Land use rights; and
- The Company's interests in subsidiaries

Goodwill is tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the People's Republic of China (the "PRC") are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans is limited to the fixed percentage contributions payable.

Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.19 Share-based payment

All share-based payment arrangements granted after 7 November 2002 and had not vested on 1 January 2005 are recognised in the financial statements. The Group operates equity settled share-based compensation plans for remuneration of its directors, employees and consultants.

All services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the share option reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or

    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

- Herbal products – trading of Chinese herbal products
- Advisory services – provision of portal development and information technology advisory and consultation services
- Western medicine products – manufacturing and sale of western medicine products
- Air-conditioners and ventilation systems – manufacturing and trading of air-conditioners and ventilation systems

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arms length prices.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- expenses related to share-based payment
- rental costs
- finance costs
- income tax
- corporate income and expenses which are not directly attributable to the business activities of any operating segment

are not included in arriving at the operating results of the operating segment.

Segment assets are all operating assets that are employed by a segment in its operating activities and that either directly attributable to the segment or can be allocated to the segment on a reasonable basis. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter. Segment assets include property, plant and equipment, land use rights, goodwill, other intangible assets, inventories and trade receivables.

Segment liabilities are all operating liabilities that are employed by a segment in its operating activities and that either directly attributable to the segment or can be allocated to the segment on a reasonable basis. In addition, corporate liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter. Segment liabilities include trade payables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.23 Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

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

3. ADOPTION OF NEW OR AMENDED HKFRSs

The HKICPA has issued a number of new or revised standards, amendments and interpretations (the "new HKFRSs") that are first effective or available for early adoption for the current period of the Group's consolidated financial statements:

HKAS 1 (Revised 2007) Presentation of financial statements

HKAS 23 (Revised 2007) Borrowing costs

HKAS 27 (Amendments) Cost of an investment in a subsidiary, jointly controlled entity or an associate

HKFRS 2 (Amendments) Share-based payment – vesting conditions and cancellations

HKFRS 7 (Amendments) Improving disclosures about financial instruments

HKFRS 8 Operating segments

Various – Annual improvements to HKFRSs 2008

Other than as noted below, the early adoption of the new HKFRSs had no material impact on how the results and financial positions for the current and prior periods have been prepared and presented.

HKAS 1 (Revised 2007) Presentation of financial statements

The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. A third statement of financial positions as at the beginning of the earliest comparative period is required when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements. It also gives rise to additional disclosures.

The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income, for example revaluation of property, plant and equipment. HKAS 1 affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. The Group has applied changes to its accounting polices on presentation of financial statements and segment reporting retrospectively. However, the changes to the comparatives have not affected the consolidated or company statement of financial position at 1 August 2007 and accordingly the third statement of financial position as at 1 August 2007 is not presented.

HKAS 27 (Amendments) Cost of an investment in a subsidiary, jointly controlled entity or an associate

The amendment requires the investor to recognise dividends from a subsidiary in profit or loss irrespective the distributions are out of the investee's pre-acquisition or post-acquisition reserves. In prior years, the Company recognised dividends out of pre-acquisition reserves as a recovery of its investment in the subsidiaries (i.e. a reduction of the cost of investment). Only dividends out of post-acquisition reserves were recognised as income in profit or loss.

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

HKAS 27 (Amendments) Cost of an investment in a subsidiary, jointly controlled entity or an associate (Continued)

Under the new accounting policy, if the dividend distribution is excessive, the investment would be tested for impairment according to the Company's accounting policy on impairment of non-financial assets.

The new accounting policy has been applied prospectively as required by these amendments to HKAS 27 and therefore no comparatives have been restated.

HKFRS 7 (Amendments) Improving disclosures about financial instruments

The amendments require additional disclosures for financial instruments which are measured at fair value in the statement of financial position. These fair value measurements are categorised into a three-level fair value hierachy, which reflects the extent of observable market data used in making the measurements. In addition, the maturity analysis for derivative financial liabilities is disclosed separately and should show remaining contractual maturities for those derivatives where this information is essential for an understanding of the timing of the cash flows. The Group has taken advantage of the transitional provisions in the amendments and has not provided comparative information in respect of the new requirements.

HKFRS 8 Operating segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns. The Group's primary reporting format was business segments. The application of HKFRS 8 has not reflected in a re-designation of the Group's reportable segments.

The Group has applied changes to its accounting polices on segment reporting retrospectively. However, the changes to the comparatives have not affected the consolidated or company statement of financial position at 1 August 2007 and accordingly the third statement of financial position as at 1 August 2007 is not presented.

New or amended HKFRSs that have been issued but are not yet effective

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's financial statements.

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

HKFRS 3 Business combinations (Revised 2008)

The standard is applicable in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard still requires the use of the purchase method (now renamed the acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interest) in the acquiree. The new standard is expected to have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009.

HKFRS 9 Financial instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The directors are currently assessing the possible impact of the new standard on the Group's results and financial positions in the first year of application.

HKAS 27 Consolidated and separate financial statements (Revised 2008)

The revised standard is effective for accounting periods beginning on or after 1 July 2009 and introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The directors do not expect the standard to have a material effect on the Group's financial statements.

Improvements to HKFRSs 2009

The HKICPA has issued Improvements to Hong Kong Financial Reporting Standards 2009. Most of the amendments become effective for annual periods beginning on or after 1 January 2010. The Group expects the amendment to HKAS 17 Leases to be relevant to the Group's accounting policies. Prior to the amendment, HKAS 17 generally required a lease of land to be classified as an operating lease. The amendment requires a lease of land to be classified as an operating or finance lease in accordance with the general principles in HKAS 17. The Group will need to reassess the classification of its unexpired leases of land at 1 January 2010 on the basis of information existing at the inception of those leases in accordance with the transitional provisions for the amendment. The amendment will apply retrospectively except where the necessary information is not available. In that situation, the leases will be assessed on the date when the amendment is adopted. The directors are currently assessing the possible impact of the amendment on the Group's results and financial positions in the first year of application.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.17. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates about future cash flows expected to be arose from the cash generating unit, the timeframe for the cash flow forecast and the suitable discount rates in order to calculate the present value. In the process of estimating expected future cash flows, management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. Details of the estimates of the recoverable amounts of cash generating units containing goodwill are disclosed in note 18.

Based on the Group's assessment there is no requirement to provide for any impairment in value of goodwill. The carrying amount of goodwill as at 31 December 2009 was approximately HK$188,434,000 (31 July 2008: Nil).

(ii) Depreciation

The Group's management exercises its judgement in estimating the useful lives of the depreciable assets. The estimated useful lives reflect the management's estimate of the periods the Group intends to derive future economic benefits from the use of these assets.

The Group depreciates the property, plant and equipment in accordance with the accounting policies stated in Note 2.5. The carrying amount of property, plant and equipment is disclosed in Note 15.

(iii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and applicable selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. The Group's management will reassess the estimations at the reporting date.

(iv) Estimated impairment on receivables

The Group's management assesses the collectability of receivables. This estimate is based on the credit history of the Group's receivables and the current market condition. Impairment on receivables is made based on the estimation of the future cash flow expected to arise and the original effective interest rate in order to calculate the present value. The Group's management determines impairment of its receivables on a regular basis and reassesses the impairment of receivables at the reporting date.

5. SEGMENT INFORMATION

(a) Analysis by operating segments

The executive directors have identified the Group's four product and service lines as operating segments as further described in Note 2.21. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

For the period from 1 August 2008 to 31 December 2009

	Herbal products HK$'000	Advisory services HK$'000	Western medicine products HK$'000	Air-conditioners and ventilation systems HK$'000	Total HK$'000
Revenue from external customers					
Reportable segment revenue	1,058	–	8,749	1,080	10,887
Reportable segment loss	(1,064)	(117)	(31,959)	(1,780)	(34,920)
Depreciation of property, plant and equipment	–	(117)	(5,044)	(360)	(5,521)
Amortisation of land use rights	–	–	(654)	(66)	(720)
Amortisation of other intangible assets	–	–	(471)	(6)	(477)
Provision for impairment of trade receivables recognised	(123)	–	–	–	(123)
Impairment loss on					
– other intangible assets	–	–	(1,282)	–	(1,282)
– buildings	–	–	(18,724)	–	(18,724)
– land use rights	–	–	(9,572)	–	(9,572)
Provision for slow moving inventories	(1,562)	–	–	(1,495)	(3,057)
Reportable segment assets					
– property, plant and equipment	–	–	–	10,170	10,170
– land use rights	–	–	–	5,172	5,172
– goodwill	–	–	–	188,434	188,434
– other intangible assets	–	–	–	6	6
– inventories	–	–	–	5,765	5,765
– trade receivables	11	–	–	478	489
Reportable segment liabilities					
– trade payables	–	–	–	74	74

5. SEGMENT INFORMATION (Continued)

(a) Analysis by operating segments (Continued)

For the year ended 31 July 2008

	Herbal products HK$'000	Advisory services HK$'000	Western medicine products HK$'000	Total HK$'000
Revenue from external customers				
Reportable segment revenue	4,378	1	7,420	11,799
Reportable segment profit/(loss)	2,671	(349)	(5,390)	(3,068)
Depreciation of property, plant and equipment	(180)	(350)	(5,593)	(6,123)
Amortisation of land use rights	–	–	(681)	(681)
Amortisation of other intangible assets	–	–	(677)	(677)
Provision for impairment of trade receivables recognised	(95)	–	–	(95)
Impairment loss on				
– other intangible assets	–	–	(430)	(430)
Provision for slow moving inventories	–	–	(524)	(524)
Written off of construction in progress	–	–	(437)	(437)
Reportable segment assets				
– property, plant and equipment	–	512	51,190	51,702
– land use rights	–	–	29,225	29,225
– other intangible assets	–	–	1,797	1,797
– inventories	1,670	–	2,104	3,774
– trade receivables	915	–	1,395	2,310
Reportable segment liabilities				
– trade payables	17	–	695	712

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

5. SEGMENT INFORMATION (Continued)

(a) Analysis by operating segments (Continued)

	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Reportable segment revenue and Group revenue	10,887	11,799
Reportable segment loss	(34,920)	(3,068)
Rental cost	(706)	(1,740)
Share-based payment expenses	(9,021)	(4,525)
Unallocated corporate income	13,306	1,860
Unallocated corporate expenses	(19,921)	(22,609)
Finance costs	(1,384)	(439)
Loss before income tax	(52,646)	(30,521)

	31 December 2009 HK$'000	31 July 2008 HK$'000
Reportable segment assets (a)	210,036	88,808
Other corporate assets	36,725	2,252
Group assets	246,761	91,060

	31 December 2009 HK$'000	31 July 2008 HK$'000
Reportable segment liabilities	(74)	(712)
Other corporate liabilities	(5,232)	(14,947)
Group liabilities	(5,306)	(15,659)

(a) Included the carrying amount of goodwill of approximately HK$188,434,000 (31 July 2008: Nil).

5. SEGMENT INFORMATION (Continued)

(b) Geographical information

The Group's revenues from external customers and its non-current assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000	31 December 2009 HK$'000	31 July 2008 HK$'000
Hong Kong (domicile)	1,493	4,379	271	1,018
Mainland China	9,394	7,420	*203,760	82,212
Total	10,887	11,799	204,031	83,230

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the asset.

* Included the carrying amount of goodwill of approximately HK$188,434,000 (31 July 2008: Nil)

6. REVENUE

The Group's principal activities are disclosed in Note 1 to these financial statements. Turnover of the Group is the revenue from these activities.

Revenue from the Group's principal activities recognised during the period/year is as follows:

	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Sales of herbal products	1,058	4,378
Sales of western medicine products	8,749	7,420
Sales of air-conditioners and ventilation systems	1,080	–
Rendering of services	–	1
Total	10,887	11,799

7. OTHER INCOME

	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Other revenue		
Bank interest income	2	24
Write back of other payables	584	856
Others	60	49
	646	929
Other net income		
Net exchange gain	14	931
Gain on disposal of a subsidiary (Note 40.2)	10,744	–
Gain on disposal of property, plant and equipment	58	–
	10,816	931
	11,462	1,860

8. FINANCE COSTS

	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Interest charges on:		
Other loans (Note 39(a)(i)&(ii))	1,254	–
Bank borrowings – wholly repayable within five years	113	409
Finance charges on obligations under finance lease	17	30
	1,384	439

9. LOSS BEFORE INCOME TAX

	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Loss before income tax is arrived at after charging/(crediting):		
Minimum lease payment under operating leases charges on properties	706	1,740
Cost of inventories recognised as an expense	6,331	5,900
Depreciation on owned assets	5,660	6,152
Depreciation on leased assets	–	134
Amortisation of		
– land use rights	720	681
– other intangible assets	477	677
Provision for impairment of trade receivables recognised	123	95
Provision for slow moving inventories	3,057	524
Auditors' remuneration	282	520
Reversal of provision for impairment of trade receivables	–	(8)
Write back of provision for other receivables	–	(923)
Written off of property, plant and equipment	395	3
Loss on deregistration of subsidiaries	44	4
Written off of construction in progress	–	437
Loss on disposal of held-to-maturity securities	125	–
Impairment loss on construction in progress	–	4,000
Impairment loss on other intangible assets	1,282	430
Impairment loss on held-to-maturity securities	–	386
Impairment loss on buildings	18,724	–
Impairment loss on land use rights	9,572	–
Impairment loss on available-for-sales investments	194	–
Equity settled share-based payment expenses	9,021	4,525

10. INCOME TAX EXPENSE

No Hong Kong profits tax or the PRC corporate income tax have been provided in the financial statements as the Group had no estimated assessable profits arising in Hong Kong or the PRC during the period (Year ended 31 July 2008: Nil).

Reconciliation between tax expense and accounting loss at applicable tax rates:

	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Loss before taxation	(52,646)	(30,521)
Tax on loss before taxation, calculated at the rates applicable to the tax jurisdictions concerned	(8,922)	(5,673)
Tax effect of non-deductible expenses	8,063	899
Tax effect of non-taxable revenue	(1,797)	(57)
Tax effect of unused tax losses not recognised	2,656	4,831
Income tax expense	–	–

Hong Kong SAR Government enacted a reduction in the Profits Tax Rate from 17.5% to 16.5% from the year of assessment 2008/09. Accordingly, the current tax and deferred tax liabilities have been calculated using the new rate.

11. LOSS ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

Of the consolidated loss attributable to the owners of the Company of approximately HK$52,006,000 (Year ended 31 July 2008: HK$30,521,000), a loss of approximately HK$40,612,000 (Year ended 31 July 2008: approximately HK$39,448,000) has been dealt with in the financial statements of the Company.

12. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK$52,006,000 (Year ended 31 July 2008: approximately HK$30,521,000) and the weighted average number of ordinary shares of approximately 2,384,648,000 (Year ended 31 July 2008: approximately 2,039,298,000) in issue during the period.

Diluted loss per share for the period ended 31 December 2009 was not presented as the impact of the exercise of the share options was anti-dilutive.

No diluted loss per share is disclosed for the year ended 31 July 2008 as the exercise price of the outstanding share options was higher than the average market price of the Company's ordinary shares during the year.

13. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Wages and salaries	3,983	7,211
Share options granted to directors and employees	5,768	4,525
Pension costs – defined contribution plans	947	363
	10,698	12,099

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

14.1 Directors' emoluments

		Other emoluments				
	Director's fees HK$'000	Salaries, allowances & benefits in kind HK$'000	Retirement scheme contributions HK$'000	Sub-total HK$'000	Share-based payment HK$'000	Total HK$'000
For the period from 1 August 2008 to 31 December 2009						
Executive directors						
Wang Yinan (a)	–	196	3	199	5,768	5,967
Fung Wing Cheung, Tony (a, h)	–	47	3	50	–	50
Fung Yiu Fai, Peter (a, h)	–	47	2	49	–	49
Leung King Yue, Alex (h)	–	47	2	49	–	49
Lam Wing Ah (h)	–	47	2	49	–	49
Ma Man Pong (b)	–	61	3	64	–	64
Kuo Kwan (c)	–	113	2	115	–	115
Non-executive director						
Fung Yee Kei, Kay (d)	–	2	–	2	–	2
Independent non-executive directors						
Chee Man Sang, Eric (e)	52	–	–	52	–	52
Lam Tak Yee (e)	52	–	–	52	–	52
Tang Chi Chung, Matthew (e)	52	–	–	52	–	52
Lau Lap Ping (f)	53	–	–	53	–	53
Man Kong Yui (f)	53	–	–	53	–	53
Yeung Chi Hung (f)	53	–	–	53	–	53
	315	560	17	892	5,768	6,660

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

14.1 Directors' emoluments (Continued)

		Other emoluments				
	Director's fees	Salaries, allowances & benefits in kind	Retirement scheme contributions	Sub-total	Share-based payment	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31 July 2008						
Executive directors						
Cheng Kit Yin, Kelly (g)	–	2,400	10	2,410	–	2,410
Chung Wai Han (b)	–	–	–	–	718	718
Kuo Kwan (c)	–	600	12	612	180	792
Lam Wing Ah (h)	–	–	–	–	718	718
Leong Chi Wai (b)	–	–	–	–	718	718
Leung King Yue, Alex (h)	–	–	–	–	718	718
Ma Man Pong (b)	–	–	–	–	718	718
Non-executive director						
Cheng Kit Yin, Kelly (g)	–	–	–	–	720	720
Independent non-executive directors						
Lau Lap Ping (f)	96	–	–	96	–	96
Man Kong Yui (f)	96	–	–	96	–	96
Yeung Chi Hung (f)	96	–	–	96	–	96
	288	3,000	22	3,310	4,490	7,800

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

14.1 Directors' emoluments (Continued)

(a) Wang Yinan, Fung Wing Cheung, Tony and Fung Yiu Fai, Peter were appointed as executive directors of the Company on 21 October 2009.

(b) Chung Wai Han, Leong Chi Wai and Ma Man Pong resigned as executive directors of the Company on 21 October 2009.

(c) Kuo Kwan resigned as executive director of the Company on 14 September 2008.

(d) Fung Yee Kei, Kay was appointed as a non-executive director of the Company on 21 October 2009.

(e) Lam Tak Yee, Tang Chi Chung, Matthew and Chee Man Sang, Eric were appointed as independent non-executive directors of the Company on 18 February 2009.

(f) Lau Lap Ping, Man Kong Yui and Yeung Chi Hung resigned as independent non-executive directors of the Company on 18 February 2009.

(g) Cheng Kit Yin, Kelly was redesignated from an executive director to a non-executive director on 14 July 2008 and resigned as non-executive director of the Company on 21 October 2009.

(h) The monthly director's remuneration of Fung Wing Cheung, Tony, Fung Yiu Fai, Peter, Leung King Yue, Alex and Lam Wing Ah was revised from HK$20,000 to HK$10,000 with effect from 1 January 2010.

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the period (Year ended 31 July 2008: Nil).

There were no arrangements under which a director waived or agreed to waive any remuneration during the period (Year end 31 July 2008: Nil).

The value of share options granted to directors is measured according to the Group's accounting policy for share-based payment set out in Note 2.19. The details of these benefits in kind including the principal terms and number of options granted are disclosed in Note 33.

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

14.2 Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the period included one (Year ended 31 July 2008: five) director(s) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (Year ended 31 July 2008: Nil) individuals during the period from 1 August 2008 to 31 December 2009 are as follows:

	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Salaries and other emoluments	926	–
Retirement scheme contributions	15	–
	941	–

The emoluments of the five highest paid individuals (including directors) fell within the following bands:

	Number of individuals/directors	
	Period from 1 August 2008 to 31 December 2009	Year ended 31 July 2008
Emolument bands		
Nil-HK$1,000,000	4	4
HK$3,000,001-HK$3,500,000	–	1
HK$5,500,001-HK$6,000,000	1	–

15. PROPERTY, PLANT AND EQUIPMENT – THE GROUP

	Buildings HK$'000	Leasehold improvements HK$'000	Machinery and office equipment HK$'000	Motor vehicles HK$'000	Furniture and fixtures HK$'000	Construction in progress HK$'000	Total HK$'000
At 1 August 2007							
Cost	93,747	3,288	31,906	1,990	164	4,520	135,615
Accumulated depreciation and impairment losses	(47,016)	(2,614)	(26,860)	(1,376)	(50)	(102)	(78,018)
Net book amount	46,731	674	5,046	614	114	4,418	57,597
Year ended 31 July 2008							
Opening net book amount	46,731	674	5,046	614	114	4,418	57,597
Exchange differences	4,652	–	435	19	–	19	5,125
Additions	–	–	18	–	–	–	18
Written-off	–	–	(3)	–	–	(437)	(440)
Impairment	–	–	–	–	–	(4,000)	(4,000)
Depreciation	(4,415)	(279)	(1,404)	(143)	(45)	–	(6,286)
Closing net book amount	46,968	395	4,092	490	69	–	52,014
At 31 July 2008 and 1 August 2008							
Cost	103,572	3,288	31,229	2,143	164	4,113	144,509
Accumulated depreciation and impairment losses	(56,604)	(2,893)	(27,137)	(1,653)	(95)	(4,113)	(92,495)
Net book amount	46,968	395	4,092	490	69	–	52,014

15. PROPERTY, PLANT AND EQUIPMENT – THE GROUP (Continued)

	Buildings HK$'000	Leasehold improvements HK$'000	Machinery and office equipment HK$'000	Motor vehicles HK$'000	Furniture and fixtures HK$'000	Construction in progress HK$'000	Total HK$'000
Period ended 31 December 2009							
Opening net book amount	46,968	395	4,092	490	69	–	52,014
Exchange differences	(301)	–	(26)	(1)	–	–	(328)
Acquisition of a subsidiary (Note 41)	2,600	–	7,567	308	34	–	10,509
Additions	–	69	154	–	64	–	287
Impairment	(18,724)	–	–	–	–	–	(18,724)
Written-off	–	(302)	(41)	–	(52)	–	(395)
Disposals	–	–	(4)	(196)	(3)	–	(203)
Disposal of a subsidiary (Note 40.2)	(23,311)	–	(3,621)	(149)	–	–	(27,081)
Depreciation	(4,671)	(93)	(715)	(166)	(15)	–	(5,660)
Closing net book amount	2,561	69	7,406	286	97	–	10,419
At 31 December 2009							
Cost	2,600	69	10,912	308	130	–	14,019
Accumulated depreciation and impairment losses	(39)	–	(3,506)	(22)	(33)	–	(3,600)
Net book amount	2,561	69	7,406	286	97	–	10,419

The Group's buildings were situated in the PRC and held on leases of between 10 to 50 years.

The carrying amount of a motor vehicle of the Group held under a finance lease as at 31 July 2008 was approximately HK$303,000. No property, plant and equipment held under finance lease as at 31 December 2009.

Borrowings of the Group were secured by certain buildings with carrying amount of approximately HK$20,375,000 as at 31 July 2008 (Note 29). No property, plant and equipment were pledged as security for borrowings as at 31 December 2009.

During the period, the Group disposed a subsidiary (Note 40.2) and carried out a detailed review of the recoverable amounts of the related assets including buildings. With reference to the valuation performed by an independent firm of professional qualified valuers, which led to the recognition of an impairment loss of approximately HK$18,724,000 (31 July 2008: Nil) on buildings, that has been recognised in the consolidated statement of comprehensive income for the current period.

An independent professional valuation on the Group's buildings was performed by Asset Appraisal Limited, with qualification and experience for similar properties in the PRC, on an open market basis.

15. PROPERTY, PLANT AND EQUIPMENT – THE COMPANY (Continued)

	Leasehold improvements HK$'000	Machinery and office equipment HK$'000	Furniture and fixtures HK$'000	Total HK$'000
At 1 August 2007				
Cost	2,521	4,888	32	7,441
Accumulated depreciation	(2,521)	(4,849)	(31)	(7,401)
Net book amount	–	39	1	40
Year ended 31 July 2008				
Opening net book amount	–	39	1	40
Written off	–	(3)	–	(3)
Depreciation	–	(27)	(1)	(28)
Closing net book amount	–	9	–	9
At 31 July 2008 and 1 August 2008				
Cost	–	1,834	32	1,866
Accumulated depreciation	–	(1,825)	(32)	(1,857)
Net book amount	–	9	–	9
Period ended 31 December 2009				
Opening net book amount	–	9	–	9
Additions	–	6	–	6
Disposals	–	(6)	–	(6)
Depreciation	–	(3)	–	(3)
Closing net book amount	–	6	–	6
At 31 December 2009				
Cost	–	71	–	71
Accumulated depreciation	–	(65)	–	(65)
Net book amount	–	6	–	6

16. LAND USE RIGHTS – THE GROUP

The Group's interests in land use rights represent prepaid operating lease payments and the movements in their net carrying amounts are analysed as follows:

	31 December 2009 HK$'000	31 July 2008 HK$'000
Opening net carrying amount	29,225	27,103
Acquisition of a subsidiary (Note 41)	5,238	–
Amortisation	(720)	(681)
Impairment	(9,572)	–
Disposal of a subsidiary (Note 40.2)	(18,806)	–
Exchange adjustments	(193)	2,803
Closing net carrying amount	5,172	29,225

The analysis of the net carrying amount of land use rights according to lease periods is as follows:

	31 December 2009 HK$'000	31 July 2008 HK$'000
Outside Hong Kong, held on:		
Leases of between 10 to 50 years	5,172	29,225

Borrowings of the Group were secured by certain land use rights with carrying amount of approximately HK$12,063,000 as at 31 July 2008 (Note 29). No land use rights were pledged as security for borrowings as at 31 December 2009.

During the period, the Group disposed a subsidiary (Note 40.2) and carried out a detailed review of the recoverable amounts of the related assets including land use rights. With reference to the valuation performed by an independent firm of professional qualified valuers, which led to the recognition of an impairment loss of approximately HK$9,572,000 (31 July 2008: Nil) on land use rights, that has been recognised in the consolidated statement of comprehensive income for the current period.

An independent professional valuation on the Group's land use rights was performed by Asset Appraisal Limited, with qualification and experience for similar properties in the PRC, on an open market basis.

17. INTERESTS IN SUBSIDIARIES – THE COMPANY

	31 December 2009 HK$'000	31 July 2008 HK$'000
Unlisted shares, at cost	–	–
Less: Provision for impairment	–	–
	–	–

	31 December 2009 HK$'000	31 July 2008 HK$'000
Amounts due from subsidiaries	436,992	273,434
Less: Provision for impairment	(166,272)	(192,761)
	270,720	80,673

Movements in provision for impairment on amounts due from subsidiaries during the period/year are as follows:

	31 December 2009 HK$'000	31 July 2008 HK$'000
At the beginning of the period/year	(192,761)	(245,612)
Less: Reversal of provision for impairment loss	26,489	52,851
At the end of the period/year	(166,272)	(192,761)

Amounts due from/to subsidiaries are unsecured, interest free and have no fixed terms of repayments.

17. INTERESTS IN SUBSIDIARIES – THE COMPANY (Continued)

Particulars of the principal subsidiaries at 31 December 2009 are as follows:

Name of company	Place/country of incorporation and operation	Type of legal entity	Particulars of issued/paid up capital	Percentage of equity attributable to the Company	Principal activity
herbs N senses Health Products Limited	Hong Kong	Limited liability company	2 ordinary shares of HK$1 each	100	Trading of Chinese herbal products
GreaterChina Biotherapeutics Company Limited	The British Virgin Islands/Hong Kong	Limited liability company	1 ordinary share of US$1	100#	Investment holding
GreaterChina Technology Exchange Limited	Hong Kong	Limited liability company	2 ordinary shares of HK$1 each	100	Manufacture and trading of Chinese herbal products
GreaterChina Investment Limited	The British Virgin Islands/Hong Kong	Limited liability company	2 ordinary shares of US$1 each	100#	Investment holding
iSolutions Development Limited	Hong Kong	Limited liability company	2 ordinary shares of HK$1 each	100#	Inactive
Power Essence Limited	The British Virgin Islands/Hong Kong	Limited liability company	2 ordinary shares of US$1 each	100	Investment holding
GC Investment (China) Limited	The British Virgin Islands/Hong Kong	Limited liability company	2 ordinary shares of US$1 each	100#	Sales of pharmaceutical and healthcare products
Greater Missions Holdings Limited	The British Virgin Islands/Hong Kong	Limited liability company	2 ordinary shares of US$1 each	100#	Investment holding
Fully Link Company Limited	The British Virgin Islands/Hong Kong	Limited liability company	2 ordinary shares of US$1 each	100	Holding of trademarks and patents
Coolpoint Equipment (HK) Limited	Hong Kong	Limited liability company	1 ordinary share of HK$1	100	Sales and marketing
Coolpoint Ventilation Equipment Limited	Hong Kong	Limited liability company	42,232,017 ordinary shares of HK$1 each	96.72	Investment holding and sales of energy saving equipments
Zhongshan Coolpoint Ventilation Equipment Company Limited	The PRC	Limited liability company	Registered capital of HK$33,473,906	74.47	Design, installation & manufacture of energy saving equipments

(a) The financial statements of the above subsidiaries were audited by Grant Thornton, Hong Kong, for the statutory purpose and/or for the purpose of group consolidation.

(b) During the period, certain subsidiaries of the Group have been deregistered (Note 38).

\# Issued capital held directly by the Company.

18. GOODWILL – THE GROUP

The net carrying amount of goodwill can be analysed as follows:

	31 December 2009 HK$'000	31 July 2008 HK$'000
Acquisition of a subsidiary (Note 41) and at the end of the period/year	188,434	–

Goodwill amounting to approximately HK$188,434,000 represents the excess of the acquisition cost of a subsidiary including costs directly attributable to the acquisition, cash consideration and the fair value of the Company's shares issued for the acquisition, over the fair value of the net assets acquired. Details of the acquisition are set out in Note 41.

The carrying amount of goodwill is allocated to the cash generating unit of manufacturing and trading of air-conditioners and ventilation systems, that is expected to derive economic benefits from the acquisition.

The recoverable amount for the cash generating unit was determined based on the value in use calculations covering a detailed five-year financial budget plan and the estimated terminal value at the end of the five-year financial budget plan period, approved by the Group's management. There are a number of key assumptions and estimates involved in the preparation of the cash flow projections for the period covered by the Group's management approved financial budget plan and the estimated terminal value. Key assumptions include the expected growth in revenues, stable profit margins, expectation of market share, production capacity, selection of published market research discount rates as well as the risk factors associated with the cash generating unit.

Value in use is derived at by discounting the expected future cash flow projection at a 20% discount rate. The discount rate used is pre-tax and reflects specific risks relating to the relevant segment. The Group's management has assumed a flat growth of 10% in its budget revenues which reflects the long-term average growth rate for the product lines of the cash generating unit.

The Group has appointed Asset Appraisal Limited, an independent firm of professional valuers, to perform an appraisal of the value in use of the cash generating unit.

Apart from the considerations described above in determining the value in use of the cash generating unit, the Group's management is not aware of any other probable internal or external changes that would necessitate changes in its key estimates. However, the estimated recoverable amount of the cash generating unit is supported by the assumption that the Group is able to derive future revenue with a stable profit margin from its developing product lines of the newly acquired subsidiary. The Group is currently co-operating with a major electronic appliances company, to develop new product lines based on the existing technical knowledge and technology of the cash generating unit.

A reasonable decrease in the discount rate and the failure of the cash generating unit to benefit from the developing product lines would have a significant impact on the carrying amount of goodwill.

19. OTHER INTANGIBLE ASSETS – THE GROUP

	Trademarks HK$'000	Intellectual properties HK$'000	Total HK$'000
At 1 August 2007			
Gross carrying amount	–	70,304	70,304
Accumulated amortisation and impairment	–	(67,620)	(67,620)
Net carrying amount	–	2,684	2,684
Net carrying amount at 1 August 2007	–	2,684	2,684
Amortisation	–	(677)	(677)
Impairment	–	(430)	(430)
Exchange differences	–	220	220
Net carrying amount at 31 July 2008	–	1,797	1,797
At 31 July 2008 and 1 August 2008			
Gross carrying amount	–	71,076	71,076
Accumulated amortisation and impairment	–	(69,279)	(69,279)
Net carrying amount	–	1,797	1,797
Net carrying amount at 1 August 2008	–	1,797	1,797
Additions	6	–	6
Acquisition of a subsidiary (Note 41)	6	–	6
Amortisation	(6)	(471)	(477)
Impairment	–	(1,282)	(1,282)
Disposal of a subsidiary (Note 40.2)	–	(33)	(33)
Exchange differences	–	(11)	(11)
Net carrying amount at 31 December 2009	6	–	6
At 31 December 2009			
Gross carrying amount	6	–	6
Accumulated amortisation and impairment	–	–	–
Net carrying amount	6	–	6

19. OTHER INTANGIBLE ASSETS – THE GROUP (Continued)

Intellectual properties represent traditional Chinese medicine formulae, certain protocols for herbal medicine and licences for western medicine acquired by the Group. During the period, the Group assessed the carrying amount of intellectual properties and determined it should be fully impaired as the market demand and the volume of production of the related medicine have been declined.

20. AVAILABLE-FOR-SALE INVESTMENTS – THE GROUP

	31 December 2009 HK$'000	31 July 2008 HK$'000
Available-for-sale financial assets		
– Unlisted equity investments stated at fair value	194	194
Less: provision for impairment loss	(194)	–
	–	194

The fair value of the Group's investments in unlisted equity securities has been measured as described in Note 42(vii).

21. INVENTORIES – THE GROUP

	31 December 2009 HK$'000	31 July 2008 HK$'000
Raw materials	1,973	1,506
Work in progress	–	260
Finished goods	3,792	2,008
	5,765	3,774

Movements in allowance account for inventories during the period/year are as follows:

	31 December 2009 HK$'000	31 July 2008 HK$'000
At the beginning of the period/year	524	–
Provision for slow moving inventories	3,057	524
At the end of the period/year	3,581	524

22. TRADE RECEIVABLES – THE GROUP

	31 December 2009 HK$'000	31 July 2008 HK$'000
Trade receivables	489	3,373
Less: provision for impairment of trade receivables	–	(1,063)
Trade receivables – net	489	2,310

The directors of the Company consider that the fair values of trade receivables are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The Group's trading terms with its customers are mainly on credit. According to the credit rating of different customers, the Group allows a range of credit periods ranging from 30 days to 90 days to its trade customers.

Provision for impairment of trade receivables is recorded using an allowance account unless the Group is satisfied that the recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. Movements in provision for impairment of trade receivables are as follows:

	31 December 2009 HK$'000	31 July 2008 HK$'000
Balance at the beginning of the period/year	1,063	970
Provision for impairment of trade receivables recognised	123	95
Amount written off as uncollectible	(1,186)	(95)
Reversal of provision for impairment of trade receivables	–	(8)
Exchange difference	–	101
Balance at the end of the period/year	–	1,063

The ageing analysis of the trade receivables, net of allowances, at the reporting date based on invoice dates was as follow:

	31 December 2009 HK$'000	31 July 2008 HK$'000
0 – 90 days	120	1,686
Over 90 days	369	624
	489	2,310

22. TRADE RECEIVABLES – THE GROUP (Continued)

	31 December 2009 HK$'000	31 July 2008 HK$'000
Neither past due nor impaired	120	1,686
Less than one year past due	369	624
	489	2,310

At each reporting date, the Group reviews trade receivables for evidence of impairment on both an individual and collective basis.

As at 31 December 2009, trade receivables of approximately HK$120,000 (31 July 2008: HK$1,686,000) were neither past due nor impaired. 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 recoverable.

Included in trade receivables with carrying amounts of approximately HK$369,000 (31 July 2008: HK$624,000) which are past due at the reporting date. 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 amounts are still considered recoverable.

The Group did not hold any collateral and no trade concentration in respect of its trade receivables.

Majority of the Group's trade receivables are denominated in Hong Kong dollars. No interest is charged on trade receivables.

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	31 December 2009 HK$'000	31 July 2008 HK$'000	31 December 2009 HK$'000	31 July 2008 HK$'000
Other receivables	37	217	–	–
Utility and other deposits	439	838	–	3
Prepayments	342	67	234	64
	818	1,122	234	67

24. HELD–TO-MATURITY SECURITIES

	The Group and the Company	
	31 December 2009	31 July 2008
	HK$'000	HK$'000
Held-to-maturity securities		
Unlisted debt securities, at amortised cost	–	780
Less: provision for impairment loss	–	(386)
	–	394

25. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	31 December 2009	31 July 2008	31 December 2009	31 July 2008
	HK$'000	HK$'000	HK$'000	HK$'000
Cash at banks and in hand	35,658	230	35,261	32

The Group has cash and bank balances denominated in RMB amounting to approximately RMB164,000 as at 31 December 2009 (31 July 2008: RMB100,000). These balances were deposited with banks in the PRC and bore interest at effective interest rates at 0.36% (Year ended 31 July 2008: 0.72%) per annum.

The Company does not have cash and bank balances denominated in RMB as at 31 December 2009 (31 July 2008: Nil).

RMB is not freely convertible into foreign currencies under the PRC Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations.

The directors of the Company considered that the fair value of the cash and bank balances is not materially different from its carrying amount because of the short maturity period on its inception.

26. TRADE PAYABLES AND OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	31 December 2009 HK$'000	31 July 2008 HK$'000	31 December 2009 HK$'000	31 July 2008 HK$'000
Trade payables	74	712	–	–
Other payables and accruals	1,318	3,813	481	1,936
	1,392	4,525	481	1,936

The Group was granted by its suppliers credit periods ranging from 30 – 60 days. Based on the invoice dates, the ageing analysis of the trade payables was as follows:

	The Group	
	31 December 2009 HK$'000	31 July 2008 HK$'000
0 – 60 days	30	188
Over 60 days	44	524
	74	712

All amounts are short term and hence the carrying values of the Group's and the Company's trade payables and other payables and accruals are considered to be a reasonable approximation of their fair values.

27. AMOUNTS DUE TO A FORMER DIRECTOR AND FORMER ULTIMATE HOLDING COMPANY

The Group and the Company

The amounts due were unsecured, bore interest at the HSBC prime rate and had been settled during the period ended 31 December 2009.

28. OBLIGATIONS UNDER FINANCE LEASE – THE GROUP

Finance lease liabilities

The analysis of the Group's obligations under finance leases is as follows:

	31 December 2009 HK$'000	31 July 2008 HK$'000
Total minimum lease payments:		
Due within one year	–	194
Due in the second to fifth years	–	65
	–	259
Future finance charges on finance leases	–	(17)
Present value of finance lease liabilities	–	242

	31 December 2009 HK$'000	31 July 2008 HK$'000
Present value of minimum lease payments:		
Due within one year	–	179
Due in the second to fifth years	–	63
	–	242
Less: Portion due within one year included under current liabilities	–	(179)
Portion due after one year included under non- current liability	–	63

The Group had entered into a finance lease for a motor vehicle. The lease period was 3 years. At the end of the lease term, the Group has the option to purchase the leased motor vehicle at a price that is expected to be sufficiently lower than the fair value of the leased asset at the end of the lease. The lease did not include contingent rentals.

Finance lease liabilities were effectively secured by the underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

29. BORROWINGS – THE GROUP

	31 December 2009 HK$'000	31 July 2008 HK$'000
Current – secured bank borrowings	–	5,704

The Group's secured bank borrowings were repayable as follows:

	31 December 2009 HK$'000	31 July 2008 HK$'000
Within one year or on demand	–	5,704

The carrying amounts of the Group's borrowings as at 31 July 2008 were all denominated in Renminbi.

(a) The secured bank borrowings were carried at a fixed interest rate of 5.88% per annum.

(b) The directors considered the carrying amounts of secured bank borrowings as at 31 July 2008 approximated their fair values.

(c) The secured bank borrowings as at 31 July 2008 were secured by certain buildings and land use rights of the Group with carrying amounts of approximately HK$20,375,000 and HK$12,063,000 as at 31 July 2008 respectively (Notes 15 and 16).

30. AMOUNT DUE TO A MINORITY SHAREHOLDER

The amount due is unsecured, interest free and has no fixed terms of repayment.

31. DEFERRED TAX

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable tax rates prevailing in the countries in which the Group operates. No deferred tax has been provided as the Group did not have material temporary differences which gave rise to a deferred tax asset or liability as at 31 December 2009 (31 July 2008: Nil).

The Group has tax losses arising in Hong Kong of approximately HK$105,075,000 (31 July 2008: HK$113,165,000), subject to the agreement of the Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses which arose in subsidiaries with unpredictability of future profit streams.

32. SHARE CAPITAL

	31 December 2009 HK$'000	31 July 2008 HK$'000
Authorised:		
At the beginning and at the end of the period/year		
5,000,000,000 ordinary shares of HK$0.01 each	50,000	50,000

	31 December 2009 Number of shares	31 December 2009 HK$'000	31 July 2008 Number of shares	31 July 2008 HK$'000
Issued and fully paid:				
At the beginning of the period/year	2,042,695,590	20,427	2,038,903,866	20,389
Placing of shares (i)	300,000,000	3,000	–	–
Exercise of share options (ii)	10,000,000	100	3,791,724	38
Issued on acquisition of a subsidiary (iii) (Note 41)	959,220,437	9,592	–	–
At the end of the period/year	3,311,916,027	33,119	2,042,695,590	20,427

(i) On 24 June 2009, the Company entered into a placing agreement with a placing agent to issue 300,000,000 placing shares at HK$0.15 per share (the "Placing"). Of the proceeds of approximately HK$43,850,000 received, net of issuing expenses of approximately HK$1,150,000, HK$3,000,000 and HK$40,850,000 were credited to share capital and share premium accounts respectively. The Placing was completed on 31 July 2009.

(ii) On 7 August 2009, certain share options were exercised to subscribe for 10,000,000 ordinary shares in the Company at a consideration of HK$920,000 of which HK$100,000 was credited to share capital and the balance of HK$820,000 was credited to the share premium account. An amount of HK$718,000 was transferred from the share option reserve to the share premium account following the exercise of the share options.

On 24 June 2008, certain share options were exercised to subscribe for 3,791,724 ordinary shares in the Company at a consideration of HK$183,000 of which HK$38,000 was credited to share capital and the balance of HK$145,000 was credited to the share premium account. An amount of HK$11,000 was transferred from the share option reserve to the share premium account following the exercise of the share options.

32. SHARE CAPITAL (Continued)

(iii) The Company issued 950,000,000 and 9,220,437 ordinary shares on 17 August 2009 and 30 October 2009 to the shareholders of Coolpoint Ventilation Equipment Limited as part of the purchase consideration for 66.58% and 4.09% of its ordinary share capital respectively. The ordinary shares issued have the same rights as the other shares in issue. The fair values of the shares issued at the date of acquisition amounted to approximately HK$171,950,000 and HK$1,438,000 (HK$0.181 and HK$0.156 per share) respectively. Amounts of approximately HK$162,450,000 and HK$1,346,000 representing the excess of the fair value over the nominal value of the shares issued of HK$9,592,000 have been included in share premium account.

33. SHARE-BASED COMPENSATION

Pursuant to an ordinary resolution in writing of the sole shareholder of the Company passed on 21 February 2000, the Company adopted a share option scheme (the “Old Scheme”) pursuant to which the directors were authorised to grant options to employees of the Company or its subsidiaries, including executive directors of such companies, to subscribe for shares of the Company. Options granted under the Old Scheme entitled the holder to subscribe for shares from the date of grant up to 20 February 2010.

On 8 April 2002, the Company passed an ordinary resolution to terminate of the Old Scheme and adopted a new share option scheme (the “Revised Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations in compliance with the amended Chapter 23 of the GEM Listing Rules. All the share options granted under the Old Scheme and remained outstanding on the date of termination of that scheme continue to be valid and exercisable in accordance with the provisions of that scheme.

Eligible participants of the Revised Scheme include the Company’s directors, independent non-executive directors, other employees of the Group, consultants, suppliers of goods or services to the Group, customers of the Group, and any minority shareholder in the Company’s subsidiaries. The Revised Scheme became effective on 18 April 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Revised Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Revised Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

33. SHARE-BASED COMPENSATION (Continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences from the date of acceptance of the offer for the grant of options but shall end in any event not later than ten years from the date on which the offer for the grant of the option is made subject to the provisions for early termination thereof.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

All share-based compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing the Company's ordinary shares. The share options do not confer rights on the holders to dividends or to vote at shareholders' meetings. The share options granted during the period/year have no vesting period.

33. SHARE-BASED COMPENSATION (Continued)

Movements of share options of the Company during the period/year are as follows:

			Number of share options									
	Grant dates of share options	Exercise price	Outstanding as at 31 July 2007	Granted during the year (Note (c))	Exercised during the year	Cancelled during the year	Outstanding as at 31 July 2008	Granted during the period	Exercised during the period	Cancelled during the period	Reclassified during the period	Outstanding as at 31 December 2009
Directors												
Wang Yinan (b)	21.10.2009	HK$0.154	–	–	–	–	–	70,000,000	–	–	–	70,000,000
Cheng Kit Yin, Kelly (i)	24.07.2008	HK$0.092	117,852,774	20,000,000	–	(117,852,774)	20,000,000	–	–	–	(20,000,000)	–
Chung Wai Han (iv)	24.07.2008	HK$0.092	–	20,000,000	–	–	20,000,000	–	–	–	(20,000,000)	–
Kuo Kwan (ii)	24.07.2008	HK$0.092	–	5,000,000	–	–	5,000,000	–	–	(5,000,000)	–	–
Lam Wing Ah	24.07.2008	HK$0.092	–	20,000,000	–	–	20,000,000	–	(10,000,000)	–	–	10,000,000
Lau Lap Ping (iii)	14.06.2006	HK$0.075	2,818,530	–	(1,263,908)	(1,554,622)	–	–	–	–	–	–
Leung King Yue, Alex	24.07.2008	HK$0.092	–	20,000,000	–	–	20,000,000	–	–	–	–	20,000,000
Leong Chi Wai (iv)	24.07.2008	HK$0.092	–	20,000,000	–	–	20,000,000	–	–	–	(20,000,000)	–
Ma Man Pong (v)	24.07.2008	HK$0.092	–	20,000,000	–	–	20,000,000	–	–	–	(20,000,000)	–
Man Kong Yui (iii)	14.06.2006	HK$0.075	1,263,908	–	(1,263,908)	–	–	–	–	–	–	–
Yeung Chi Hung (iii)	14.06.2006	HK$0.075	1,263,908	–	(1,263,908)	–	–	–	–	–	–	–
			123,199,120	125,000,000	(3,791,724)	(119,407,396)	125,000,000	70,000,000	(10,000,000)	(5,000,000)	(80,000,000)	100,000,000
Employees												
In aggregate	24.07.2008	HK$0.092	–	–	–	–	–	–	–	–	20,000,000	20,000,000
In aggregate	24.07.2008	HK$0.092	3,176,470	1,000,000	–	(3,176,470)	1,000,000	–	–	(1,000,000)	–	–
			3,176,470	1,000,000	–	(3,176,470)	1,000,000	–	–	(1,000,000)	20,000,000	20,000,000
Consultants												
In aggregate (a)	15.06.2007	HK$0.189	10,000,000	–	–	(10,000,000)	–	–	–	–	–	–
In aggregate	24.07.2008	HK$0.092	–	–	–	–	–	–	–	–	60,000,000	60,000,000
In aggregate (d)	07.10.2009	HK$0.156	–	–	–	–	–	2,000,000	–	–	–	2,000,000
In aggregate (e)	22.10.2009	HK$0.157	–	–	–	–	–	30,000,000	–	–	–	30,000,000
In aggregate (f)	24.12.2009	HK$0.128	–	–	–	–	–	12,000,000	–	–	–	12,000,000
			10,000,000	–	–	(10,000,000)	–	44,000,000	–	–	60,000,000	104,000,000
			136,375,590	126,000,000	(3,791,724)	(132,583,866)	126,000,000	114,000,000	(10,000,000)	(6,000,000)	–	224,000,000

33. SHARE-BASED COMPENSATION (Continued)

(i) Cheng Kit Yin, Kelly was redesignated from an executive director to a non-executive director on 14 July 2008, resigned as non-executive director of the Company on 21 October 2009 and subsequently was appointed as the Group's consultant. The outstanding share options held were reclassified from the category of director to consultant as agreed by the Company.

(ii) Kuo Kwan resigned as executive director of the Company on 14 September 2008.

(iii) Lau Lap Ping, Man Kong Yui and Yeung Chi Hung have resigned as independent non-executive directors on 17 February 2009.

(iv) Chung Wai Han and Leong Chi Wai resigned as executive directors of the Company on 21 October 2009 and subsequently were appointed as the Group's consultants. The outstanding share options held were reclassified from the category of director to consultant as agreed by the Company.

(v) Ma Man Pong resigned as executive director of the Company on 21 October 2009 and subsequently employed as the Group's company secretary. The outstanding share options held were reclassified from the category of director to employee as agreed by the Company.

Notes:

(a) Pursuant to the agreement dated 15 June 2007, the Company granted 10,000,000 share options to a consultant at the exercise price of HK$0.189 each. The consultant could only exercise these options upon successfully introducing projects to the Group. Due to the failure of the consultant to introduce projects to the Group, all the options granted to him were cancelled during the year ended 31 July 2008.

(b) On 21 October 2009, the Company granted 70,000,000 share options to a director of the Company at the exercise price of HK$0.154 each for a period of five years from the date of grant.

(c) On 24 July 2008, the Company granted 126,000,000 share options to the directors of the Company and an employee of the Group at the exercise price of HK$0.092 each for a period of ten years from the date of grant.

(d) On 7 October 2009, the Company granted 2,000,000 share options to a consultant of the Group at the exercise price of HK$0.156 each for a period of ten years from the date of grant. According to the agreement between the parties, the share options can only be exercised when the share price of the Company reaches HK$0.3 or above.

(e) On 22 October 2009, the Company granted 30,000,000 share options to a consultant of the Group at the exercise price of HK$0.157 each for a period of ten years from the date of grant.

(f) On 24 December 2009, the Company granted 12,000,000 share options to a consultant of the Group at the exercise price of HK$0.128 each for a period of ten years from the date of grant.

All share options granted are exercisable at the reporting dates except 2,000,000 share options granted to a consultant of the Group on 7 October 2009 (Note (d)).

33. SHARE-BASED COMPENSATION (Continued)

The fair values of the share options granted were determined by using the Black-Scholes option pricing model. The key valuation parameters as adopted in assessing the fair values of the share options included the exercise price, risk free rate, nature of the share options, expect option period, volatility and expected dividend yield are as follows:

	Period ended 31 December 2009				Year ended 31 July 2008
Grant Date	7 October 2009	21 October 2009	22 October 2009	24 December 2009	24 July 2008
Exercise price	HK$0.156	HK$0.154	HK$0.157	HK$0.128	HK$0.092
Expected volatility	66.17%	64.29%	64.29%	62.43%	98.7%
Expected option life	5 years	5 years	5 years	5 years	1 year
Risk-free rate	0.16%	0.22%	0.14%	0.15%	1.83%
Expected dividend yield	0%	0%	0%	0%	0%
Fair value at grant date	HK$0.084	HK$0.082	HK$0.081	HK$0.054	HK$0.036

The valuation assumed that there will be no substantial fluctuation in the economic outlook and specific industry outlook affecting the continuity of the Group's business and the price of the underlying securities. It also assumed that there will be no material change in the existing political, legal, technological, fiscal or economic condition which may significantly affect the continuity of the Group's business.

The underlying expected volatility was determined by reference to historical data and calculated based on expected life of share options. Expectations of early exercise were incorporated into the Black-Scholes option pricing model. No special features pertinent to the options granted were incorporated into measurement of fair value.

The Group recognised equity settled share-based payment of HK$9,021,000 (31 July 2008: HK$4,525,000) in profit or loss during the period/year, the corresponding amount of which has been credited to share option reserve. No liabilities were recognised due to share-based payment transactions.

34. RESERVES

(a) The Group

The amounts of the Group's reserves and the movements therein during the period are presented in the consolidated statement of changes in equity.

(b) The Company

	Share premium HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance at 1 August 2007	399,095	97	(308,746)	90,446
Equity settled share-based payment	–	4,525	–	4,525
Cancellation of share options	–	(86)	86	–
Exercise of share options	156	(11)	–	145
Loss for the year and total comprehensive income for the year	–	–	(39,448)	(39,448)
Balance at 31 July 2008 and 1 August 2008	399,251	4,525	(348,108)	55,668
Issue of share capital	42,000	–	–	42,000
Share issue expenses	(1,150)	–	–	(1,150)
Exercise of share options	1,538	(718)	–	820
Equity settled share-based payment	–	9,021	–	9,021
Lapse of share options	–	(215)	215	–
Acquisition of a subsidiary	163,796	–	–	163,796
Loss for the period and total comprehensive income for the period	–	–	(40,612)	(40,612)
Balance at 31 December 2009	605,435	12,613	(388,505)	229,543

Under the Cayman Islands Companies Law (Revised), the share premium of the Company is available for distributions or payment of dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution or dividend, the Company is able to pay its debts as they fall due in the ordinary course of business.

In accordance with the Company's Articles of Association, the Company may make a distribution out of share premium subject to the provision of the Cayman Islands Companies Law (Revised).

35. OPERATING LEASE COMMITMENTS

The Group

At the reporting date, the total future minimum lease payments payable by the Group under non-cancellable operating leases are as follows:

	31 December 2009 HK$'000	31 July 2008 HK$'000
Within one year	331	1,710
In the second to fifth years	325	872
	656	2,582

The Group leases a number of properties under operating leases. The leases run for an initial period of one to two years, with an option to renew the lease and renegotiate the terms at the expiry date or at dates as mutually agreed between the Group and respective landlords/lessors. None of the leases include contingent rentals.

The Company

The Company does not have any significant operating lease commitments as lessee.

36. CONTINGENT LIABILITIES

iSolution Development Limited ("iSolution"), a wholly-owned subsidiary of the Group, is under deregistering process at the reporting date, which had entered into a lease agreement with its landlord for leasing an office premise with a lease term of 3 years commencing from 20 January 2007. In October 2008, iSolution requested the landlord to surrender the lease by referring a new tenant to take up the remaining lease but the landlord declined the offer. Subsequently, iSolution delivered up the premise possession to the landlord in December 2008.

After seeking legal advice, the Company's directors are of the opinion that there was a duty on the part of the landlord to mitigate the loss in case the tenant breached the agreement, the landlord would account for not accepting the terms that are not less than favourable as the existing term of the agreement. Therefore, it was considered that iSolution was not indebted to the landlord. Accordingly, no provision for the outstanding rental and relevant management fees in respect of the period from 1 January 2009 to 31 December 2009 were recognised in the financial statements for the period ended 31 December 2009.

The total outstanding rental and the relevant management fee at the reporting date is approximately HK$2,200,000.

37. CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 31 December 2009 and 31 July 2008.

38. DEREGISTRATION OF SUBSIDIARIES

During the period, the Group deregistered four of its wholly-owned subsidiaries, GreaterChina Technology Capital Market Limited, HnS Health Products Limited, GreaterChina Natural Resources Limited and GC Resources Investment (Vietnam) Limited. These subsidiaries were deregistered during the period from 1 August 2008 to 31 December 2009 and had no significant impact to the results and financial position of the Group.

39. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following significant transactions with related parties.

(a) Significant transactions with related parties

	Notes	Period from 1 August 2008 to 31 December 2009 HK$'000	Year ended 31 July 2008 HK$'000
Interest expenses paid to a former director	(i)	108	18
Interest expenses paid to former ultimate holding company	(i)	174	2
Interest expenses paid to a related company	(ii)	972	–
Management fee paid to a minority shareholder	(iii)	227	–
Administration fee paid to a related company	(iv)	180	–
Equity settled share-based payment recognised in respect of share options granted to a close family member of a director	(v)	2,433	–

39. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant transactions with related parties (Continued)

Notes:

(i) Interest expenses paid in respect of amounts due to a former director and former ultimate holding company were charged at HSBC prime rate. The transactions were made with reference to the terms negotiated between the relevant parties.

(ii) The Group had during the period borrowed an interest bearing loan from a related company, United Sky Resources Limited ("United Sky"), bore at interest rate of 18% per annum. Mr. Fung Yiu Fai, Peter is a beneficial equity holder of United Sky and a director of Blue Bright Limited, a shareholder of the Company. The transaction was made with reference to the terms negotiated between the relevant parties.

(iii) Management fee paid to a minority shareholder was charged in accordance with the terms negotiated between the relevant parties.

(iv) Administration fee paid to Yu Ming Property Management Limited was charged in accordance with the terms negotiated between the relevant parties. Mr. Fung Wing Cheung, Tony and Mr. Fung Yiu Fai, Peter and Ms. Lam Wing Ah are the common directors of the Company and the related company.

(v) Equity settled share-based payment recognised in respect of share options granted to a close family member of a director of the Company, Mr. Wang Yinan.

(b) Compensation of key management personnel

The directors are of the opinion that the key management personnel were the executive directors of the Company, details of whose emoluments are set out in note 14.1, and certain highest paid employees whose remunerations are set out in note 14.2.

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

40.1 Major non-cash transactions

During the period ended 31 December 2009, the Group acquired 96.72% equity interest in Coolpoint Ventilation Equipment Limited. The purchase consideration included the issuance of ordinary shares of the Company with a fair value of HK$173,388,000 (Note 41).

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

40.2 Disposal of a subsidiary

Power Essence Limited ("Power Essence"), a wholly-owned subsidiary of the Company entered into a conditional disposal agreement with a third party to dispose the entire equity interest in Gold Unit Limited pursuant to which Power Essence conditionally agreed to sell and the independent third party conditionally agreed to acquire the disposal assets, being the entire equity interest in Golden Unit Limited at a consideration of approximately HK$44,199,000. The transaction has been completed on 17 July 2009.

	HK$'000
Net assets disposed of:	
Property, plant and equipment	27,081
Land use rights	18,806
Other intangible assets	33
Inventories	2,277
Trade receivables	642
Other receivables, deposits and prepayments	83
Cash and cash equivalents	489
Trade payables	(1,224)
Other payables and accruals	(1,027)
Receipts in advance	(901)
Other tax payables	(216)
	46,043
Release of translation reserve upon disposal of a subsidiary	(12,588)
	33,455
Gain on disposal of a subsidiary	10,744
Total consideration, satisfied by cash	44,199

An analysis of net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	HK$'000
Cash consideration	44,199
Cash and cash equivalents disposed of	(489)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	43,710

41. BUSINESS COMBINATIONS

On 20 August 2009, the Group acquired 96.72% of the share capital of Coolpoint Ventilation Equipment Limited, an energy saving equipments manufacturing and trading company. The acquired business contributed revenues of approximately HK$1,080,000 and loss after tax of approximately HK$2,769,000 to the Group for the period from 21 August 2009 to 31 December 2009.

If the acquisition had occurred on 1 August 2008, the Group's revenue would have been approximately HK$22,478,000 and loss after tax would have been approximately HK$58,633,000 for the period ended 31 December 2009. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that would have been achieved had the acquisition been completed on 1 August 2008, nor is it intended to be a projection of future results.

Details of the net assets acquired and goodwill are as follows:

	HK$'000
Purchase consideration:	
– cash *	30,061
– fair value of the Company's shares issued	173,388
Total purchase consideration	203,449
Fair value of net assets acquired (see below)	(15,015)
Goodwill (Note 18)	188,434

The goodwill is attributable to the value of the assembled workforce of the acquired business which cannot be recognised as an intangible asset under HKAS 38 Intangible Assets and the significant synergies expected to arise after the Group's acquisition of Coolpoint Ventilation Equipment Limited. Goodwill has been allocated to cash-generating unit at 31 December 2009.

The fair value of the shares issued was based on the published share price on the acquisition date.

* including cash consideration and costs directly attributable to the acquisition of approximately HK$28,800,000 and HK$1,261,000 respectively

41. BUSINESS COMBINATIONS (Continued)

The assets and liabilities arising from the acquisition are as follows:

	Fair value HK$'000	Acquiree's carrying amount HK$'000
Cash and cash equivalents	1,382	1,382
Property, plant and equipment	10,509	10,509
Land use rights	5,238	2,306
Intangible assets	6	6
Inventories	6,264	6,414
Trade and other receivables	615	615
Trade and other payables	(1,096)	(1,096)
Shareholder's loan	(36,210)	(36,210)
Amount due to a minority shareholder	(3,407)	(3,407)
	(16,699)	(19,481)
Add: Shareholder's loan	36,210	
	19,511	
Minority interests	(4,496)	
Net assets acquired	15,015	

	HK$'000
Purchase consideration settled in cash	28,800
Direct costs paid	1,261
Cash and cash equivalents acquired	(1,382)
Net cash outflow on acquisition of a subsidiary	28,679

42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The Group does not have written risk management policies and guidelines. However, the board of directors of the Company meets periodically to analyse and formulate measures to manage the Group's exposure to market risk (including foreign currency risk, interest risk and other price risk), liquidity risk and credit risk. Generally, the Group employs a conservative strategy regarding its risk management. As the Group's exposure to market risk (including foreign currency risk, interest risk and other price risk), liquidity risk and credit risk are kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The most significant financial risks to which the Group is exposed are discussed below.

As at the reporting date, the Group's and the Company's financial instruments mainly consisted of cash and cash equivalents, available-for-sale investments, trade receivables, other receivables and deposits, held-to-maturity securities, trade payables, other payables and accruals, obligations under finance lease, borrowings, amounts due from/to subsidiaries and amounts due to former ultimate holding company, a former director and a minority shareholder.

42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(i) Categories of financial assets and liabilities

The carrying amounts presented in the Group's and the Company's statements of financial position relate to the following categories of financial assets and financial liabilities:

	The Group		The Company	
	31 December 2009 HK$'000	31 July 2008 HK$'000	31 December 2009 HK$'000	31 July 2008 HK$'000
Financial assets:				
Available-for-sale investments	–	194	–	–
Held-to-maturity securities	–	394	–	394
Loans and receivables				
– Cash and cash equivalents	35,658	230	35,261	32
– Trade receivables	489	2,310	–	–
– Other receivables and deposits (Note 23)	476	1,055	–	3
– Due from subsidiaries	–	–	270,720	80,673
	36,623	3,595	305,981	80,708
	36,623	4,183	305,981	81,102
Financial liabilities:				
Financial liabilities measured at amortised cost				
– Trade payables	74	712	–	–
– Other payables and accruals	1,318	3,813	481	1,936
– Due to former ultimate holding company	–	978	–	978
– Due to a former director	–	2,166	–	2,166
– Due to a subsidiary	–	–	43,078	–
– Obligations under finance lease	–	242	–	–
– Borrowings	–	5,704	–	–
– Due to a minority shareholder	3,634	–	–	–
	5,026	13,615	43,559	5,080

42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(ii) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is operated in Hong Kong and the PRC. Most of the sales and trading transactions are settled in RMB. Deposits invested into various bank deposits are denominated in Renminbi ("RMB") and Hong Kong Dollars ("HK$"). As at the reporting date, foreign currencies were translated into HK$ at the closing rate. As at 31 December 2009, cash and bank balances included RMB164,000 (approximately HK$186,000) denominated in RMB and the remaining balance of HK$35,472,000 denominated in HK$. The foreign currency exchange rate fluctuations in connection with its bank deposits to the Group is not significant.

The Company does not have significant exposure to foreign currency risk at the reporting date (31 July 2008: Nil).

The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

(iii) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations.

The carrying amounts of trade receivables, other receivables and deposits, amounts due from subsidiaries and cash and cash equivalents included in the face of the statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group generally has established long-term and stable relationships with its customers. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group allows a range of credit periods from 30 days to 90 days to its trade customers.

The Group has no other significant concentration of credit risk in respect of its trade receivables.

The Group maintains its cash and cash equivalents with reputable banks in Hong Kong and the PRC, therefore the directors consider that the credit risk for such is minimal.

The credit and investment policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(iv) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has interest-bearing assets in relation to cash at banks carried at effective interest rates with reference to the market. Details of which are disclosed in Note 25. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Group's cash at banks is considered minimal.

The Group's interest rate risk arose primarily from interest-bearing borrowings included obligations under finance lease, secured bank borrowings, amounts due to a former director and former ultimate holding company which had been fully settled as at the reporting date.

The Group manages interest rate risk by monitoring its interest rate profile. The Group adopts a policy of ensuring that its interest-bearing borrowings are on a fixed rate basis, through the contractual terms of the borrowings. The Group's interest-bearing borrowings were carried at fixed interest rates and did not have any exposure to interest rate risk at the reporting date nor in comparative periods. The Group is not exposed to changes in market interest rates.

The policies to manage interest rate risk have been followed by the Group since prior years and are considered to be effective.

The Company does not expose to interest rate risk as no interest-bearing borrowings at the reporting date.

(v) Other price risk

Other price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is not exposed to other price risk as no listed equity investments held as at the reporting date.

The policies to manage other price risk have been followed by the Group since prior years and are considered to be effective.

The Company does not expose to other price risk as no listed equity investments held at the reporting date.

42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(vi) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables, other payables and accruals, obligations under finance lease, borrowings and amounts due to former ultimate holding company, a former director and a minority shareholder, also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

The Group manages its liquidity needs on a consolidated basis by carefully monitoring scheduled debt servicing payments for long term financial liabilities as well as forecast cash inflows and outflows due in day to day business. Liquidity needs are monitored in various time bands, on a day to day and week to week basis, as well as on the basis of a rolling 30 day projection. Long term liquidity needs for a 180-day and 365-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows if available borrowing facilities are expected to be sufficient over the lookout period.

The Group maintains cash and short-term bank deposits to meet its liquidity requirements for 30 day periods at a minimum. Funding for longer-term liquidity needs is additionally secured by an adequate amount of borrowings and the ability to sell longer-term financial assets. The Group's liquidity is mainly dependent upon the cash received from its trade customers. The directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future.

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risks.

42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(vi) Liquidity risk (Continued)

The following tables detail the remaining contractual maturities at the reporting date of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group and the Company can be required to pay:

The Group

	As at 31 December 2009		
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within one year or on demand HK$'000
Non-derivative financial liabilities			
Trade payables	74	(74)	(74)
Other payables and accruals	1,318	(1,318)	(1,318)
Due to a minority shareholder	3,634	(3,634)	(3,634)
Total	5,026	(5,026)	(5,026)

	As at 31 July 2008			
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within one year or on demand HK$'000	Over one year but within five years HK$'000
Non-derivative financial liabilities				
Trade payables	712	(712)	(712)	–
Other payables and accruals	3,813	(3,813)	(3,813)	–
Due to former ultimate holding company	978	(1,152)	(1,152)	–
Due to a former director	2,166	(2,274)	(2,274)	–
Obligations under finance lease	242	(259)	(194)	(65)
Borrowings	5,704	(5,817)	(5,817)	–
Total	13,615	(14,027)	(13,962)	(65)

42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(vi) Liquidity risk (Continued)

The Company

	As at 31 December 2009		
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within one year or on demand HK$'000
Non-derivative financial liabilities			
Other payables and accruals	481	(481)	(481)
Due to a subsidiary	43,078	(43,078)	(43,078)
Total	43,559	(43,559)	(43,559)

	As at 31 July 2008		
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within one year or on demand HK$'000
Non-derivative financial liabilities			
Other payables and accruals	1,936	(1,936)	(1,936)
Due to former ultimate holding company	978	(1,152)	(1,152)
Due to a former director	2,166	(2,274)	(2,274)
Total	5,080	(5,362)	(5,362)

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular, its cash resources and other liquid assets that readily generate cash. The Group's existing cash resources and other liquid assets significantly exceed the cash outflow requirements.

42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

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

The Group early adopted the amendments to HKFRS 7 Improving Disclosures about Financial Instruments from 1 August 2008. These amendments introduce a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements. The Group has taken advantage of the transitional provisions in the amendments to HKFRS 7 and accordingly, no comparatives for the hierarchy for fair value measurement disclosures have been presented.

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

– Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

– Level 2: 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 form prices); and

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The Group has no listed securities measure at fair value as at 31 December 2009.

43. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group, prevailing and projected capital expenditures and projected strategic investment opportunities.

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

The Group regards total equity attributable to the owners of the Company presented on the face of the consolidated statement of financial position as capital, for capital management purpose. The amount of capital as at 31 December 2009 amounted to approximately HK$237,599,000 (31 July 2008: approximately HK$75,401,000), which the management considers as optimal having considered the projected capital expenditures and the forecast strategic investment opportunities.

The Group is not subject to externally imposed capital requirements.

44. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

FINANCIAL SUMMARY

For the period ended 31 December 2009

	(Note 1)			(Note 2)	
	2005	2006	2007	2008	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	8,324	13,523	18,622	11,799	10,887
Cost of sales	(5,031)	(8,026)	(5,312)	(5,900)	(6,331)
Gross profit	3,293	5,497	13,310	5,899	4,556
Other income	1,283	670	835	1,860	11,462
Other (losses)/gains	494	150	12,938	–	–
Selling, administrative and other operating expenses	(25,479)	(25,209)	(38,828)	(37,841)	(67,280)
Loss from operation	(20,409)	(18,892)	(11,745)	(30,082)	(51,262)
Finance costs	(391)	(1,069)	(440)	(439)	(1,384)
Share of loss of a jointly controlled entity	(285)	–	–	–	–
Loss before income tax	(21,085)	(19,961)	(12,185)	(30,521)	(52,646)
Income tax expense	–	–	–	–	–
Loss for the year/period	(21,085)	(19,961)	(12,185)	(30,521)	(52,646)
Attributable to:					
Owners of the Company	(19,586)	(18,457)	(11,894)	(30,521)	(52,006)
Minority interests	(1,499)	(1,504)	(291)	–	(640)
	(21,085)	(19,961)	(12,185)	(30,521)	52,646
ASSETS AND LIABILITIES					
Total assets	166,295	128,561	106,117	91,060	246,761
Total liabilities	(53,170)	(39,356)	(11,548)	(15,659)	(5,306)
	113,125	89,205	94,569	75,401	241,455

Notes:

1. The consolidated results for three years ended 31 July 2007 and the assets and liabilities as at 31 July 2005, 2006 and 2007 of the Group have been extracted from the Company's published annual reports.

2. The consolidated results for the year ended 31 July 2008 and the period ended 31 December 2009 and the assets and liabilities as at 31 July 2008 and 31 December 2009 of the Group are set out on pages 24 and 26, respectively.