北京建設 BPHL

BEIJING PROPERTIES (HOLDINGS) LTD

(Formerly known as Peaktop International Holdings Limited)
(incorporated in Bermuda with limited liability)
Stock Code: 925

ANNUAL REPORT 2009

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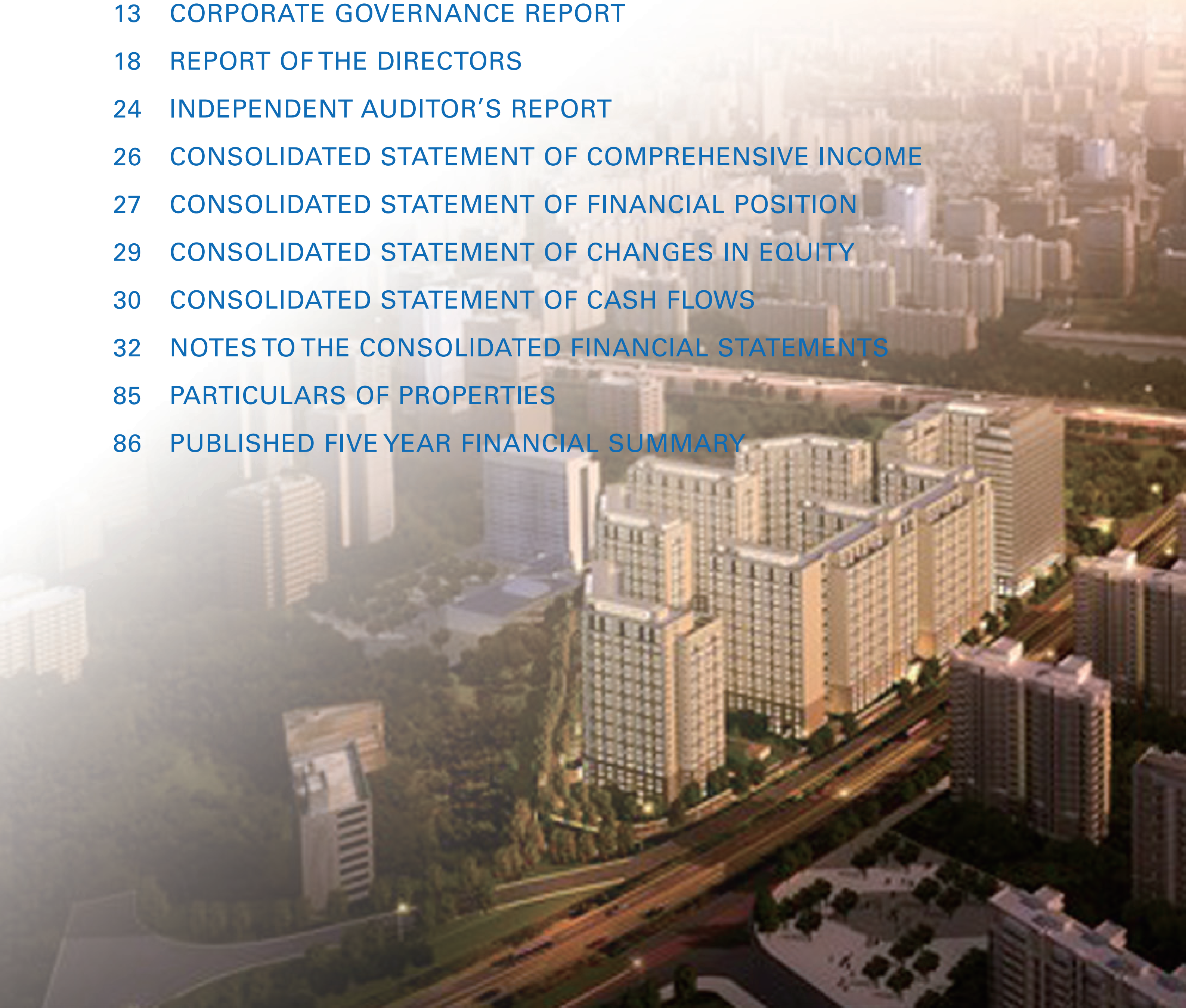


CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. LEI Zhengang *(Chairman)*
(appointed on 17 July 2009)
Mr. QIAN Xu *(Chief Executive Officer)*
(appointed on 17 July 2009)
Mr. SIU Kin Wai (appointed on 17 July 2009)
Mr. LI Chien Kuan (resigned on 17 August 2009)
Mr. LIN Chun Fu (resigned on 22 September 2009)

Non-Executive Directors

Mr. LIN Chun Kuei (re-designated on 17 July 2009)
Mr. Andree HALIM (resigned on 17 July 2009)
Mr. NG Kin Nam (resigned on 17 July 2009)

Independent Non-Executive Directors

Mr. GOH Gen Cheung
Mr. MA Chiu Cheung, Andrew
Mr. NG Tang Fai, Ernesto

AUDIT COMMITTEE

Mr. MA Chiu Cheung, Andrew *(Chairman)*
Mr. GOH Gen Cheung
Mr. NG Tang Fai, Ernesto

NOMINATION COMMITTEE

Mr. NG Tang Fai, Ernesto *(Chairman)*
Mr. GOH Gen Cheung
Mr. MA Chiu Cheung, Andrew
Mr. QIAN Xu (appointed on 17 July 2009)
Mr. LI Chien Kuan (resigned on 17 July 2009)
Mr. LIN Chun Kuei

REMUNERATION COMMITTEE

Mr. GOH Gen Cheung *(Chairman)*
Mr. MA Chiu Cheung, Andrew
Mr. NG Tang Fai, Ernesto
Mr. QIAN Xu (appointed on 17 July 2009)
Mr. LI Chien Kuan (resigned on 17 July 2009)
Mr. LIN Chun Kuei

COMPANY SECRETARY

Mr. SIU Kin Wai (appointed on 17 July 2009)
Mr. JAN Wing Fu, Barry (resigned on 17 July 2009)

AUTHORIZED REPRESENTATIVES

Mr. QIAN Xu
Mr. SIU Kin Wai

STOCK CODE

925

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 5706, 57/F.,
Central Plaza,
18 Harbour Road,
Wanchai, Hong Kong
Tel: (852) 2511 6016
Fax: (852) 2598 6905

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

The Bank of Bermuda Limited
Bank of Bermuda Building
6 Front Street, Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITORS

Deloitte Touche Tohmatsu Certified Public Accountants
(appointed on 25 August 2009)
CCIF CPA Limited
(resigned on 25 August 2009)

WEBSITE

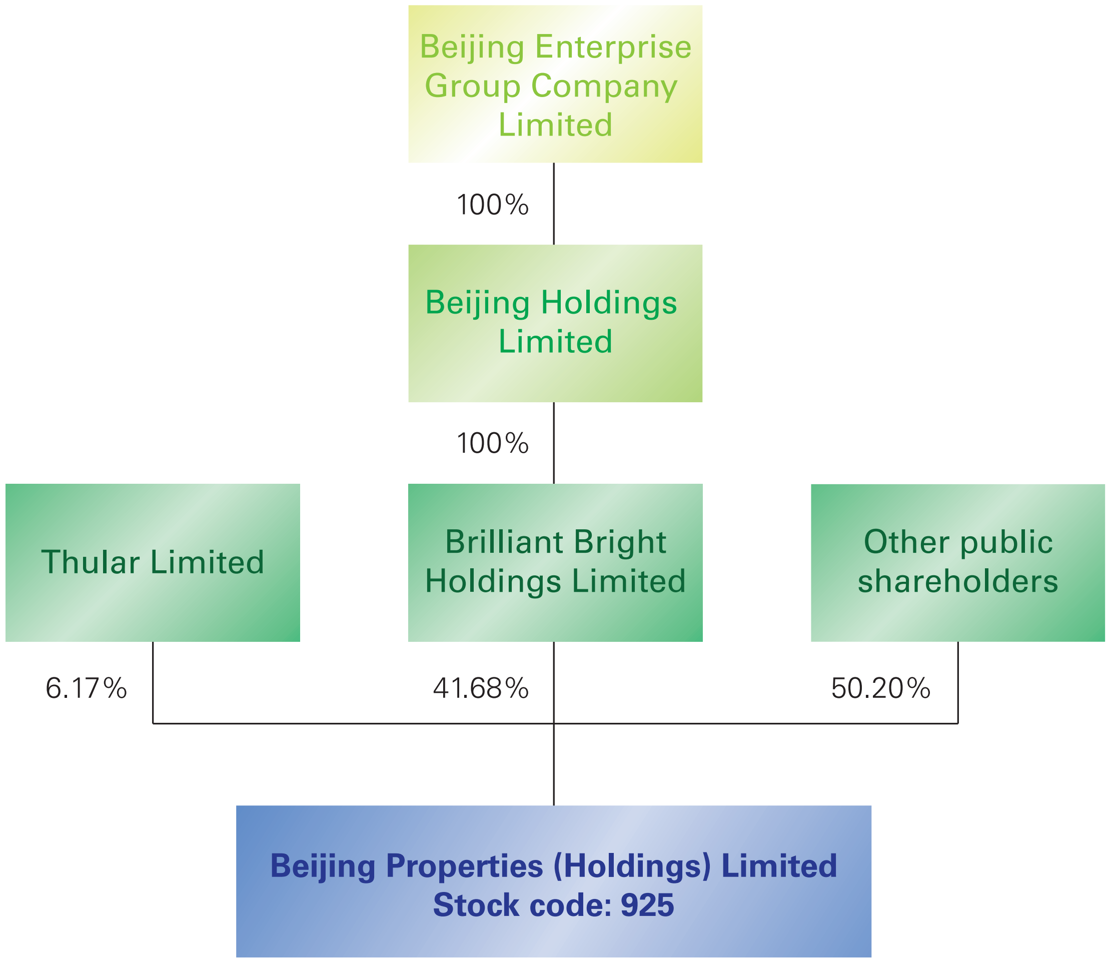
www.bphl.com.hk

PRINCIPAL BANKERS

Citic Ka Wah Bank Limited
Bank of Communications, Hong Kong Branch
ChinaTrust Bank (USA)
深圳平安銀行
Agricultural Bank of China

GROUP STRUCTURE

As at 31 March 2010



DIRECTORS AND SENIOR MANAGEMENT

Our Board currently consists of seven directors, comprising three executive directors, one non-executive director and three independent non-executive directors.

EXECUTIVE DIRECTORS

Mr. LEI Zhengang, aged 57, *Chairman*. Mr. Lei is a PRC senior accountant and has obtained a postgraduate qualification from the Capital University of Economics and Business and has extensive experience of corporate finance and management. Mr. Lei is an Executive Director of the Beijing Enterprises Holdings Limited (stock code 392), the shares of which are listed on the Stock Exchange of Hong Kong Limited. Mr. Lei is the General Manager and Director of Beijing Holdings Limited ("BHL") and also the Director and Deputy General Manager of Beijing Enterprises Group Company Limited ("BEGCL"). BHL and BEGCL are holding companies of Brilliant Bright Holdings Limited ("Brilliant Bright"), which is a controlling shareholder of the Company. Mr. Lei joined the Group in July 2009.

Mr. QIAN Xu, aged 46, *Chief Executive Officer*. Mr. Qian graduated from the Economics and Management Faculty of the Beijing Industrial University with a Bachelors degree in Economics. Mr. Qian has extensive experience in mergers and acquisitions, corporate restructuring and financial management. Mr. Qian is a Director of Brilliant Bright, which is a controlling shareholder of the Company and serves as the Director and Deputy General Manager of BHL, which is the holding company of Brilliant Bright. Mr. Qian joined the Group in July 2009.

Mr. SIU Kin Wai, aged 41, *Chief Financial Officer*. Mr. Siu graduated from the City University of Hong Kong with a Bachelors degree in Accountancy and is a fellow member of the Association of Chartered Certified Accountants and member of the Hong Kong Institute of Certified Public Accountants and Institute of Chartered Accountants in England and Wales. Mr. Siu has extensive experience in financial management and corporate advisory and assurance. Mr. Siu is a Director of Brilliant Bright, which is a controlling shareholder of the Company and serves as the Chief Financial Officer of BHL, which is the holding company of Brilliant Bright. Mr. Siu joined the Group in July 2009.

NON-EXECUTIVE DIRECTOR

Mr. LIN Chun Kuei, aged 59. Mr. Lin is the founder of the Group and has over 20 years of experience in the giftware industry. Before joining the Group's giftware business, he operated the machine and spare parts manufacturing business. He is the father of Mr. Lin Wei Hung, the President of Silkroadgifts, Inc., a subsidiary of the Company.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. GOH Gen Cheung, aged 63. Mr. Goh has been appointed as Independent Non-Executive Director since November 1997. He has over 30 years of treasury, finance and banking experience. Mr. Goh is an associate member of the Chartered Institute of Bankers and has a master's degree in business administration from the University of East Asia in Macau. Mr. Goh also serves as Independent Non-Executive Directors of CEC International Holdings Limited and Shinhint Acoustic Link Holdings Limited, both are companies listed on The Stock Exchange of Hong Kong Limited. Effective from 8 February 2009 and 16 December 2009, Mr. Goh resigned from Independent Non-Executive Directors of Karce International Holdings Company Limited and China Favors and Fragrances Company Limited, both are companies listed on the Stock Exchange of Hong Kong Limited, respectively.

Mr. MA Chiu Cheung, Andrew, aged 68. Mr. Ma has been appointed as an Independent Non-Executive Director since September 2004. Mr. Ma is a founder and former Director of Andrew Ma DFK (CPA) Limited and is currently a Director of Mayee Management Limited. He has over 30 years of experience in the field of corporate advisory and assurance and finance. He received his bachelor's degree, majoring in economics, from the London School of Economics and Political Science (University of London) in England. Mr. Ma is a fellow member of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Directors and the Taxation Institute of Hong Kong. Mr. Ma also serves as Independent Non-Executive Directors of Asia Financial Holdings Limited, Tanrich Financial Holdings Limited, C.P. Pokphand Company Limited, China Resources Power Holdings Company Limited and Chong Hing Bank Limited, all of which are companies listed on the Stock Exchange of Hong Kong Limited. Mr. Ma is also an Non-Executive Director of Asian Citrus Holdings Limited, a company listed on the AIM Board of The London Stock Exchange and on the Stock Exchange of Hong Kong Limited.

Mr. NG Tang Fai, Ernesto, aged 66. Mr. Ng has been appointed as Independent Non-Executive Director since May 2007. Mr. Ng has extensive experience in the areas of corporate governance, banking and capital markets. He is now the Executive Vice President of Asia Financial Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited.

CHAIRMAN'S STATEMENT

Dear Shareholders,

2009 was very meaningful and crucial to the development of Beijing Properties (Holdings) Limited (the "Company"; together with its subsidiaries, the "Group").

Following continuous efforts and thorough consideration made by the Board, firstly, we resolved the going concern issue of the Group by raising net proceeds of approximately HK$516.9 million during the year. The fund raising activities are crucial to the Group not only in resolving the above issue but also in attracting Beijing Holdings Limited and Kerry Holdings Limited as our investors. Secondly, the Group started participating into property development sector in the People's Republic of China ("PRC"). To reflect this major change in our new corporate strategy, the Company changed its name from Peaktop International Holdings Limited to Beijing Properties (Holdings) Limited in September 2009. Based on the Group's new strategy, we strategically positioned ourselves as a property developer in residential, commercial and logistic sectors. The new strategy aims at broadening our presence and improving the Group's profitability, and thus enhancing the shareholders' value. Our conditional acquisition of 60 percents equity interest in a property project located in Beijing, PRC, which is approved by a special general meeting on 12 March, 2010, is a major milestone to kick off this new strategy.

Chinese economy has recovered strongly from the global economic crisis in 2009. The massive government stimulus package had successfully stimulated the Real GDP to 8.7%, which exceeded the target of 8% set earlier in the year. Given this favourable condition, there is a rapid rebound in the overall property market in China during the final quarter of 2009. Additionally, the continuously rapid urbanization is driving the growth of China's property market in future by stimulating continuous growth in demands for all working, living and logistic spaces. Therefore, we expect that our new business segment, if successful, would significantly improve the profitability of the Group and Shareholders' value.

CHAIRMAN'S STATEMENT

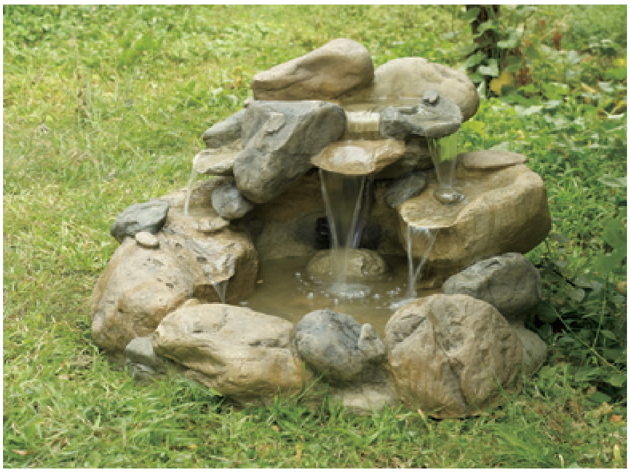
BUSINESS REVIEW AND PROSPECTS

Home Garden and Plastic Decorative Products Business

Even though slight improvement in the gross profit margin of the home garden and plastic decorative products business (the "home products business") was noted during the year, keen competition due to low entry barriers of this business, together with the inflation of the raw materials and labour costs and the very slow recovery of the property market in the United States of America, which is the major market of this business, had continuously caused uncertainties to the Company's future profitability arising from this business. In view of this, the Board has implemented measures such as outsourcing the manufacturing activities to outside manufacturers in order to enhance better control on our cost of sales. The Board is also considering the disposal of the continuously loss-making manufacturing stream of this business at an appropriate time.

Property Development Business

Recently, a series of new policy were implemented by the Chinese government with a view to administer and direct the healthy and more appropriate development of the China property market, with major focuses on control of speculative activities. The Board have a very optimistic view that a more stabilised and expanded market, with more affordable real buyers and users, will be established finally because of these right attitude and measures adopted. Given this confidence, the Group will aggressively seek for investment opportunities in property projects to enlarge our business size and to establish our brand name in the property development business in the foreseeable future.



APPRECIATION

At last, on behalf of the Board, I would like to express our since gratitude to our shareholders, customers, employees and business partners for their continuous trust and support, and to all of our staffs for their dedicated efforts in facilitating the Group's business restructuring and new business integration.

Lei Zhengang
CHAIRMAN

Hong Kong, 31 March 2010

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW AND PROSPECTS

During the year, the gross profit ratio of the Group was rebounded from approximately 8.8% of last year to approximately 15.8%. The improvement was primarily caused by drop in global crude oil price and the raw materials, the stabilised Renminbi and the significant decrease in product development costs charged as expenses by the Group.

Despite the slight improvement, however, the keen competition in the home, garden and plastic decorative products industry (collectively, the "home products business"), the foreseen appreciation in Renminbi and the continuous fluctuation in price of crude oil and raw materials have caused significant uncertainties to the Group's future profitability arising from this business. Currently, the manufacturing stream of the home products business is making loss continuously. The Group has adopted measures to reduce the loss, such as, by outsourcing the manufacturing activities and scaling down the Group's loss-making manufacturing stream of the business.

Simultaneously, after thorough consideration by the Board, the Group started participating into the property development business in China for purpose of diversifying the risks associated with the home products business and regaining reasonable profitability to our shareholders. In order to signify the new strategic move, we changed the Company's name to Beijing Properties (Holdings) Limited in October 2009 and acquired (subject to conditions of completion) the 60% equity interest in a property project located in Beijing in March 2010.

Looking ahead, the Group will progressively reduce our reliance on the home products business. Majority of the Group's resources will be allocated to the property development business. It is expected that with the proposed business diversification, the contribution from the home products business to the Group would become less material.

MAJOR EVENTS

1,700,000,000 Ordinary Shares Placement

On 24 April 2009, the Company entered into a placing agreement with a placing agent pursuant to which the Company had placed out 1,700,000,000 shares at a price of HK$0.15 per share to certain placees (the "Placement"). The net aggregate proceeds received from the placement, after deducting relevant expenses, is approximately HK$249.5 million. The Placement was approved by a resolution passed in the special general meeting held on 22 June 2009 and which had been completed on 2 July 2009. Upon completion of the Placement, the issued and fully paid shares of the Company were increased to 2,699,196,000 shares.

MAJOR EVENTS (Continued)

540,000,000 Ordinary Shares Placement and 200,000,000 Unlisted Warrants Issuance

On 28 July 2009 and 30 July 2009, the Company respectively entered into a placing agreement and a supplemental placing agreement with a placing agent pursuant to which the Company had placed out 540,000,000 shares at a price of HK$0.50 per share and a maximum of 200,000,000 unlisted warrants at an issue price of HK$0.01 per unit of warrant (the "New Placement"). The maximum net aggregate proceeds of the New Placement, after deducting relevant expenses, is approximately HK$267.4 million. The New Placement was approved by a resolution passed in the special general meeting held on 14 September 2009 and which had been completed on 24 September 2009. Upon completion of the New Placement, the issued and fully paid shares of the Company were increased to 3,239,196,000 shares and which will be further increased to 3,439,196,000 shares assuming the subscription rights attaching to the unlisted warrants are fully exercised.

Disposal of Properties

On 15 July 2009, The Company entered into an agreement with an independent third party pursuant which the Company's office property and an investment property located in Hong Kong were sold at a total consideration of HK$27.8 million. The transaction was completed on 21 August 2009 and a loss of approximately HK$4.75 million was recorded during the year ended 31 December 2009 (the "Fiscal Year 2009") based on the carrying value (including all relevant costs) of the office property and an investment property of approximately HK$32.55 million.

On 8 September 2009, Lu He Yuansheng Light Industrial Products Company Limited, a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party pursuant which a property which is located in Shuishun, Luhe, PRC was sold at a total consideration of RMB20 million (approximately HK$23.64 million). A loss of approximately HK$6.99 million arising from this disposal was recorded in the Fiscal Year 2009 based on the carrying value of the property of HK$30.63 million.

Change of Company Name

Pursuant to a special resolution passed in the special general meeting held on 14 September 2009, the english name of the Company was changed from "Peaktop International Holdings Limited" to "Beijing Properties (Holdings) Limited" and a new Chinese name "北京建設（控股）有限公司" was in place of the existing Chinese name "元昇國際集團有限公司" for identification purpose was adopted.

Completion of Disposal of Entire Interests in Peaktop Technologies Limited

On 1 May 2008 and 25 February 2009, the Group entered into the conditional agreement and supplemental agreement respectively with Tactic Investment Group Limited to dispose the entire issued share capital of the Peaktop Technologies Limited at a consideration of RMB240 million (approximately HK$271.43 million). The transaction was duly completed on 21 September 2009 and a gain of approximately HK$100.47 million arising from this disposal was recorded in the Fiscal Year 2009.

MAJOR EVENTS (Continued)

Acquisition of the Entire Issued Share Capital of Zenna Investment Limited

On 27 January 2010, the Company entered into a conditional agreement with the holding company of a substantial shareholder to acquire interests in a properties under development for sale in the PRC at a total consideration of RMB92.25 million (equivalent to approximately HK$104.81 million), which is payable, to the holding Company of the substantial shareholder or its designated nominees as to RMB60.75 million (equivalent to approximately HK$69.02 million) by issue and allotment of 83,362,500 new shares of the Company at the issue price of approximately HK$0.828 per share and as to RMB31.50 million (equivalent to approximately HK$35.79 million) by cash payment.

This transaction constituted a connected transaction under the Listing Rules and was approved by the independent shareholders in a special general meeting held on 12 March 2010.

The completion of this transaction is subject to other conditions set out in the agreement and the transaction is expected to be completed during the year ending 31 December 2010.

Adoption of New Share Option Scheme

On 3 March 2010, the Company adopted a new share option scheme to replace the old share option scheme adopted on 18 June 2002, pursuant to a resolution passed in a special general meeting held on 18 March 2010.

Placing of 260,000,000 New Shares and Issue of 130,000,000 Unlisted Warrants Under a Specific Mandate

On 19 March 2010, the Company entered into a placing agreement with a placing agent pursuant to which the Company appointed the placing agent as its exclusive agent to procure placees to subscribe for a maximum of 260,000,000 new share of HK$0.80 per share and a maximum of 130,000,000 warrants at an issue price of HK$0.01 per unit of warrant, on the basis of one warrant for every two shares subscribed. The transaction is subject to pass by resolution of a special general meeting.

FINANCIAL REVIEW

For the Fiscal Year 2009, the Group's consolidated turnover amounted to HK$155.53 million, representing a decrease of HK$146.64 million, or 48.5%, from HK$302.17 million of the year ended 31 December 2008 (the "Fiscal Year 2008"). During the Fiscal Year 2009, after the enormous impact of the global financial crisis, the meltdown of the US housing market is still not over yet, the economic recession still adversely affected our income arising from the Group's home products business. The demand of our products dropped continuously and it is expected that significant recovery of demand will not happen in the foreseeable future.

The Group has a consolidated loss of HK$22.47 million attributable to owners of the Company in the Fiscal Year 2009. As compared to the loss of HK$108.82 million recorded in the Fiscal Year 2008, the significant drop in loss recorded in current year was due primarily to a gain of HK$100.47 million arised from the disposal of a subsidiary completed in September 2009.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL AND MANAGEMENT REVIEW

Selling and distribution and administrative expenses

During the Fiscal Year 2009, total selling and distribution expenses decreased by HK$10.87 million, or 23.6%, from HK$45.96 million of the Fiscal Year 2008 to HK$35.09 million. The decrease in total selling and distribution expenses was in line with the decrease in our revenue of the year, particularly due to the decrease in sales to the USA market.

Total administrative expenses of the Group decreased by HK$7.69 million, or 10.5%, from HK$73.11 million of the Fiscal Year 2008 to HK$65.42 million of the Fiscal Year 2009. The decrease in total administrative expenses was in line with the downscale in the operation in current year.

Liquidity, Financial Resources and Finance Costs

The Group finances the operations of the home products business by fund raising, internally generated cash flows and banking facilities. As at 31 December 2009, the Group had aggregate available banking facilities of HK$23.45 million (31 December 2008: HK$108.12 million), of which HK$10.27 million (31 December 2008: HK$94.06 million) was utilised and subject to floating interest. The Group's cash and bank balances at that date amounted to HK$522.25 million (31 December 2008: HK$19.58 million). The cash balances, together with the unutilised banking facilities, will enable the Group to fund its operational needs of both the home products business and the property development business.

In order to facilitate the cash requirements of the property development business and for working capital purpose of the Group, the Company had issued 1,700,000,000 shares and 540,000,000 shares in July 2009 and September 2009 respectively to raise aggregated net proceeds of approximately HK$516.9 million.

As at 31 December 2009, the Group's current ratio and quick ratio were 913% (31 December 2008: 41%) and 909% (31 December 2008: 34%) respectively. As at the same date, the Group only had a short-term borrowing of HK$10.27 million (31 December 2008: total borrowing of HK$96.33 million which included short term borrowings of HK$48.69 million, bank overdrafts of HK$2.26 million and long term borrowing of HK$45.38 million). The Group's gearing ratio at the same time, defined as total borrowing as percentage of total assets, was 2% (31 December 2008: 24%).

Total finance costs incurred by the Group in the Fiscal Year 2009 amounted to HK$3.72 million (31 December 2008: HK$10.08 million). The decrease of total finance costs was in line with the decrease of the Group's total borrowings and the general decrease of borrowing interest rates. The Group will continue to implement prudent financing policy in order to ensure that the Group will not be affected by the economic uncertainties.

FINANCIAL AND MANAGEMENT REVIEW (Continued)

Capital Expenditure

The Group spent approximately HK$22.26 million (31 December 2008: HK$38.46 million) as capital expenditure in the Fiscal Year 2009, which included HK$14.31 million for construction in progress.

Foreign Exchange Exposure

During the Fiscal Year 2009, the Group's major revenue was denominated in United States dollars, while banking facilities repayment and purchases were made essentially in the corresponding currencies and Renminbi, thus establishing a natural hedge.

Contingent Liabilities

As at 31 December 2009, the Group had no significant contingent liability (31 December 2008: Nil).

Charges on Assets

As at 31 December 2009, certain assets of the Group with aggregate carrying value of HK$31.94 million (31 December 2008: HK$152.76 million) were pledged to secure loan facilities utilised by the Group.

Employees and Remuneration Policies

As at 31 December 2009, the Group had a total of 347 (31 December 2008: 1,006) employees. Total staff cost incurred during the Fiscal Year 2009 amounted to HK$45.6 million (31 December 2008: HK$64.9 million), including staff cost included in cost of sales and directors' remuneration. The Group offers a comprehensive remuneration and benefit package to our employees, and the management reviews the remuneration policies on a regular basis.

The Group also adopts a share option scheme. During the Fiscal Year 2009, no options were granted or exercised under the share option scheme adopted on 18 June 2002. Pursuant to an ordinary resolution passed in a special general meeting held by the Company on 18 March 2010, a new share option scheme was adopted and the share option scheme passed on 18 June 2002 was terminated.

PROSPECT

Looking ahead, due to continuous loss-making by the home products business, particularly the manufacturing stream of it, the Board will consider to down-scale the continuously loss-making manufacturing stream in order to achieve better costs control for this business and will progressively reduce our reliance on this business.

On the other hand, the Group will aggressively seek for opportunities to enlarge our business size in property development business. Even though a series of new policy were recently implemented by the Chinese government to control the ongoing speculative activities of the Chinese property market, we are of the opinion that these are appropriate and right measures to enhance a healthy development of not only the property market, but also the economic growth of China in the long run. Under a stabilised economic and property market environment, the Board believes that the affordable and acceptable property price will help pushing up the demand of property in China and thus creating ample business opportunities to us.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain a quality corporate governance so to ensure better transparency of the Company, protection of shareholders' and stakeholders' rights and enhance shareholders' value.

In the opinion of the Board, the Company had complied with all code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year, except for certain deviations disclosed herein below.

BOARD OF DIRECTORS

Composition and role

The Board currently consists of seven directors: comprising three executive directors, namely, Mr. Lei Zhengang, Mr. Qian Xu and Mr. Siu Kin Wai; one non-executive director, namely, Mr. Lin Chun Kuei; and three independent non-executive directors ("INED(s)"), namely, Mr. Goh Gen Cheung, Mr. Ng Tang Fai, Ernesto and Mr. Ma Chiu Cheung, Andrew. One of the INEDs, namely, Mr. Ma Chiu Cheng, Andrew, has the professional and accounting qualifications required by the Listing Rules. The function of the Board is to formulate corporate strategy and business development. The Board met regularly during the year to approve acquisition and disposal, connected transactions, placing of shares and monitoring the financial performance of the Group in pursuit of its strategic goals. Control and day to day operation of the Company is delegated to the chief executive officer and the management of the Company. There is no relationship among members of the Board in respect of financial, business, family or other material/relevant relationship.

Board Meeting

Attendance records of the Board meetings for the year were set out below:

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings held	7	3	1	4
Name of Director	**Number of meetings attended**			
Executive Directors				
Mr. Lei Zhengang (appointed on 17 July 2009)	4	N/A	N/A	N/A
Mr. Qian Xu (appointed on 17 July 2009)	5	N/A	N/A	1
Mr. Siu Kin Wai (appointed on 17 July 2009)	6	N/A	N/A	N/A
Mr. Lin Chun Kuei (re-designated on 17 July 2009)	1	N/A	1	1
Mr. Li Chien Kuan (resigned on 17 August 2009)	2	N/A	1	1
Mr. Lin Chun Fu (resigned on 22 September 2009)	5	N/A	N/A	N/A

BOARD OF DIRECTORS (Continued)

Board Meeting (Continued)

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Non-Executive Directors				
Mr. Lin Chun Kuei (re-designated on 17 July 2009)	6	N/A	N/A	1
Mr. Andree Halim (resigned on 17 July 2009)	0	N/A	N/A	N/A
Mr. Ng Kin Nam (resigned on 17 July 2009)	0	N/A	N/A	N/A
Independent Non-Executive Directors				
Mr. Goh Gen Cheung	7	3	1	4
Mr. Ma Chiu Cheung, Andrew	7	3	1	4
Mr. Ng Tang Fai, Ernesto	7	3	1	4

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code A.2.1 of the CG Code provides that the roles of Chairman and CEO should be separate and should not be performed by the same individual. The Chairman and CEO of the Company up to 17 July 2009 was Mr. Lin Chun Kuei who had been re-designated as a Non-Executive Director on that date. During the period when Mr. Lin Chun Kuei acted as the Chairman and the CEO, the Board considered that the structure of this non-compliance to Code A.2.1 of the CG Code will not impair the balance of power and authority between the Board and the management of the business of the Group given that there was a professional and independent non-executive element on the Board and there existed a clear division of responsibility for the running of the business of the Group. Effective from 17 July 2009, Mr. Lei Zhengang was appointed as the Chairman and Mr. Qian Xu was appointed as the CEO of the Group and this Code A.2.1 was then complied.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of CG Code stipulates that Non-Executive Directors should be appointed for a specific term, subject to re-election. Two of three Independent Non-Executive Directors of the Company have not been appointed for a specific term but all three Independent Non-Executive Directors are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company.

The Company has received written annual confirmations from all INEDs confirming their independence pursuant to Rules 3.13 of the Listing Rules. The Company considers all INEDs are independent.

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct in respect of securities transactions of the directors (the "Model Code"). Having made specific enquiry of all Directors, the Company has confirmed that all Directors have complied with the required standards set out in the Model Code and its code of conduct regarding director's securities transaction during the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the CG Code as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2009, with deviations from code provisions A.2.1 and A.4.1 of the CG Code in respect of the separates roles of the Chairman and CEO and the appointment of Independent Non-Executive Directors for a specific term. The Code of A.2.1 was compiled by the Company following the separate nomination of Mr. Lei Zhengang and Mr. Qian Xu as the Chairman and CEO respectively on 17 July 2009.

BOARD COMMITTEES

The Board has established three board committees to strengthen its functions and corporate governance practices, namely, Audit Committee, Remuneration Committee and Nomination Committee. The Audit Committee, Remuneration Committee and Nomination Committee perform their specific roles in accordance with their respective written terms of reference.

Audit Committee

The audit committee was established in 1999 and consists of all Independent Non-Executive Directors. Members of the audit committee are Mr. Ma Chiu Cheung, Andrew, Mr. Goh Gen Cheung and Mr. Ng Tang Fai, Ernesto. The audit committee is chaired by Mr. Ma Chiu Cheung, Andrew who is the founder and a former Director of Andrew Ma DFK (CPA) Limited and has over 30 years of experience in the field of corporate advisory and assurance and finance. All members of this committee hold the relevant industry and financial experience necessary to advise on Board strategies and other related matters.

The audit committee's functions are:

- to monitor and decide on the independence, appointment and terms of engagement of the external auditors;
- to review and monitor financial reporting and the reporting judgment contained; and
- to review financial and internal controls, accounting policies and practices with management and external auditors.

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

Every year, the audit committee meets with the Group's external auditors to discuss the annual audit plan. The meetings of the audit committee are attended by members of the committee, and where necessary, the external auditors. External auditors made presentations to the audit committee on implications of the introduction of new accounting standards in Hong Kong and their audit methodologies. The audit committee subsequently reported its recommendations to the Board for further review and approval. The audit committee is also entrusted with monitoring and assessing the independence and objectivity of the external auditors and the effectiveness of the audit process. All external audit partners are subject to periodic rotations, and where necessary, and the ratio of annual fees for non-audit services and for audit service is subject to close scrutiny by the audit committee.

During the year under review, the audit committee met three times to review and approve, for recommendations made to the Board for approval, the audited financial statements and annual results announcement for the year ended 31 December 2008, the unaudited financial statements and interim results announcement for the six months ended 30 June 2009 and discussed with the management and external auditors the audit planning, accounting policies and practices related to the audit of the Group for the year ended 31 December 2009.

The fees paid/payable in respect of services provided by the Group's external auditors during the year ended 31 December 2009 were as follows:

	2009 **HK$'000**	2008 HK$'000
Audit Service	**795**	1,611
Non-audit services	**310**	600

The audit committee has concluded that it is satisfied with the findings of its review of the audit and non-audit services fees, process and effectiveness, independence and objectivity.

The Group's annual report for the year ended 31 December 2009 has been reviewed by the audit committee.

Remuneration Committee

The remuneration committee was established in 2005, which is responsible for formulating and making recommendation to the Board on the Group's policy and structure for all the remunerations of the Directors and senior management and on the establishment of a formal and transparent procedures for developing policy on such remuneration.

The majority of the remuneration committee members are Independent Non-Executive Directors. Members of the remuneration committee are Mr. Goh Gen Cheung (Chairman), Mr. Ma Chiu Cheung, Andrew, Mr. Ng Tang Fai, Ernesto, Mr. Lin Chun Kuei and Mr. Qian Xu (appointed on 17 July 2009 to replace Mr. Li Chien Kuan following Mr. Li's resignation as a member on 17 July 2009).

BOARD COMMITTEES (Continued)

Nomination Committee

The nomination committee was established in 2005, which is responsible for nominating and affirming candidates approved by the Board, reviewing the structure and composition of the board on a regular basis, ensuring the competitive position of the organization, evaluating the leadership abilities of executive and non-executive directors and ensuring fair and transparent procedures for the appointment of directors to the Board.

The majority of the nomination committee members are Independent Non-Executive Directors. Members of the nomination committee are Mr. Ng Tang Fai, Ernesto (Chairman), Mr. Goh Gen Cheung, Mr. Ma Chiu Cheung, Andrew, Mr. Lin Chun Kuei and Mr. Qian Xu (appointed on 17 July 2009 to replace Mr. Li Chien Kuan following Mr. Li's resignation as a member on 17 July 2009).

INTERNAL CONTROLS

The Board has overall responsibility for the system of internal controls of the Company and for reviewing its effectiveness. The Board is committed to implement an effective and sound internal control system to safeguard the interest of shareholders and the Group's assets. The Board has delegated to the management the implementation of the system of internal controls and reviewing financial, operational, compliance controls and risk management functions within an established framework.

The Board has conducted a review of the effectiveness of the system of internal controls of the Company. In view of strengthening the internal control system to meet with the continuous corporate and business development of the Company, the Board will conduct an internal company-wide study periodically to review and enhance the internal control system.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible of the preparation of accounts for each financial year which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that year. In preparing the accounts for the year ended 31 December 2009, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on a going concern basis. The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2009.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the special general meeting of the Company held on 14 September and approved by the Registrars of Companies of Bermuda and Hong Kong, the name of the Company was changed from "Peaktop International Holdings Limited" to "Beijing Properties (Holdings) Limited" and a new Chinese name "北京建設(控股)有限公司" was in place of the existing Chinese name "元昇國際集團有限公司" for identification purpose was adopted.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 44 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2009 and the state of affairs of the Group at that date are set out in the audited consolidated financial statements on pages 26 to 84. The Board does not recommend the payment of any dividend for the year.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 86. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Group during the year are set out in Notes 16 and 18 to the audited consolidated financial statements, respectively.

SHARE CAPITAL AND WARRANTS

Details of movements in the Company's share capital and warrants during the year are set out in Note 31 to the audited consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

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 year.

REPORT OF THE DIRECTORS

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

At 31 December 2009, the Company's reserves available for distribution, calculated in accordance with the Company Act 1981 of Bermuda, amounted to Nil. In addition, the Company's share premium account, in the amount of HK$463,436,000, can be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 62.6% of the total sales for the year and sales to the largest customer included therein amounted to 17.1%. Purchases from the Group's five largest suppliers accounted for less than 35.9% of the total purchases for the year.

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.

DIRECTORS

The Directors of the Company during the year were:

Executive Directors:

Mr. Lei Zhengang *(Chairman)*	(appointed on 17 July 2009)
Mr. Qian Xu *(Chief Executive Officer)*	(appointed on 17 July 2009)
Mr. Siu Kin Wai	(appointed on 17 July 2009)
Mr. Li Chien Kuan	(resigned on 17 August 2009)
Mr. Lin Chun Fu	(resigned on 22 September 2009)

Non-Executive Directors:

Mr. Lin Chun Kuei	(re-designated on 17 July 2009)
Mr. Andree Halim	(resigned on 17 July 2009)
Mr. Ng Kin Nam	(resigned on 17 July 2009)

Independent Non-Executive Directors:

Mr. Goh Gen Cheung
Mr. Ma Chiu Cheung, Andrew
Mr. Ng Tang Fai, Ernesto

DIRECTORS (Continued)

In accordance with bye-law 111(A) and 114 of the Company's bye-laws, Mr. Ma Chiu Cheung, Andrew, Mr. Ng Tang Fai, Ernesto, Mr. Lei Zhengang, Mr. Qian Xu and Mr. Siu Kin Wai shall retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received written annual confirmations of independence from each of the Independent Non-Executive Directors of the Company, and as at the date of this report still considers them to be independent.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 4 to 5 of the annual report.

DIRECTORS' SERVICE CONTRACTS

Prior to the resignations of Mr. Lin Chun Kuei, Mr. Lin Chun Fu and Mr. Li Chien Kuan as Executive Directors of the Company, they have entered into service agreements with the Company for a term of three years commencing from 1 December 1997 and which are renewable automatically for successive terms of one year each, until terminated by not less than six months' notice in writing served by either party on the other. All service contracts with them were terminated, as mutually agreed to be immediately effective and with no any compensation for loss of their offices incurred, upon their re-designation and resignations from directorships of the Company.

Mr. Ng Tang Tai, Ernesto, an Independent Non-Executive Director, has a service agreement with the Company for a fixed term of three years commencing on 30 May 2007, until terminated by either party thereto giving to the other not less than three months' notice in writing, with unexpired periods of approximately 5 months as at 31 December 2009.

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

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Remuneration Committee with reference to directors' duties, responsibilities and performance and the results of the Group.

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 year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2009, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long position in the shares:

Name of Director	Nature of interest	Number of Shares held	Percentage of the Company's issued share capital (%)
Mr. Lin Chun Kuei	Beneficial Owner	63,051,200	1.95

Save as disclosed above, as at 31 December 2009, none of the Directors or the chief executive had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or an interest or a short position as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option in Note 33 to the audited consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director 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.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Further details of the Scheme are disclosed in Note 33 to the audited consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2009, the following interests and short positions of 5% or more of the issued share capital and warrants of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in shares and underlying shares:

Name	Notes	Number of shares and underlying shares held, capacity and nature of interest: directly beneficially owned	through a controlled corporation	Total	Percentage of the Company's issued share capital (%)
Brilliant Bright Holdings Limited	(a)	1,350,000,000	–	1,350,000,000	41.68
Beijing Holdings Limited	(a)	–	1,350,000,000	1,350,000,000	41.68
Beijing Enterprises Group Company Limited	(a)	–	1,350,000,000	1,350,000,000	41.68
Thular Limited	(b)	400,000,000	–	400,000,000	12.35
Kerry Holdings Limited	(b)	–	400,000,000	400,000,000	12.35
Kerry Group Limited	(b)	–	400,000,000	400,000,000	12.35

Notes:

(a) Brilliant Bright Holdings Limited is the beneficial owner of 1,350,000,000 shares of the Company and is the wholly owned subsidiary of Beijing Holdings Limited. Beijing Holdings Limited is in turn wholly owned by Beijing Enterprise Group Company Limited. Beijing Holdings Limited and Beijing Enterprise Group Company Limited are also deemed to be interested in the said shares.

(b) Thular Limited (formerly known as "Timekey Limited") is the beneficial owner of 200,000,000 shares and warrants attached with rights of subscription for 200,000,000 Shares. As Thular Limited is wholly owned by Kerry Holdings Limited which is in turn wholly owned by Kerry Group Limited, Kerry Holdings Limited and Kerry Group Limited are also deemed to be interested in the said shares and underlying shares.

Save as disclosed above, as at 31 December 2009, no person whose interests 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.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group are set out in Note 43 to the audited consolidated financial statements.

AUDITORS

During the year, CCIF CPA Limited resigned as auditors of the Company and Deloitte Touche Tohmatsu were appointed by the Directors to fill the casual vacancy so arising. There have been no other changes of auditors in the past three years. A resolution for the reappointment of Deloitte Touche Tohmatsu as auditors of the Company will be proposed at the forthcoming annual general meeting.

APPROVAL OF THE AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Group for the year ended 31 December 2009 were approved by the board of directors on 31 March 2009.

ON BEHALF OF THE BOARD
LEI Zhengang
Chairman

Hong Kong
31 March 2009

INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

TO THE SHAREHOLDERS OF BEIJING PROPERTIES (HOLDINGS) LIMITED
北京建設(控股)有限公司
(FORMERLY KNOWN AS PEAKTOP INTERNATIONAL HOLDINGS LIMITED
元昇國際集團有限公司)
(incorporated in the Bermuda with limited liability)

We have audited the consolidated financial statements of Beijing Properties (Holdings) Limited (formerly known as Peaktop International Holdings Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 84, which comprise the consolidated statement 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 year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

AUDITOR'S RESPONSIBILITY (Continued)

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

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

OPINION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 March 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	**31 December 2009 HK$'000**	31 December 2008 HK$'000 (restated)
Revenue	5	**155,526**	302,166
Cost of sales		**(130,980)**	(275,520)
Gross profit		**24,546**	26,646
Other income	7	**14,348**	7,365
Selling and distribution expenses		**(35,088)**	(45,960)
Administrative expenses		**(65,424)**	(73,111)
Other gains and losses	8	**42,219**	(15,842)
Finance costs	9	**(3,717)**	(10,077)
Loss before taxation		**(23,116)**	(110,979)
Taxation	10	**648**	2,157
Loss for the year	11	**(22,468)**	(108,822)
Other comprehensive income (loss) for the year			
Exchange difference arising on translation of foreign operations			
– Increase for the year		**258**	4,379
– Reclassification adjustment on disposal of subsidiaries		**2,749**	(1,936)
(Loss) gain on revaluation of properties		**(2,725)**	17,126
Revaluation increase on prepaid lease payments transferred to investment properties		**–**	17,573
Other comprehensive income for the year		**282**	37,142
Total comprehensive loss for the year		**(22,186)**	(71,680)
Loss for the year attributable to owners of the Company		**(22,468)**	(108,822)
Total comprehensive loss attributable to owners of the Company		**(22,186)**	(71,680)
		HK Cents	HK Cents
Loss per share	15		
– Basic		**(1.0)**	(10.9)
– Diluted		**(1.0)**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2009

	Notes	**31 December 2009 HK$'000**	31 December 2008 HK$'000 (restated)	1 January 2008 HK$'000 (restated)
Non-current assets				
Property, plant and equipment	16	**8,782**	149,675	164,248
Prepaid lease payments – non-current portion	17	**3,204**	38,945	61,388
Investment properties	18	**350**	77,442	12,640
Intangible assets	19	**–**	820	927
Available-for-sale financial assets	20	**–**	6,967	8,420
Loan receivable	21	**63,117**	–	–
Financial assets designated as fair value through profit and loss	22	**–**	12,497	23,471
Deposit paid for property, plant and equipment		**1,459**	–	–
		76,912	286,346	271,094
Current assets				
Trading securities		**–**	–	942
Inventories	23	**2,433**	18,462	77,353
Loan receivable	21	**5,738**	–	–
Trade and other receivables	24	**32,804**	48,354	122,610
Amount due from a related company	25	**91**	–	–
Prepaid lease payments – current portion	17	**74**	425	1,501
Tax recoverable		**132**	–	–
Pledged deposits	26	**879**	11,126	1,065
Bank balances and cash	27	**522,251**	19,575	41,188
		564,402	97,942	244,659
Non-current assets classified as held for sale	28	**–**	9,210	22,933
		564,402	107,152	267,592
Current liabilities				
Trade and other payables	29	**51,065**	211,641	142,893
Derivative financial instruments		**–**	–	2,113
Amount due to a related company	25	**455**	–	–
Bank loans – due within one year	30	**10,274**	48,687	204,001
Other unsecured loans		**–**	–	9,852
Obligation under finance leases		**–**	–	320
Bank overdrafts	27	**–**	2,264	5,756
Tax payables		**17**	692	2,377
		61,811	263,284	367,312
Net current assets (liabilities)		**502,591**	(156,132)	(99,720)
Total assets less current liabilities		**579,503**	130,214	171,374

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2009

	Notes	**31 December 2009 HK$'000**	31 December 2008 HK$'000 (restated)	1 January 2008 HK$'000 (restated)
Capital and reserves				
Share capital	31	**323,920**	99,920	99,920
Reserves		**255,021**	(15,647)	56,033
Total equity		**578,941**	84,273	155,953
Non-current liabilities				
Bank loans – due after one year	30	**–**	45,378	14,788
Deferred tax liabilities	32	**562**	563	633
		562	45,941	15,421
		579,503	130,214	171,374

The consolidated financial statements on pages 26 to 84 were approved and authorised for issue by the Board of Directors on 31 March 2010 and are signed on its behalf by:

QIAN Xu
DIRECTOR

SIU Kin Wai
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

	Share capital HK$'000 (Note 31)	Share premium HK$'000	Special reserve HK$'000 (note a)	Warrant reserve HK$'000 (Note 31)	Exchange reserve HK$'000	Asset revaluation reserve HK$'000	Statutory reserve HK$'000 (note b)	Accumulated losses HK$'000	Total
At 1 January 2008	99,920	172,582	18,528	–	16,046	871	23,786	(175,780)	155,953
Loss for the year	–	–	–	–	–	–	–	(108,822)	(108,822)
Exchange difference arising on translation of foreign operations									
– Increase for the year	–	–	–	–	4,379	–	–	–	4,379
– Reclassification adjustment on disposal of subsidiaries	–	–	–	–	(1,936)	–	–	–	(1,936)
Gain on revaluation of properties	–	–	–	–	–	17,126	–	–	17,126
Revaluation increase on prepaid lease payments transferred to investment properties as restated	–	–	–	–	–	17,573	–	–	17,573
Other comprehensive income for the year as restated	–	–	–	–	2,443	34,699	–	–	37,142
Total comprehensive income (loss) for the year	–	–	–	–	2,443	34,699	–	(108,822)	(71,680)
At 31 December 2008 as restated	99,920	172,582	18,528	–	18,489	35,570	23,786	(284,602)	84,273
Loss for the year	–	–	–	–	–	–	–	(22,468)	(22,468)
Exchange difference arising on translation of foreign operations									
– Increase for the year	–	–	–	–	258	–	–	–	258
– Reclassification adjustment on disposal of a subsidiary	–	–	–	–	2,749	–	–	–	2,749
Loss on revaluation of properties	–	–	–	–	–	(2,725)	–	–	(2,725)
Other comprehensive income (loss) for the year	–	–	–	–	3,007	(2,725)	–	–	282
Total comprehensive income (loss) for the year	–	–	–	–	3,007	(2,725)	–	(22,468)	(22,186)
Issue of ordinary shares (Note 31)	224,000	301,000	–	–	–	–	–	–	525,000
Issue of warrants (Note 31)	–	–	–	2,000	–	–	–	–	2,000
Transaction costs attributable to issue of ordinary shares and warrants	–	(10,146)	–	–	–	–	–	–	(10,146)
Transfer on disposal of buildings at valuation	–	–	–	–	–	(1,418)	–	1,418	–
Transfer on disposal of a subsidiary	–	–	–	–	–	(31,427)	(3,296)	34,723	–
At 31 December 2009	**323,920**	**463,436**	**18,528**	**2,000**	**21,496**	**–**	**20,490**	**(270,929)**	**578,941**

Notes:

a) The Group's special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired over the nominal value of the shares of the Company issued pursuant to the Group's reorganisation in 1997.

b) Pursuant to the relevant laws and regulations in the People's Republic of China ("PRC"), all the Company's PRC subsidiaries are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The transfer to the reserve must be made before distribution of dividends to shareholders. The statutory reserve fund can only be used to offset previous years' losses or to increase the capital of respective companies, provided that the balance after such issue is not less than 25% of its registered capital.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTE	31 December 2009 HK$'000	31 December 2008 HK$'000
Operating activities			
Loss before taxation		**(23,116)**	(110,979)
Adjustments for:			
Net decrease in fair value of investment properties		**–**	1,040
Depreciation of property, plant and equipment		**17,345**	25,053
Release of prepaid lease payments		**759**	979
Amortisation and impairment losses of intangible assets		**822**	231
Impairment losses on amount due from an investee company		**–**	9,576
Impairment losses on unlisted equity securities		**6,967**	1,453
Impairment losses on property, plant and equipment		**2,663**	2,921
Impairment losses on prepaid lease payments		**–**	1,374
Impairment losses recognised (reversed) on trade and other receivables		**4,602**	(5,889)
Reversal of bad debts written off		**–**	(1,725)
Loss on disposal of property, plant and equipment		**13,808**	5,397
Loss on disposal of an investment property		**2,814**	–
Loss on disposal of prepaid lease payments		**1,737**	–
Decrease in revaluation of buildings held for own use		**11,959**	–
Gain on disposal of non-current assets classified as held for sales		**–**	(5,366)
Gain on disposal of subsidiaries, net		**(100,466)**	(8,121)
Loss on changes in fair value of financial asset designated at fair value through profit or loss		**12,497**	9,929
Bank interest income		**(688)**	(157)
Interest income on loan receivable		**(997)**	–
Finance costs		**3,717**	10,077
Operating cash flows before movements in working capital		**(45,577)**	(64,207)
Decrease in inventories		**15,500**	44,893
Decrease in trade and other receivables		**10,657**	60,479
Increase (decrease) in trade and other payables		**2,320**	(15,634)
Cash (used in) generated from operating activities		**(17,100)**	25,531
Overseas tax (paid) refunded		**(158)**	799
Net cash (used in) from operating activities		**(17,258)**	26,330
Investing activities			
Purchase of property, plant and equipment		**(15,141)**	(38,463)
Deposit paid for property, plant and equipment		**(1,459)**	–
Additions of prepaid lease payments		**(3,584)**	–
Additions of investment properties		**(3,535)**	–
Proceeds from disposal of property, plant and equipment		**31,440**	8,178
Proceeds from disposal of an investment property		**8,785**	–
Proceeds from disposal of prepaid lease payments		**16,136**	–
Expenditure on development project		**–**	(128)
Decrease (increase) in pledged deposits		**10,349**	(9,991)
Net cash (outflow) inflow on disposal of subsidiaries	36	**(41,702)**	16,889
Proceeds from disposal of trading securities		**–**	942
Proceeds from disposal of non-current assets held for sales		**–**	31,778
Deposits for the consideration of disposal of certain buildings, prepaid lease payments and leasehold improvements		**–**	44,405
Advance to a related company		**(91)**	–
Interest received		**688**	157
Net cash from investing activities		**1,886**	53,767

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2009

	31 December 2009 HK$'000	31 December 2008 HK$'000
Financing activities		
Proceeds from issues of new ordinary shares and warrants	**527,000**	–
Transaction costs on issue of new ordinary shares and warrants	**(10,146)**	–
Repayments of obligations under finance lease	**–**	(320)
New bank loans raised	**162,445**	194,152
Repayment of bank loans	**(84,786)**	(316,494)
Repayment to other creditor	**(20,000)**	(9,852)
(Repayment to) advance from a director	**(25,000)**	23,000
Repayment to an ex-director	**–**	(2,066)
(Repayment to) advance from a substantial shareholder	**(25,000)**	22,000
Advance from a related company	**455**	–
Other borrowing costs paid	**(3,717)**	(10,077)
Net cash from (used in) financing activities	**521,251**	(99,657)
Net increase (decrease) in cash and cash equivalents	**505,879**	(19,560)
Cash and cash equivalents at beginning of the year	**17,311**	35,432
Effect of foreign exchange rate changes	**(939)**	1,439
Cash and cash equivalents at end of the year	**522,251**	17,311
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	**522,251**	19,575
Bank overdrafts	**–**	(2,264)
	522,251	17,311

1. GENERAL

Beijing Properties (Holdings) Limited (formerly known as Peaktop International Holdings Limited) (the "Company") is an exempted company incorporated in the Bermuda under the Companies Law and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of its registered office and principal place of business are disclosed in the section headed "Corporate Information" of the Company's Annual Report.

The Company has changed its name from Peaktop International Holdings Limited to Beijing Properties (Holdings) Limited on 21 September 2009.

The Company is an investment holding company. The activities of its principal subsidiaries are set out in Note 44.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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

The adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required. However, the adoption of the new and revised HKFRSs has affected the presentation and disclosure of the consolidated financial statements as described below:

HKAS 1 (Revised 2007) "Presentation of Financial Statements"

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

In addition, the adoption of HKAS 1 (Revised 2007) has resulted in the presentation of a third consolidated statement of financial position as at 1 January 2008 as the Group has restated/reclassified certain items in its consolidated financial statements (see Note 45).

HKFRS 8 "Operating Segments"

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments (see Note 6).

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transactional provision set out in the amendments.

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

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Parties Disclosures[6]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[5]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[5]

1 Effective for annual periods beginning on or after 1 July 2009
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
3 Effective for annual periods beginning on or after 1 January 2010
4 Effective for annual periods beginning on or after 1 February 2010
5 Effective for annual periods beginning on or after 1 July 2010
6 Effective for annual periods beginning on or after 1 January 2011
7 Effective for annual periods beginning on or after 1 January 2013

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company (the "Directors") anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below.

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

Basis of consolidation

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment other than buildings held for use in production or supply of goods or services, or for administrative purposes and other than construction in progress are stated at cost less subsequent accumulated depreciation and identified impairment losses.

Buildings held for use in production or supply of goods or services, or for administrative purposes, are initially recognised at cost. Subsequent to initial recognition, buildings are stated in the consolidated statement of financial position at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on revaluation of buildings is recognised in other comprehensive income and accumulated in asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is recognised to profit or loss to the extent that it exceeds the balance, if any, on the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus transferred to accumulated losses.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided to write off the costs or fair value of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

If an item of property, plant and equipment and leasehold interest in lands becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in asset revaluation reserve. On the subsequent sale or retirement of the asset, the relevant asset revaluation reserve will be transferred directly to accumulated losses.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

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

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Non-current assets held for sale

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

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

Leasing

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

The Group as lessor

Rental income from operating lease is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

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

Financial instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available for-sale financial assets.

Effective interest method

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

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

Financial assets at fair value through profit or loss

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

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

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loan and receivables (including trade and other receivables, loan receivable, amount due from a related company, pledged deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment of financial assets below).

Impairment of financial assets

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

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

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

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

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

Financial liabilities and equity

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

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

Effective interest method

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, amount due to a related company, bank loans and bank overdrafts are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial assets and recognise a collaterised borrowing for proceeds received.

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

Borrowing costs

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

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

Revenue recognition

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange difference are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange reserve). Such exchange differences are recognised in the profit and loss in the period in which the foreign operation is disposed of.

Taxation

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

Retirement benefit costs

Payments to defined contribution retirement plans including state-managed retirement benefit schemes and Mandatory Provident Fund Scheme are charged to an expense when employees have rendered service entitling them to the contributions.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment of loan receivable and trade and other receivables

The Group makes impairment of loan receivable and trade and other receivables based on an assessment of the recoverability of receivables. Impairment loss is applied to loan receivable and trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible or when the net present value of the receivable is less than the carrying amount of the receivable. The identification of impairment loss requires the use of judgment and estimates. Where the expectation on the recoverability of trade and other receivables is different from the original estimate, such difference will impact the carrying value of loan receivable and trade and other receivables and the impairment in the periods in which such estimate has been changed. At 31 December 2009, the carrying amount of loan receivable is HK$68,855,000 (31 December 2008: nil) and the trade and other receivable after deducting the impairment recognised is HK$28,471,000 (31 December 2008: HK$38,051,000). Details of movement in impairment on trade and other receivables are set out in Note 24.

Valuation of financial assets relating to the Group's interests in Heissner AG

As set out in Note 20, the Group has provided full impairment on the investment cost of the 18.1% equity interests in an investee, Heissner AG, which was the Company's former subsidiary disposed of by the Group in 2006, by reference to the unsatisfactory financial performance of the investee and an impairment of HK$6,967,000 was recongised in the profit and loss during the year.

Also, as set out in Note 22, the final value of the financial assets designated at FVTPL will depend on whether the average earnings before interest and tax ("EBIT") for the five years ending 31 December 2010 will be Euro 7.3 million or above. Considering the valuation performed by the independent firm of valuer and the historical and the projected performance of Heissner AG, the Directors considered that the final value of the financial assets will likely be zero. The Group has an option to gain the control back from the existing owner through transfer back the shares of Heissner AG. However, the Directors do not intend to exercise the option as the businesses of Heissner AG is not in line with the Group's future investment strategy and the Group will be required to inject additional funds to support Heissner AG. The Directors also consider that after taking into account the net realisable value of the non-current assets of Heissner AG, Heissner AG will have a net deficit position and will be unlikely to have value to the Group. Accordingly, the Directors considered the fair value of these financial assets designated at FVTPL to be zero at 31 December 2009 and a fair value decrease of HK$12,497,000 was recognised in profit and loss during the year.

The valuation of the financial assets and financial assets designated at FVTPL involved Directors' consideration on the projected average EBIT and net deficit position of Heissner AG. Should the actual outcome on these indicators are different, the fair value increase in the financial assets designated at FVTPL may be reversed from the profit and loss in the subsequent financial year.

5. REVENUE

Revenue represents the sales value of goods supplied to customer, after deducting sales related taxes and sales returns, from our design, manufacturing and sales of home, garden and plastic decorative products business.

6. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor accounting standard, HKAS 14 "Segment Reporting" required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was geographic segments by location of customers.

In prior years, segment information reported externally was analysed on the basis of the geographical location of goods supplied by the Group's operating divisions. However, the chief operating decision maker, the Company's Chief Executive Officer and Chief Financial Officer, reviewed monthly consolidated financial statements prepared in accordance with HKFRSs for the purpose of allocating resources and assessment of the Group's performance. Accordingly, in adoption of HKFRS 8 "Operating Segments", the Company considered that there is only one reportable segment with the segment revenue, segment result, segment assets and liabilities equal the revenue, loss for the year, total assets and total liabilities as reported in the consolidated financial statements.

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	31 December 2009 HK$'000	31 December 2008 HK$'000
Customer A	**26,598**	117,358
Customer B	**18,606**	31,459
Customer C (Note)	**18,467**	N/A
Customer D (Note)	**18,374**	N/A
Customer E (Note)	**N/A**	43,675
Customer F (Note)	**N/A**	30,423

Note: The corresponding revenue for the year ended 31 December 2008 or 2009 did not contribute over 10% of the total sales of the Group for that year.

7. OTHER INCOME

	31 December 2009 HK$'000	31 December 2008 HK$'000 (restated)
Bank interest income	**688**	157
Interest income on loan receivable	**997**	–
Commission income	**31**	65
Compensation income from demolition work	**–**	4,171
Dividend income from unlisted securities	**–**	22
Gross rental income from investment properties (Note)	**8,514**	622
Others	**4,118**	2,328
Total other income	**14,348**	7,365

Note: Direct operating expenses arising from investment properties that generated rental income during the year is HK$296,000 (31 December 2008: HK$18,000).

8. OTHER GAINS AND LOSSES

	31 December 2009 HK$'000	31 December 2008 HK$'000 (restated)
Gain on disposal of non-current assets classified as held for sales	**–**	5,366
Realised gain on trading securities	**–**	30
Impairment losses (recognised) reversed on trade and other receivables	**(4,602)**	5,889
Impairment losses on property, plant and equipment	**(2,663)**	(2,921)
Impairment losses on prepaid lease payments	**–**	(1,374)
Impairment losses on amount due from an investee company (Note)	**–**	(9,576)
Impairment losses on unlisted equity securities	**(6,967)**	(1,453)
Impairment losses on intangible assets	**(611)**	–
Reversal of bad debts written off	**–**	1,725
Decrease in revaluation of buildings held for own use	**(11,959)**	–
Gain on disposal of subsidiaries, net (Note 36)	**100,466**	8,121
Loss on disposal of property, plant and equipment	**(13,808)**	(5,397)
Loss on disposal of an investment property	**(2,814)**	–
Loss on disposal of prepaid lease payments	**(1,737)**	–
Loss on changes in fair value of financial assets designated at fair value through profit and loss	**(12,497)**	(9,929)
Net decrease in fair value of investment properties	**–**	(1,040)
Net foreign exchange losses	**(589)**	(5,283)
Total other gains and losses	**42,219**	(15,842)

Note: The amount for the year ended 31 December 2008 represented impairment loss on amount due from an investee company, Heissner AG. Owing to unsatisfactory performance of the investee company, the Directors considered that the amount was impaired.

9. FINANCE COSTS

Finance costs represent interests on bank loans and overdrafts wholly repayable within five years.

10. TAXATION

	31 December 2009 HK$'000	31 December 2008 HK$'000
The tax charge (credit) comprises:		
Current tax:		
PRC	**72**	35
Overseas	**–**	2
	72	37
(Over) underprovision in prior years:		
Hong Kong	**(783)**	(198)
PRC	**–**	(2,012)
Overseas	**63**	87
	(720)	(2,123)
Deferred tax (Note 32):		
Credit for the year	**–**	(71)
Total tax credit for the year	**(648)**	(2,157)

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong profits tax has been made as the group entities did not generate any assessable profits arising in Hong Kong during both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the People's Republic of China ("PRC") subsidiaries is 25% from 1 January 2008 onwards.

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

10. TAXATION (Continued)

Taxes on profits assessable elsewhere have been calculated at the applicable tax rates on the estimated assessable profit for the year based on existing legislation, interpretations and practices in respect thereof. No provision for overseas tax has been made as the group entities in jurisdictions other than the PRC and Hong Kong incurred tax losses in 2009.

Income tax credit for the year can be reconciled to the loss before taxation per the consolidated statement of comprehensive income as follows:

	31 December 2009 HK$'000	31 December 2008 HK$'000
Loss before taxation	**(23,116)**	(110,979)
Tax at the Hong Kong Profit Tax Rate of 16.5%	**(3,814)**	(18,311)
Tax effects of:		
Tax concession and exemption granted to PRC subsidiaries	**–**	(1,618)
Income not taxable for tax purpose	**(47,355)**	(16,764)
Expenses not deductible for tax purpose	**43,883**	21,204
Tax losses not recognised	**5,951**	19,801
Overprovision in respect of prior years	**(720)**	(2,123)
Different in income tax rate of group entities	**1,407**	(4,346)
Income tax credit for the year	**(648)**	(2,157)

11. LOSS FOR THE YEAR

	31 December 2009 HK$'000	31 December 2008 HK$'000
Loss for the year has been arrived at after charging (crediting):		
Auditors' remuneration	**795**	1,611
Depreciation and amortisation:		
– property, plant and equipment	**17,345**	25,053
– intangible assets	**211**	231
Release of prepaid lease payments	**759**	979
Minimum lease payments under operating leases in respect of land and buildings	**4,136**	4,448
Cost of inventories recognised as an expenses	**130,980**	274,439
Reversal of write-down of inventories	**–**	(1,081)
Staff costs (including directors' remuneration (Note 12)):		
Salaries, wages and benefits	**45,458**	64,339
Contributions to retirement benefit schemes	**182**	558
	45,640	64,897

12. REMUNERATION OF DIRECTORS AND EMPLOYEES

(a) Directors' emoluments

Emoluments paid to the Directors for the year were as follows:

	31 December 2009			
Name of director	Fee HK$'000	Salaries and allowance HK$'000	Contribution to retirement benefit scheme HK$'000	Total emoluments HK$'000
Executive directors:				
Lei Zhengang (Note a)	55	–	–	55
Qian Xu (Note a)	55	–	–	55
Siu Kin Wai (Note a)	55	–	–	55
Li Chien Kuan (Note c)	–	618	3	621
Lin Chun Fu (Note d)	–	624	3	627
Non-executive directors:				
Lin Chun Kuei (Note e)	–	1,619	12	1,631
Andree Halim (Note b)	–	–	–	–
Ng Kin Nam (Note b)	–	–	–	–
Independent non-executive directors:				
Ng Tang Fai, Ernesto	180	–	–	180
Goh Gen Cheung	180	–	–	180
Ma Chiu Cheung Andrew	180	–	–	180
	705	2,861	18	3,584

12. REMUNERATION OF DIRECTORS AND EMPLOYEES (Continued)

(a) Directors' emoluments (Continued)

	31 December 2008			
Name of director	Fee HK$'000	Salaries and allowance HK$'000	Contribution to retirement benefit scheme HK$'000	Total emoluments HK$'000
Executive directors:				
Lin Chun Kuei	–	1,999	12	2,011
Li Chien Kuan	–	1,111	5	1,116
Lin Chun Fu	–	974	5	979
Non-executive directors:				
Andree Halim	–	187	–	187
Ng Kin Nam	–	187	9	196
Independent non-executive directors:				
Ng Tang Fai, Ernesto	180	–	–	180
Goh Gen Cheung	180	–	–	180
Ma Chiu Cheung Andrew	180	–	–	180
	540	4,458	31	5,029

Notes:

(a) Appointed on 17 July 2009

(b) Resigned on 17 July 2009

(c) Resigned on 17 August 2009

(d) Resigned on 22 September 2009

(e) Re-designated as non-executive director on 17 July 2009

The amounts disclosed above include directors' fees of HK$540,000 (31 December 2008: HK$540,000) payable to independent non-executive directors. None of the directors waived any emoluments during the year (2008: nil).

12. REMUNERATION OF DIRECTORS AND EMPLOYEES (Continued)

(b) Five highest paid individuals

Of the five highest paid individuals in the Group, three (2008: three) are directors whose emoluments are included in note (a) above. The aggregated emoluments in respect of the other two (2008: two) individuals are as follows:

	31 December 2009 HK$'000	31 December 2008 HK$'000
Salaries, allowance and other benefits	**1,872**	1,872
Contributions to retirement benefit scheme	**–**	–
	1,872	1,872

The emoluments of the two (31 December 2008: two) individuals with the highest emoluments are within the following band:

	2009 No. of employees	2008 No. of employees
Nil – HK$1,000,000	**2**	2

13. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to equity shareholders of the Company included a loss of HK$17,316,000 (31 December 2008: HK$88,796,000) which has been dealt with in the financial statements of the Company.

14. DIVIDEND

The board of directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2009 (31 December 2008: nil).

15. LOSS PER SHARE

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

	31 December 2009 HK$'000	31 December 2008 HK$'000
Loss		
Loss for the purposes of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	**(22,468)**	(108,822)

	31 December 2009 '000	31 December 2008 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,170,863**	999,196
Effect of dilutive potential ordinary shares – warrant	**–**	
Weighted average number of ordinary shares for the purpose of diluted loss per share	**2,170,863**	

The warrants issued by the Company during the year ended 31 December 2009 as set out in Note 31 are anti-dilutive for the purpose of calculation of diluted loss per share.

No diluted loss per share is presented for the year ended 31 December 2008 as the Group has no dilutive potential ordinary shares as at 31 December 2008.

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings held for own use HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures, equipment and motor vehicles HK$'000	Moulds HK$'000	Construction in progress HK$'000	Total HK$'000
COST/VALUATION							
At 1 January 2008	131,101	28,475	61,800	33,578	34,045	15,245	304,244
Exchange realignment	7,467	1,338	2,722	1,258	1,966	884	15,635
Additions	5,757	–	780	3,023	–	28,903	38,463
Transfer to investment properties	(48,107)	–	–	–	–	–	(48,107)
Transfer to non-current assets classified as held for sales	(20,837)	(3,222)	–	–	–	–	(24,059)
Disposals	–	(501)	(31,695)	(8,901)	(5,132)	–	(46,229)
Disposal of subsidiaries (Note 36)	–	–	(4,460)	(5,764)	–	–	(10,224)
Adjustment on valuation	28,910	–	–	–	–	–	28,910
At 31 December 2008 as restated	104,291	26,090	29,147	23,194	30,879	45,032	258,633
Exchange realignment	711	113	210	186	144	348	1,712
Additions	–	308	19	305	196	14,313	15,141
Transfer to investment property	(175)	–	–	–	–	–	(175)
Transfer	53,880	–	–	–	–	(53,880)	–
Disposals	(37,451)	(817)	(15,987)	(8,177)	(1,436)	–	(63,868)
Disposal of a subsidiary (Note 36)	(94,877)	(21,141)	(2,294)	(343)	(29,150)	(5,813)	(153,618)
Adjustment on valuation	(17,915)	–	–	–	–	–	(17,915)
At 31 December 2009	**8,464**	**4,553**	**11,095**	**15,165**	**633**	**–**	**39,910**
Comprising:							
At cost	–	4,553	11,095	15,165	633	–	31,446
At valuation – 2009	8,464	–	–	–	–	–	8,464
	8,464	4,553	11,095	15,165	633	–	39,910

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings held for own use	Leasehold improvements	Plant and machinery	Furniture, fixtures, equipment and motor vehicles	Moulds	Construction in progress	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
DEPRECIATION AND IMPAIRMENT							
At 1 January 2008	35,299	19,095	35,771	18,390	31,441	–	139,996
Exchange realignment	2,210	910	1,589	468	1,816	–	6,993
Provided for the year	6,755	7,688	4,049	3,978	2,583	–	25,053
Eliminated on disposals	–	(443)	(20,310)	(7,142)	(5,132)	–	(33,027)
Disposal of subsidiaries (Note 36)	–	–	(1,360)	(5,337)	–	–	(6,697)
Transfer to investment properties	(20,319)	–	–	–	–	–	(20,319)
Impairment	2,921	–	–	–	–	–	2,921
Transfer to non-current assets classified as held for sales	(14,568)	(3,180)	–	–	–	–	(17,748)
Adjustment on valuation	11,786	–	–	–	–	–	11,786
At 31 December 2008 as restated	24,084	24,070	19,739	10,357	30,708	–	108,958
Exchange realignment	239	102	134	81	143	–	699
Provided for the year	6,789	1,275	1,209	7,953	119	–	17,345
Eliminated on disposals	(6,701)	(691)	(8,503)	(5,994)	(1,436)	–	(23,325)
Disposal of a subsidiary (Note 36)	(19,653)	(21,141)	(1,991)	(46)	(29,150)	–	(71,981)
Impairment	–	478	–	2,054	131	–	2,663
Adjustment on valuation	(3,231)	–	–	–	–	–	(3,231)
At 31 December 2009	**1,527**	**4,093**	**10,588**	**14,405**	**515**	**–**	**31,128**
CARRYING VALUES							
At 31 December 2009	**6,937**	**460**	**507**	**760**	**118**	**–**	**8,782**
At 31 December 2008	80,207	2,020	9,408	12,837	171	45,032	149,675
At 1 January 2008	95,802	9,380	26,029	15,188	2,604	15,245	164,248

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment other than construction in progress are depreciated on a straight-line basis as follows:

Buildings held for own use	Over the shorter of 40 years or the term of the leases
Leasehold improvements	Over the shorter of 10 years or the term of the leases
Plant and machinery	10 years
Furniture, fixtures, equipment and motor vehicle	5 years
Moulds	2 years

During the year ended 31 December 2009, the Directors conducted a review of the Group's manufacturing assets and determined that all the property, plant and equipment other than buildings held for own use, were impaired, due to unsatisfactory performance of the existing business of the Group. Accordingly, impairment losses of HK$2,663,000 (31 December 2008: HK$2,921,000) have been recognised in respect of plant and machinery and other assets. The recoverable amounts of the relevant assets have been determined on the basis of their value in use.

The Group has changed its intention in holding a carpark space from own use to rental purpose during the year ended 31 December 2009, the carrying amount of the carpark space amounting to HK$175,000 (31 December 2008: HK$27,788,000) has been transferred to investment properties at the fair value as at date of transfer, which is approximately to the carrying amount at the date of transfer.

At the end of the reporting period, the carrying value of land and buildings comprises properties under medium term lease:

	31 December 2009 HK$'000	31 December 2008 HK$'000 (restated)
Located in Hong Kong	**–**	5,232
Located outside Hong Kong	**6,937**	74,975
	6,937	80,207

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group revalued its buildings at 31 December 2009, resulting in a revaluation deficit of HK$14,684,000 (31 December 2008: surplus of HK$17,126,000), of which, HK$2,725,000 has been charged (31 December 2008: HK$17,126,000 has been credited) to other comprehensive income and HK$11,959,000 (31 December 2008: nil) has been charged to profit or loss. The valuation has been arrived at reference to valuation carried out by Asset Appraisal Limited ("Asset Appraisal"), an independent firm of qualified professional valuers. The valuation as at 31 December 2008 and 2009 was arrived at (i) their open market value by reference to observable prices in recent market transactions in comparable properties for buildings in Hong Kong and (ii) their depreciated replacement costs for buildings in the PRC with recent experience in the location and category of property being valued. If these buildings had not been revalued, they would have been included in the consolidated financial statements at historical cost less accumulated depreciation and impairment of approximately HK$6,937,000 (31 December 2008: HK$89,998,000).

Details of the property, plant and equipment pledged to secure general banking facilities granted to the Company are set out in Notes 30 and 39.

17. PREPAID LEASE PAYMENTS

	31 December 2009 HK$'000	31 December 2008 HK$'000 (restated)	1 January 2008 HK$'000 (restated)
Operating leases prepayment in respect of:			
Land in Hong Kong under medium term leases	**–**	15,950	16,801
Land in the PRC under medium term land use rights	**3,278**	23,420	46,088
	3,278	39,370	62,889
Analysed for reporting purposes as:			
Non-current portion	**3,204**	38,945	61,388
Current portion	**74**	425	1,501
	3,278	39,370	62,889

At 31 December 2008, the Group was in the process of obtaining land use right certificates for the land in the PRC amounting to HK$12,341,000 and building having a carrying value of HK$18,050,000. The land use right and building certificates are subsequently obtained during the year ended 31 December 2009.

Details of the prepaid lease payments pledged to secure general banking facilities granted to the Company are set out in Note 39.

18. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 January 2008	12,640
Transfer from:	
– Property, plant and equipment	27,788
– Prepaid lease payments	20,481
– Increase in fair value recognised in asset revaluation reserve	17,573
Net decrease in fair value recognised in profit or loss	(1,040)
At 31 December 2008 as restated	77,442
Additions	3,535
Transfer from property, plant and equipment	175
Transfer from prepaid lease payments	175
Disposal of a subsidiary (Note 36)	(69,377)
Disposal	(11,600)
At 31 December 2009	**350**

Details of the investment properties pledged to secure general banking facilities and mortgage loan granted to the Group are set out in Note 39.

At the end of the reporting period, the fair value of investment properties comprises properties under medium lease:

	31 December 2009 HK$'000	31 December 2008 HK$'000 (restated)
Located in Hong Kong	**350**	11,600
Located outside Hong Kong	**–**	65,842
	350	77,442

The investment properties are leased to third parties under operating leases for both years.

18. INVESTMENT PROPERTIES (Continued)

The fair value as at 31 December 2009 has been determined by the Directors and no valuation has been carried out by independent qualified professional valuer. The valuation performed by the Directors was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

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

19. INTANGIBLE ASSETS

	PATENT	
	31 December 2009 HK$'000	31 December 2008 HK$'000
COST		
At beginning of the year	**1,279**	1,158
Exchange realignment	**4**	(7)
Additions	**–**	128
Written-off	**(1,283)**	–
At end of the year	**–**	1,279
AMORTISATION AND IMPAIRMENT		
At beginning of the year	**459**	231
Exchange realignment	**2**	(3)
Provided for the year	**211**	231
Impairment	**611**	–
Written-off	**(1,283)**	–
At end of the year	**–**	459
CARRYING AMOUNTS		
At end of the year	**–**	820
At 1 January 2008		927

The balance as at 31 December 2008 represented the expenses incurred for internally developed technologies. The amounts are amortised on a straight-line method over the estimated life cycle of products using the technologies. As the Directors consider that no further cost will incur and no benefit will derive from the technologies to the Group, the amount is fully written off during the year ended 31 December 2009.

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 December 2009 HK$'000	31 December 2008 HK$'000	1 January 2008 HK$'000
Unlisted equity securities, at cost	**8,420**	8,420	8,420
Less: impairment	**(8,420)**	(1,453)	–
	–	6,967	8,420

The above unlisted investment represents investment cost for the 18.1% equity interest in Heissner AG, which is incorporated in Germany and engaged in distribution of gardening and water gardening products. They are measured at cost less impairment at the end of each reporting year because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably. Due to deteriorating market conditions resulting in poor performance of the investee company, the Directors considered that the amount was impaired.

21. LOAN RECEIVABLE

	31 December 2009 HK$'000	31 December 2008 HK$'000
Amount repayable in September:		
2010	**5,655**	–
2011	**5,655**	–
2012	**5,655**	–
2013	**16,965**	–
2014	**16,964**	–
2015	**16,964**	–
Accrued interest receivable	**997**	–
Total loan receivable	**68,855**	–
Less: Amount repayable within one year	**(5,738)**	–
Amount repayable after one year	**63,117**	–

The balance represents consideration receivable in relation to the Group's disposal of its 100% equity interest in Peaktop Technologies Limited ("PTL"), a then subsidiary of the Company, to an independent third party in September 2009 as set out in Note 36. The total receivable amount is RMB60,000,000 (equivalent to HK$67,858,000). The amount is repayable by six annual and unequal instalments with the first instalment due in September 2010. The amount is interest-bearing at the prevailing standard lending rate specified by People's Bank of China and secured by the 25% equity interest of PTL.

22. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS

	31 December 2009 HK$'000	31 December 2008 HK$'000	1 January 2008 HK$'000
Unlisted debt investments, at fair value:			
At the beginning of the year	**12,497**	23,471	20,460
Change in fair value	**(12,497)**	(9,929)	611
Exchange realignment	**–**	(1,045)	2,400
At end of the year	**–**	12,497	23,471

The balance represents consideration receivable in relation to the Group's disposal of its 81.0% equity interest in Heissner AG (the "Sale Shares"), a former subsidiary of the Company, to an independent third party in August 2006. The consideration amounted to Euro 2 million, which is subject to adjustment between zero to Euro 2.5 million if the average EBIT of Heissner AG and its subsidiaries ("Heissner Group") for the five years ending 31 December 2010 will be Euro 7.3 million or above. The unadjusted consideration is interest-bearing at 6% per annum and receivable with accrued interest in November 2011. The Group may demand the retransfer of the Sale Shares back to the Group if the consideration is zero unless the purchaser elects to pay a purchase price of Euro 1 million.

In determining the fair value of the financial assets designated at FVTPL, the Directors has considered: (i) the valuation performed by the independent firm of valuers which indicate the fair value at 31 December 2009 should be insignificant; and (ii) the historical and the projected performance of Heissner Group. The Directors has also considered whether the Group should exercise the option to gain the control back from the existing owner by transfer back the shares of Heissner AG. In view of the possible additional funds to support Heissner Group as a going concern and considering the possible net deficit position resulting from impairment of non-current assets arising from the unsatisfactory performance of Heissner Group, the Directors determined that the fair value of these financial assets designated at FVTPL to be zero at 31 December 2009 and a fair value decrease of HK$12,497,000 was recognised in profit and loss during the year.

23. INVENTORIES

	31 December 2009 HK$'000	31 December 2008 HK$'000	1 January 2008 HK$'000
Raw material	**1,860**	10,694	41,341
Work in progress	**–**	2,972	16,010
Finished goods	**573**	4,796	20,002
	2,433	18,462	77,353

24. TRADE AND OTHER RECEIVABLES

	31 December 2009 HK$'000	31 December 2008 HK$'000 (restated)	1 January 2008 HK$'000 (restated)
Trade and bills receivables	**24,268**	38,201	69,274
Less: impairment	**(644)**	(150)	(6,222)
	23,624	38,051	63,052
Compensation receivable from legal claim	**–**	–	7,771
Amount due from an investee company	**–**	–	22,633
Deposits	**1,089**	616	1,921
Prepayment to suppliers	**406**	2,777	9,882
Other prepayment	**1,329**	4,570	6,825
PRC value added tax recoverable	**1,509**	2,340	10,526
Other receivable (Note)	**4,847**	–	–
	32,804	48,354	122,610

Note: Other receivable mainly represents the receivable from the PRC subsidiary of PTL, the subsidiary disposed of during the year as set out in Note 36. The amount is unsecured, interest-free and repayable within one year from 31 December 2009.

24. TRADE AND OTHER RECEIVABLES (Continued)

The Group allows a credit period of 14 to 60 days to its trade customers, except for certain customers with credit period more than 60 days. The aged analysis of trade and bills receivables, net of impairment, presented on due date basis at the end of the reporting period, is as follows:

	31 December 2009 HK$'000	31 December 2008 HK$'000
Within credit period	**23,412**	35,456
Overdue within:		
– One month	**95**	641
– 1 to 3 months	**52**	981
– 3 to 6 months	**65**	973
	23,624	38,051

Before accepting any new customer, the Group assess the potential customer's credit quality and defines credit limits by customer. The Directors are of the opinion that the credit quality of the trade receivable balances that are neither past due nor impaired as at the end of the reporting period is good as the repayment history of the debtors is satisfactory.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$212,000 (31 December 2008: HK$2,595,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Details of the bills receivable pledged to secure general banking facilities and mortgage loan granted to the Group are set out in Note 39.

Except for certain trade receivables which were past due beyond six months, the Group has fully provided for the receivables which were fall due over six months because historical experience is that these receivables that are past due beyond six months are generally not recoverable. No impairment has been made to the remaining receivables past due as the Group is satisfied with the subsequent settlements from the debtors and the credit quality of these customers.

24. TRADE AND OTHER RECEIVABLES (Continued)

Movements in the impairment on trade receivables

	31 December 2009 HK$'000	31 December 2008 HK$'000
Balance at beginning of the year	**150**	6,222
Impairment loss (reversal of impairment loss)	**499**	(5,889)
Exchange realignment	**(5)**	(183)
Balance at end of the year	**644**	150

All the trade receivables are assessed to be impaired individually and, they are assessed for impairment based on either the subsequent settlement or credit history of the customers. The Group does not hold any collateral over these balances.

Movements in the impairment on other receivables

	31 December 2009 HK$'000	31 December 2008 HK$'000
Balance at beginning of the year	**–**	–
Impairment loss	**4,103**	–
Balance at end of the year	**4,103**	–

All other receivables are assessed to be impaired individually, impairment losses amounting to HK$4,103,000 (2008:nil) has been made during the year ended 31 December 2009.

25. AMOUNT DUE FROM/TO A RELATED COMPANY

Amount due from a related company as at 31 December 2009 represents amount receivable from Beijing Gas Enterprise Limited ("Beijing Gas") and amount due to a related company as at 31 December 2009 represents amount payable to Beijing Holdings Limited ("BHL"). The amounts are unsecured, interest-free and repayable within one year from 31 December 2009.

BHL is the holding company of a substantial shareholder of the Company and Beijing Gas is a fellow subsidiary of BHL.

26. PLEDGED DEPOSITS

At 31 December 2009, a bank deposit of approximately HK$879,000 (31 December 2008: HK$11,126,000) is pledged as security against equivalent amount of bills payable utilised by the Group. Such facilities is utilised to the extent of approximately HK$193,000 (31 December 2008: HK$11,249,000) at 31 December 2009. The pledged bank deposits carry interest at average deposit rate of 0.02% (31 December 2008: 4.14%) per annum.

27. BANK BALANCES AND CASH/BANK OVERDRAFTS

Bank balances and cash of the Group of approximately HK$31,047,000 (equivalent to approximately RMB27,326,000) (31 December 2008: HK$18,072,000 (equivalent to approximately RMB16,050,000)) are denominated in Renminbi. Renminbi is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

Cash at banks carry interest at deposit rates ranging from 0.00% to 1.31% (31 December 2008: 0.55% to 3.75%) per annum based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short term time deposit rates.

Bank overdrafts as at 31 December 2008 bear interest at rates which range from 2.75% to 7.75% per annum.

28. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 26 November 2008, the Group and an independent third party entered into an agreement that the Group agreed to dispose of certain buildings, prepaid lease payments and leasehold improvements in Fuqing City, the PRC to the independent third party for an aggregate consideration of RMB8,180,000 (equivalent to approximately HK$9,210,000).

The non-current assets classified as held for sale as at 31 December 2008 represented certain buildings held for own use, prepaid lease payments and leasehold improvements with carrying amount, before recognising a further impairment of approximately HK$4,295,000, approximately HK$9,190,000, approximately HK$4,273,000 and approximately HK$42,000 respectively. As the carrying amount of these properties will be recovered through the sale transaction, they have been presented as non-current assets held for sale as at 31 December 2008. As the expected disposal proceeds are lower than their carrying amounts, impairment loss of approximately HK$4,295,000 had been recognised immediately before the classification to the non-current assets held for sale. The transaction has been completed during the year ended 31 December 2009.

29. TRADE AND OTHER PAYABLES

	31 December 2009 HK$'000	31 December 2008 HK$'000	1 January 2008 HK$'000
Trade and bills payable aged based in invoice date:			
Within 1 months	**25,987**	40,675	37,707
1 – 2 months	**1,233**	6,580	17,675
2 – 3 months	**111**	4,330	10,660
More than 3 months	**1,592**	11,239	12,273
	28,923	62,824	78,315
Amounts due to directors	**–**	25,000	2,000
Amounts due to an ex-director	**–**	–	2,066
Amount due to a substantial shareholder	**–**	25,000	3,000
Amount due to a minority shareholder	**–**	–	189
Other creditor	**–**	20,000	11,663
Deposits received	**–**	44,405	–
Other accrued charges	**22,142**	34,412	45,660
	22,142	148,817	64,578
	51,065	211,641	142,893

The credit period on purchases of goods is 30 to 60 days.

The amounts due to directors, a substantial shareholder and other creditor as at 31 December 2008 were unsecured, interest-free and repayable on demand. The amounts were fully settled during the year ended 31 December 2009.

Deposit received as at 31 December 2008 represented deposits for the consideration of disposals of certain buildings, prepaid lease payments and leasehold improvements in Fuqing City, the PRC amounting to HK$4,505,000, as set out in Note 28, and deposits for the consideration of disposal of a subsidiary, PTL, amounting to HK$39,900,000, as set out in Note 36.

30. BANK LOANS

	31 December 2009 HK$'000	31 December 2008 HK$'000	1 January 2008 HK$'000
Bank loans			
Secured	**10,274**	93,033	167,588
Unsecured	**–**	1,032	51,201
	10,274	94,065	218,789
The bank loans are repayable:			
Within one year	**10,274**	48,687	204,001
More than one year, but less than two years	**–**	11,339	2,468
More than two years, but not exceeding five years	**–**	34,039	12,320
	10,274	94,065	218,789
Less: Amount due within one year shown under current liabilities	**(10,274)**	(48,687)	(204,001)
Amount due after one year	**–**	45,378	14,788

Except for the bills facilities granted to and utilised by the Group amounting to HK$193,000 (2008: HK$11,249,000) as at the end of the reporting period as set out in Note 26, the Group's bank loan facilities amounted to HK$23,265,000 (31 December 2008: HK$108,121,000) of which HK$10,081,000 (31 December 2008: HK$82,816,000) had been utilised as at the end of the reporting period.

The bank loans of the Group as at 31 December 2009 bear interest at effective interest rate range from 3% to 6% (2008:6.5% to 8.25%) per annum.

In addition to the pledge of the Group's assets as set out in Note 39, the banking facilities of the Group's subsidiary incorporate in the United States of America as at 31 December 2009, were also secured by floating charges over the assets of the subsidiary as follows:

	31 December 2009 HK$'000	31 December 2008 HK$'000
Property, plant and equipment	**1,782**	4,816
Inventories	**–**	578
Trade receivables	**17,279**	25,977
Other assets	**12,000**	2,846
	31,061	34,217

30. BANK LOANS (Continued)

For the years ended 31 December 2009 and 2008, certain banking facilities of the Group are subject to the fulfillment of covenants. If the Group were to breach the covenants the drawn down facilities would become payable on demand.

During the year ended 31 December 2008, the Group had breached covenants relating to the asset value of the subsidiary with banking facilities from a bank. Such banking facilities amounting to approximately HK$23,400,000 and were utilised to the extent of approximately HK$16,598,000. The Group received a waiver from compliance with those covenants from the banks in 2008. The Group did not breach the loan covenants in 2009.

31. SHARE CAPITAL

	Number of shares		Amount	
	31 December 2009	31 December 2008	**31 December 2009 HK$'000**	31 December 2008 HK$'000
Shares of HK$0.10 each				
Authorised:				
At beginning and end of the year	**5,000,000,000**	5,000,000,000	**500,000**	500,000
Issued and fully paid:				
At beginning of the year	**999,196,000**	999,196,000	**99,920**	99,920
Issue of shares	**2,240,000,000**	–	**224,000**	–
At end of the year	**3,239,196,000**	999,196,000	**323,920**	99,920

31. SHARE CAPITAL (Continued)

During the year, the movements in share capital were as follows:

(a) On 24 April 2009, the Company entered into a placing agreement with a placing agent pursuant to which the Company had conditionally agreed to place, on a fully underwritten basis by the placing agent, a maximum of 1,700,000,000 shares at a price of HK$0.15 per share to certain placees (the "Placement"). The Placement was approved by resolutions passed in the special general meeting held on 22 June 2009 and which had been completed on 2 July 2009. The net aggregate proceeds from the Placement, after deducting relevant expenses, is approximately HK$249,491,000. Upon completion of the Placement, the issued and fully paid shares of the Company were increased to 2,699,196,000 shares.

(b) On 28 July 2009 and 30 July 2009, the Company had respectively entered into a placing agreement and a supplemental placing agreement pursuant to which the Company had appointed the placing agent, on a fully underwritten basis, to procure not fewer than six placees to subscribe for a maximum of 540,000,000 shares at a price of HK$0.50 per share and a maximum of 200,000,000 unlisted warrants at an issue price of HK$0.01 per unit of warrant (the "New Placement"). The New Placement was approved by resolutions passed in the special general meeting held on 14 September 2009 and had been completed on 24 September 2009. The net aggregate proceeds of the New Placement, after deducting relevant expenses, is approximately HK$267,363,000. Upon completion of the New Placement, the issued and fully paid shares of the Company were increased to 3,239,196,000 shares.

Share options

Details of the Company's share option scheme are included in Note 33.

Warrants

On 24 September 2009, 200,000,000 unlisted warrants were issued by the Company at an issue price of HK$0.01 per unit of warrant upon the completion of the New Placement. Each warrant entitles the holder thereof to subscribe for one ordinary share of HK$0.01 at a subscription price of HK$0.50 per share, payable in cash and subject to adjustment in the event of a capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, during the period of two years from the date of the issue of warrant. The proceeds received from the issue of warrants of HK$2,000,000 are credited to equity (warrant reserve).

During the year ended 31 December 2009, no warrant was exercised to subscribe for ordinary shares of the Company. At the end of the reporting period, the Company had 200,000,000 warrants remained outstanding. The exercise in full of such warrants would, under the present capital structure of the Company, result in the issue of 200,000,000 additional ordinary shares of HK$0.01 each.

No warrants were exercised subsequent to the end of the reporting period and up to the date of this report.

32. DEFERRED TAX LIABILITIES

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

	Tax loss	Others	Total
	HK$'000	HK$'000	HK$'000
At 1 January 2008	(107)	740	633
Exchange realignment	1	–	1
Credit to profit or loss	(71)	–	(71)
At 31 December 2008 and 1 January 2009	(177)	740	563
Exchange realignment	–	(1)	(1)
At 31 December 2009	**(177)**	**739**	**562**

At the end of the reporting period, the Group has unused tax losses of HK$40,883,000 (31 December 2008: HK$78,085,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the uncertainty of future profit streams.

At 31 December 2009, the Group's tax losses of approximately HK$24,132,000 (31 December 2008: HK$11,356,000) do not expire under current tax legislation and tax losses from PRC Enterprise Income Tax of approximately HK$16,751,000 (31 December 2008: HK$66,729,000) can be carried forward to offset against future taxable income in year 2012 to 2014.

33. SHARE OPTION SCHEME

The Company operates a share option scheme ("the Scheme") which is adopted on 18 June 2002. The purpose of the Scheme is to enable the Company to grant options to the eligible participants in recognition of their contribution to the Group. Subject to the terms of the Scheme, the Directors may, at their absolute discretion, invite employees of the Group, including executive directors, non-executive Directors or any of its subsidiaries, suppliers, consultants, agents and advisers, whether on a contractual or honorary basis and whether paid or unpaid, who have contributed or will contribute to the Group to take up options to subscribe for shares.

33. SHARE OPTION SCHEME (Continued)

The maximum number of shares in respect of which options may be granted (together with options exercised and options then outstanding) at any time under this scheme shall not, when aggregated with any shares subject to any other schemes involving the issue or grant of option over shares by the Company or for the benefit of the eligible participants, exceed 10% of the number of issued shares of the Company at the adoption date (the "Scheme Mandate Limit"). Options that lapse in accordance with the terms of this scheme will not be counted for the purpose of calculating the Scheme Mandate Limit unless the Company obtains a fresh approval from shareholders to renew the 10% limit provided that the maximum number of shares in respect of which options may be granted under the Scheme together with any options outstanding and yet to be exercised under the Scheme and any other schemes shall not exceed 30% of the issued shares from time to time.

The total number of shares issued and to be issued on the exercise of options granted and to be granted (including both exercised and outstanding options) in any 12-month period up to date of the grant of each eligible participant shall not exceed 1% of the total issued shares.

The offer of a grant of share option may be accepted within a period of 28 days from the date of offer. An option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the option duly signed by the eligible participant together with the consideration of HK$1 is received by the Company.

The exercise price for shares will not be less than the higher of: (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of the grant, which must be a business day; and (ii) the average closing price of the shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of the grant.

An option may be exercised at any time during the period to be determined and identified by the board of directors to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the new share option scheme.

No share options were granted during the year and there were not outstanding share options under the scheme at the end of the reporting period (31 December 2008: Nil).

34. DISTRIBUTABLE RESERVES

The Company has contributed surplus of HK$75,131,000 (31 December 2008: HK$75,131,000) at 31 December 2009. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make distributions out of contributed surplus if it is, or would after the payment be, unable to pay its liabilities as they become due; or the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. At 31 December 2009, the accumulated loss of the Company amounted to HK$304,722,000 (31 December 2008: HK$287,406,000). Accordingly, the Directors considered that the Company does not have any reserve available for distribution

35. RETIREMENT BENEFITS SCHEME

	31 December 2009 RMB'000	31 December 2008 RMB'000
Retirement benefit contribution made during the year	**182**	558

According to the relevant laws and regulations in the PRC, the PRC subsidiaries of the Company are required to contribute a certain percentage of the payroll of their employees to the retirement benefits scheme to fund the retirement benefits of their employees. A subsidiary of the Company is required to join a Mandatory Provident Fund Scheme for all its employees in Hong Kong. The only obligation of the Group with respect to these retirement benefits schemes is to make the required contributions under the respective schemes. As at 31 December 2008 and 2009, there were no forfeited contributions, which arose upon employees leaving the retirement benefits schemes, available to reduce the contribution payable in the future periods.

36. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2009

On 1 May 2008, Peaktop Investment Holdings (B.V.I.) Limited ("Peaktop BVI"), a wholly-owned subsidiary of the Company and an independent third party entered into an agreement that the Group agreed to dispose of its 100% equity interest in PTL, a subsidiary incorporated in Hong Kong, whose sole asset is its 75% equity interest in Shenzhen Yuansheng Light Industrial Products Co., Ltd ("PRC Subsidiary"). On 25 February 2009, Peaktop BVI and the same independent third party entered into a supplemental agreement that Peaktop BVI agreed to dispose of its remaining 25% equity interest in the PRC Subsidiary held by another Company's subsidiary.

The aggregate consideration for the disposal of the 100% equity interest of the PRC Subsidiary is RMB240,000,000 (equivalent to HK$271,431,000) adjusted in accordance with the supplementary agreement by the liabilities of the PRC Subsidiary which remain outstanding at completion. The financial liabilities assumed by the purchaser amounted to HK$124,406,000.

Stage payments of the consideration and completion of the disposal are conditional upon the outstanding property and land ownership certificates in respect of the leasehold land and buildings owned by the PRC Subsidiary to be obtained by no later than 30 June 2009.

In accordance with the clause 4.1.5 stated in the agreement dated 1 May 2008 relating to the sale and purchase of entire issued capital of PTL, the business of the PRC Subsidiary other than its investment in certain buildings, prepaid lease payments and leasehold improvements ("Property") should be transferred out or otherwise disposed of, with all the labour related issues properly and duly settled (including due and proper termination of all relevant labour contracts with payment of economic compensation in compliance with the applicable law) and all the liabilities of the Property having been settled, such that the PRC subsidiary is free of any encumbrances and is engaged in no business of any kind other than its investment in and ownership of the Property.

The transaction has been completed in September 2009.

36. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2008

In 2008, the Group disposed of certain subsidiaries which were engaged in the operation of manufacture, export and trading of gardening products business.

The net assets of subsidiaries disposed of at the date of disposal during the years ended 31 December 2008 and 2009 were as follows:

	31 December 2009 HK$'000	31 December 2008 HK$'000
Net assets disposal of:		
Property, plant and equipment	**81,637**	3,527
Investment properties	**69,377**	–
Prepaid lease payments	**21,053**	–
Inventories	**693**	16,261
Trade and other receivables	**479**	12,382
Cash and cash equivalents	**80,263**	94
Trade and other payables	**(49,045)**	(10,374)
Bank loans	**(161,353)**	(11,132)
	43,104	10,758
Reserve released upon disposal:		
Exchange reserve	**2,749**	(1,936)
Expenses incurred by the Group upon disposal	**706**	40
Gain on disposal of subsidiaries, net	**100,466**	8,121
	147,025	16,983
Satisfied by:		
Loan receivable	**67,858**	–
Cash and cash equivalents	**39,267**	16,983
Deposit received in 2008	**39,900**	–
	147,025	16,983

36. DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of the net inflow (outflow) of cash and cash equivalents in respect of the disposal of subsidiaries during the years ended 31 December 2008 and 2009 respectively are as follows:

	31 December 2009 HK$'000	31 December 2008 HK$'000
Cash consideration	**39,267**	16,983
Less: Expenses incurred by the Group	**(706)**	–
Less: Cash and cash equivalents disposal of	**(80,263)**	(94)
Net cash (outflow) inflow of cash and cash equivalents in respect of disposal of subsidiaries	**(41,702)**	16,889

The subsidiaries disposed of during the year contributed no revenue (31 December 2008: HK$13,971,000) and loss after tax of approximately HK$17,888,000 (31 December 2008: profit after tax HK$22,643,000) to the Group for the period to its respective dates of disposals.

37. CAPITAL COMMITMENTS

	31 December 2009 HK$'000	31 December 2008 HK$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided for	**499**	–

38. LEASE COMMITMENTS

The Group as lessee

The Group leases certain of its office properties under operating lease arrangement. Leases are negotiated for terms ranging from one to two years (31 December 2008: one to six years).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	31 December 2009 HK$'000	31 December 2008 HK$'000
Within one year	**1,994**	1,461
In the second to fifth year inclusive	**1,081**	788
Over five years	**–**	461
	3,075	2,710

The Group as lessor

The Group's lease its investment properties (Note 18) under operating lease arrangements, with leases negotiated for terms arranging from one to four years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	31 December 2009 HK$'000	31 December 2008 HK$'000
Within one year	**–**	500
In the second to fifth year inclusive	**–**	791
	–	1,291

39. PLEDGE OF ASSETS

The Group's bank loans and overdrafts as set out in Note 30 are secured by the following assets of the Group:

	31 December 2009 HK$'000	31 December 2008 HK$'000 (restated)
Property, plant and equipment	–	17,787
Prepaid lease payment	–	9,803
Investment properties	–	77,442
Bills receivable	–	2,381
	–	107,413

40. RELATED PARTY TRANSACTIONS

Apart from the related party balances as stated in Notes 25 and 29 and the information of the directors and other members of the key management disclosed in Note 12, the Group did not have other transactions with certain related parties during the years ended 31 December 2008 and 2009.

41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern; to maintain the confidence of creditors; to sustain future development of the entities and to maximise the return to the equity holders of the entities. The Group's overall strategy remains unchanged in prior year.

The capital structure of the Group consists of net debt (borrowings disclosed in Note 30, net of cash and cash equivalents) and total equity of the Group.

The Directors review the capital structure on a semi-annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of the existing debt.

42. FINANCIAL INSTRUMENTS

a. Categories and fair value of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are set out as follows:

	31 December 2009 HK$	31 December 2008 HK$
Financial assets		
Financial asset at fair value through profit or loss:		
Designated loans and receivable	–	12,497
Available for sales financial assets	–	6,967
Loans and receivables including the pledged deposits and cash and cash equivalents	620,547	68,752
Financial liabilities		
Financial liabilities stated at amortised cost	61,794	263,265

Currency risk

Most of the sales and purchase transactions of the group entities are denominated in the functional currency of the respective group entities, therefore, the Group does not have significant exposure to foreign currency risks. However, loan receivables, certain trade receivables, other payables and bank balances kept by certain group entities are denominated in currencies other than the functional currency of the respective group entities.

The Group currently does not have a foreign currency hedging policy but the Directors monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

42. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies

The carrying amounts of the Group's major foreign currency denominated assets and liabilities of group entities at the end of the reporting period are as follows:

	Assets		Liabilities	
	31 December 2009 HK$'000	31 December 2008 HK$'000	**31 December 2009 HK$'000**	31 December 2008 HK$'000
Foreign currency:				
United States Dollar	**6,092**	6,052	**6,823**	2,987
Renminbi	**70,287**	1,999	**–**	31,086

The following table details the Group's sensitivity to a reasonably possible change in exchange rate of each foreign currency of the group entities against HK$, the reporting currency of the Group, while all other variables are held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a change in foreign currency rates as set out below:

	United States Dollar		Renminbi	
	31 December 2009 %	31 December 2008 %	**31 December 2009 %**	31 December 2008 %
Possible change in exchange rate	**0.5**	0.5	**1**	1

	31 December 2009 HK$'000	31 December 2008 HK$'000	**31 December 2009 HK$'000**	31 December 2008 HK$'000
Increase(decrease) in loss for the year:				
– if HK$ weakens against foreign currencies	**4**	(6)	**(703)**	1
– if HK$ strengthens against foreign currencies	**(4)**	6	**703**	(1)

Interest rate risk

The Group does not have any specific interest rate policy except that the Group would regularly review the market interest rates to capture potential opportunities to reduce the cost of borrowings.

42. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Interest rate risk (Continued)

Fair value interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposit of approximately HK$444,019,000,which carry interests ranges from 0.01% to 0.03% per annum.

Cash flow interest rate risk

The Group's cash flow interest rate risk relates primarily to floating-rate loan receivable, pledged deposits, bank balances and bank loans (see Notes 21, 26, 27 and 30 for details of these amounts).

The Group cash flow interest rate risk is mainly concentrated on the fluctuation of the prevailing standard lending rate specified by People's Bank of China and US Prime Rate as the interest on loan receivable and interest on bank loans borrowed by a subsidiary incorporated in US is linked to these rates respectively.

The Group's sensitivity to cash flow interest rate risk arising from floating-rate loan receivables and bank loans has been determined based on the exposure to interest rates for the floating-rate financial instruments and the analysis is prepared assuming that the amount of assets is receivable and the amount of liability is outstanding at the end of the reporting period was receivable or outstanding for the whole year.

	31 December 2009 HK$'000	31 December 2008 HK$'000
Reasonably possible change in interest rate	**27 basis points**	27 basis points
(Decrease) increase in loss for the year		
– as a result of increase in interest rate	**(155)**	167
– as a result of decrease in interest rate	**155**	(167)

The Group's sensitivity to cash flow interest rate risk arising from floating-rate pledged deposit and bank balances has been determined based on the exposure to interest rates for the floating-rate financial instruments and the analysis is prepared assuming the deposits at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in interest rate would lead to a decrease or increase in the loss for the year by approximately HK$79,000 (31 December 2008: HK$19,000).

The possible change in the interest rate does not affect the equity of the Group in both years.

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties or customers is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

42. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each half-year end date and at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 72% (31 December 2008: 17%) of the total trade receivable as at 31 December 2009 was due from the Group's four major customers (31 December 2008: four). These customers also accounted for approximately 53% (31 December 2008: 74%) of sales for the year ended 31 December 2009.

The Group also has concentration of credit risk on loan receivable as it is due from a single party.

Liquidity risk

To manage the liquidity risk, the Group reviews the level of cash and cash equivalents to ensure their adequacy to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The Group also review the utilisation of borrowings.

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

	Weighted average effective interest rate	Within one year and on demand	Within one to two years	Over two years but less than five years	Total undiscounted cash flows	Carrying amount at the end of the reporting period
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 December 2009						
Financial liabilities						
Trade and other payables	**–**	**51,065**	**–**	**–**	**51,065**	**51,065**
Amounts due to a related company	**–**	**455**	**–**	**–**	**455**	**455**
Bank loans	**6%**	**10,329**	**–**	**–**	**10,329**	**10,274**
		61,849	**–**	**–**	**61,849**	**61,794**
At 31 December 2008						
Financial liabilities						
Trade and other payables	–	167,236	–	–	167,236	167,236
Bank loans and overdrafts	7%	54,893	12,686	43,367	110,946	96,329
		222,129	12,686	43,367	278,182	263,565

42. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

c. Fair value

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

- the fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

- the determination of the fair value of financial assets designated as fair value through profit and loss is set out in Note 22.

43. EVENTS AFTER THE REPORTING PERIOD

(a) On 27 January 2010, the Company entered into a conditional agreement with the holding company of a substantial shareholder to acquire interests in a properties under development for sale in the PRC at a total consideration of RMB92,250,000 (equivalent to HK$104,814,000) which is payable, to the holding company of the substantial shareholder or its designated person upon completion, as to RMB60,750,000 (equivalent to approximately HK$69,024,000) by issue and allotment of 83,362,500 new shares of the Company at the issue price of approximately HK$0.828 per share and as to RMB31,500,000 (equivalent to approximately HK$35,790,000) by cash payment.

The holding company of the shareholder is regarded as connected person under the Listing Rules. Accordingly, this transaction constituted a connected transaction under the Listing Rules and has been approved by the independent shareholders on 12 March 2010.

The completion of this transaction is subject to other conditions set out in the agreement and the transaction is expected to be completed during the year ending 31 December 2010.

(b) On 18 March 2010, the Company has adopted new share option scheme to replace the old share option scheme adopted on 18 June 2002 as set out in Note 33.

(c) On 19 March 2010, the Company entered into a conditional placing agreement pursuant to which the Company has appointed a placing agent as its exclusive agent for the purpose of the placing and the placing agent has conditionally agreed to procure not fewer than six placees to subscribe for a maximum of 260,000,000 ordinary shares of the Company at a price of HK$0.80 per placing share and a maximum of 130,000,000 warrants, on the basis of one warrant for every two placing shares subscribed, at an issue price of HK$0.01 per unit of warrant. The placement is subject to the approval of the shareholders of the Company in a special general meeting to be held on 23 April 2010.

44. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2008 and 2009 are as follows:

Name of Company	Place of incorporation/ establishment/ operations	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by Company		Principal activities
			2009	2008	
Peaktop Investment Holdings (B.V.I.) Limited	British Virgin Islands ("BVI")	US$10,000	**100%**	100%	Investment holding
Peaktop Technologies Limited	Hong Kong	HK$10,000	**–**	100%	Investment holding
Peaktop Limited #	Hong Kong	HK$100 and HK$18,720,000 deferred shares	**100%**	100%	Trading of giftware, gardening and water gardening products and investment holding
Fuqing Yuansheng Light Industrial Products Co., Ltd. *	PRC	US$5,200,000	**100%**	100%	Inactive
Luhe Yuansheng Light Industrial Products Co., Ltd *	PRC	US$3,950,000	**100%**	100%	Manufacturing and export of giftware, gardening and water gardening products an inactive since May 2009
Shenzhen Yuansheng Light Industrial Products Co., Ltd *	PRC	RMB80,000,000	**–**	100%	Manufacturing and export of giftware, gardening and water gardening products
Shenzhen Yu Hua Pumping Co., Ltd *	PRC	HK$26,000,000	**100%**	100%	Manufacturing and distribution of water pumps
Yu Hua (Hong Kong) Electrical Appliance Co., Ltd	Hong Kong	HK$10,000	**100%**	100%	Distribution of water pumps
Silkroadgifts, Inc.	United States of America ("USA")	US$95,000	**100%**	100%	Wholesale of giftware and stationary and development of new products
HPT Group (USA), Inc.	USA	US$5,001,500	**100%**	100%	Investment holding

44. PRINCIPAL SUBSIDIARIES (Continued)

Name of Company	Place of incorporation/ establishment/ operations	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by Company		Principal activities
			2009	2008	
Peaktop Technologies (USA) Hong Kong Limited	Hong Kong	HK$10,000	–	51%	Distribution of gardening and water gardening products and deregistered in July 2009
深圳巨成泵業有限公司*	PRC	HK$3,500,000	100%	100%	Manufacturing and distribution of water pumps
New Radiant Investment Limited	BVI	US$1	100%	–	Investment holding
Beijing Properties (HK) Limited	Hong Kong	HK$1	100%	–	Investment holding
Beijing Properties Investment (Holdings) Limited	Hong Kong	HK$1	100%	–	Investment holding
BHL Investment Consultancy Co., Ltd*	PRC	US$1,500,000	100%	–	Consultancy service

* The subsidiaries are registered as wholly foreign-owned enterprise under PRC law.

\# In accordance with the Articles of Association of Peaktop Limited, the deferred shares carry no rights to dividends other than a dividend at a fixed rate of 1% per annum on the excess of the net profits that the Company may determine to distribute in respect of any financial year over HK$1,000,000,000,000,000, no rights to attend or vote at general meetings and no rights to receive any surplus assets in a return of capital in a winding-up other than 1% of the surplus assets of the company available for distribution after a total of HK$100,000,000,000,000,000 has been distributed to the holders of the ordinary shares of the company in such winding-up.

Except for Peaktop Investment Holdings (B.V.I.) Limited, all of the above subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

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

45. COMPARATIVE INFORMATION

The Group had changed its intention to hold certain properties for rental purpose at the end of 2008 and entered into a rental agreement with an independent third party, however, no reclassification of the properties and land portion from property, plant and equipment and prepaid lease payments was made in 2008. Adjustment is made to reclassify the buildings amounting to HK$27,788,000 and prepaid lease payments amounting to HK$20,481,000 as investment properties and to record the difference between the carrying amount and the fair value of that item at the date of transfer amounting to HK$17,573,000 in other comprehensive income and accumulated in asset revaluation reserve.

45. COMPARATIVE INFORMATION (Continued)

In addition, to conform with the current year presentation, certain items in consolidated statement of comprehensive income for the year ended 31 December 2008 and consolidated statement of financial position as at 1 January 2008 and 31 December 2008 has been reclassified.

Details of the restatement are provided as follows:

	Amount originally stated	Restatement/ Reclassification	Amount as restated
	HK$'000	HK$'000	HK$'000
Items on consolidated statement of comprehensive income for the year ended 31 December 2008			
Valuation loss on investment property	(1,040)	1,040	–
Other revenue/income	3,194	4,171	7,365
Other net income (loss)	4,087	(4,087)	–
Administrative expenses	(76,800)	3,689	(73,111)
Other gains and losses	–	(15,842)	(15,842)
Other operating expenses	(11,029)	11,029	–
Revaluation increase on prepaid lease payments transferred to investment properties	–	17,573	17,573
Items on consolidated statement of changes in equity as at 31 December 2008			
Assets revaluation reserve	17,997	17,573	35,570
Items on consolidated statement of financial position as at 31 December 2008			
Property, plant and equipment	177,463	(27,788)	149,675
Prepaid lease payments – non-current portion	59,426	(20,481)	38,945
Investment properties	11,600	65,842	77,442
Trade and other receivables	48,779	(425)	48,354
Prepaid lease payments – current portion	–	425	425
Pledged deposits	–	11,126	11,126
Bank balances and cash	30,701	(11,126)	19,575

PARTICULARS OF PROPERTIES

INVESTMENT PROPERTY

Location	Use	Tenure	Attributable interest of the Group
Car Park No. D35, Tower II, Level 3P, Enterprise Square, No. 9 Sheung Yuet Road, Kowloon Bay Kowloon Hong Kong	Car park	Medium-term lease	100%

PUBLISHED FIVE YEAR FINANCIAL SUMMARY

	Years ended 31 December				
	2009	2008	2007	2006	2005
	HK$'000	HK$'000 (restated)	HK$'000	HK$'000	HK$'000
Results					
Revenue	**155,526**	302,166	495,047	1,089,187	1,161,217
(Loss) profit before taxation	**(23,116)**	(110,979)	(188,935)	13,810	(18,173)
Taxation	**648**	2,157	(5,104)	(102)	648
(Loss) profit for the year	**(22,468)**	(108,822)	(194,039)	13,708	(17,525)
Attributable to:					
Owners of the Company	**(22,468)**	(108,822)	(193,838)	13,766	(16,724)
Minority interests	**–**	–	(201)	(58)	(801)
	(22,468)	(108,822)	(194,039)	13,708	(17,525)
ASSETS, LIABILITIES AND MINORITY INTERESTS					
Total assets	**641,314**	393,498	538,686	640,395	933,630
Total liabilities	**(62,373)**	(309,225)	(382,733)	(384,186)	(696,075)
Minority interests	**–**	–	–	(201)	(1,261)
	578,941	84,273	155,953	256,008	236,294