



森源鈦礦控股有限公司*
XIAN YUEN TITANIUM RESOURCES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)
(Stock code 股份代號 : 353)

Interim Report 2010
二零一零中期報告

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Law Fei Shing (*Chief Executive Officer*)
Mr. Chan Sung Wai
Mr. Chan Kwok Wing
Mr. Wang Donghai
Mr. Zhao Guoqiang

Non-Executive Director

Mr. Zhang Zhenming

Independent Non-Executive Directors

Mr. Lum Pak Sum
Mr. Sun Tak Keung
Mr. Chow Pui Fung

AUDIT COMMITTEE

Mr. Lum Pak Sum (*Chairman*)
Mr. Sun Tak Keung
Mr. Chow Pui Fung

REMUNERATION COMMITTEE

Mr. Lum Pak Sum
Mr. Sun Tak Keung
Mr. Chow Pui Fung

NOMINATION COMMITTEE

Mr. Lum Pak Sum
Mr. Sun Tak Keung
Mr. Chow Pui Fung

COMPANY SECRETARY

Mr. Law Fei Shing, AICPA, HKICPA (Practising)

AUTHORISED REPRESENTATIVES

Mr. Law Fei Shing
Mr. Chan Sung Wai

REGISTERED OFFICE

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

董事會

執行董事

羅輝城先生 (*行政總裁*)
陳崇煒先生
陳國榮先生
王東海先生
趙國強先生

非執行董事

張振明先生

獨立非執行董事

林柏森先生
辛德強先生
周培豐先生

審核委員會

林柏森先生 (*主席*)
辛德強先生
周培豐先生

薪酬委員會

林柏森先生
辛德強先生
周培豐先生

提名委員會

林柏森先生
辛德強先生
周培豐先生

公司秘書

羅輝城先生 · AICPA, HKICPA (執業)

授權代表

羅輝城先生
陳崇煒先生

註冊辦事處

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

CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1102B, 11th Floor
Tower I, Admiralty Centre
18 Harcourt Road
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

HSBC Trustee (Cayman) Limited
PO Box 484, HSBC House
68 West Bay Road
Grand Cayman, KY1-1106
Cayman Islands

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong Law:
Stevenson, Wong & Co.
4th & 5th Floor, Central Tower
No. 28 Queen's Road
Central, Hong Kong

As to Cayman Islands Law:
Conyers Dills & Pearman
2901 One Exchange Square
8 Connaught Place
Central, Hong Kong

AUDITORS

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

香港總辦事處及主要營業地點

香港
夏慤道18號
海富中心第一座
11樓1102B室

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東28號
金鐘匯中心26樓

主要股份過戶登記處

HSBC Trustee (Cayman) Limited
PO Box 484, HSBC House
68 West Bay Road
Grand Cayman, KY1-1106
Cayman Islands

本公司法律顧問

香港法例:
史蒂文生黃律師事務所
香港中環
皇后大道中28號
中匯大廈4樓及5樓

開曼群島法律:
Conyers Dills & Pearman
香港中環
康樂廣場8號
交易廣場一座2901室

核數師

均富會計師行
執業會計師
香港
中環干諾道中41號
盈置大廈6樓

Condensed Consolidated Income Statement

簡明綜合損益表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

(Unaudited)
(未經審核)
Six months ended 30 June
截至六月三十日止六個月

		Notes 附註	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 (Restated) 二零零九年 千港元 (經重列)
Continuing operations:	持續經營業務：			
Revenue	收益	6	–	3,733
Cost of sales	銷售成本		–	(3,617)
Gross profit	毛利		–	116
Other income	其他收入	6	51	1,623
Administrative expenses	行政開支		(9,640)	(6,963)
Operating loss	經營虧損		(9,589)	(5,224)
Finance costs	財務成本	8	(1,028)	(5,262)
Loss before income tax	除所得稅前虧損	9	(10,617)	(10,486)
Income tax expense	所得稅開支	10	–	–
Loss for the period from continuing operations	持續經營業務 本期間虧損		(10,617)	(10,486)
Discontinued operations: (Loss)/Profit for the period from discontinued operations	已終止經營業務： 已終止經營業務本期間 (虧損)/溢利	12	(348,966)	8,342
Loss for the period attributable to the owners of the Company	本公司擁有人應佔 本期間虧損		(359,583)	(2,144)
Loss per share for loss attributable to the owners of the Company during the period	本期間本公司擁有人 應佔虧損之 每股虧損	13		
– Basic (HK cents)	– 基本 (港仙)			
From continuing and discontinued operations	持續經營業務及 已終止經營業務		(4.88)	(0.06)
From continuing operations	持續經營業務		(0.14)	(0.28)
– Diluted (HK cents)	– 攤薄 (港仙)			
From continuing and discontinued operations	持續經營業務及 已終止經營業務		N/A 不適用	N/A 不適用
From continuing operations	持續經營業務		N/A 不適用	N/A 不適用

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收入表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

(Unaudited)

(未經審核)

Six months ended 30 June

截至六月三十日止六個月

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 (Restated) 二零零九年 千港元 (經重列)
Loss for the period	本期間虧損	(359,583)	(2,144)
Other comprehensive income for the period	本期間其他全面收入		
Release of exchange loss upon de-consolidation of subsidiaries	於附屬公司不再綜合入賬時 匯兌虧損撥回	(972)	-
Exchange loss on disposals of subsidiaries recognised in profit and loss	於損益表確認之出售附屬公司 匯兌虧損	-	(9,308)
Total comprehensive loss for the period attributable to the owners of the Company	本公司擁有人應佔 本期間全面虧損 總額	(360,555)	(11,452)

Condensed Consolidated Financial Position

簡明綜合財務狀況表

As at 30 June 2010 於二零一零年六月三十日

		Notes	(Unaudited) 30 June 2010 HK\$'000 (未經審核) 二零一零年 六月三十日 千港元	(Audited) 31 December 2009 HK\$'000 (經審核) 二零零九年 十二月三十一日 千港元
		附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	471	3,605
Goodwill	商譽	15	–	327,632
Deposits for acquisitions of subsidiaries	收購附屬公司之按金	16	185,000	185,000
Exploration and evaluation assets	勘探及評估資產	17	–	38,562
			185,471	554,799
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		973	1,393
Cash at banks and in hand	銀行結存及手頭現金		104,849	113,382
			105,822	114,775
Current liabilities	流動負債			
Deposits received, other payables and accruals	已收按金、其他應付款項及應計款項		3,805	22,559
Net current assets	流動資產淨值		102,017	92,216
Total assets less current liabilities	資產總值減流動負債		287,488	647,015
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	18	19,168	19,279
Net assets	資產淨值		268,320	627,736
EQUITY	權益			
Equity attributable to the owners of the Company	本公司擁有人應佔權益			
Share capital	股本	21	73,646	73,610
Reserves	儲備		194,674	554,126
Total equity	總權益		268,320	627,736

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

		(Unaudited) (未經審核)								
		Equity attributable to the owners of the Company 本公司擁有人應佔權益								
		Share capital	Share premium	Capital reserve	Exchange reserve	Convertible bond equity reserve	Accumulated losses	Total	Non- controlling interests	Total equity
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	股份溢價	資本儲備	匯兌儲備	可換股債 券權益儲備	累計虧損	總計	股東權益	總權益
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2009	於二零零九年一月一日	30,247	903,048	137,610	10,390	120,372	(619,176)	582,491	1,288	583,779
Disposals of subsidiaries (note 19)	出售附屬公司(附註19)	-	-	-	-	-	-	-	(1,288)	(1,288)
Issue of shares on conversion of convertible bonds	於兌換可換股債券時發行股份	10,300	259,225	-	-	(98,760)	-	170,765	-	170,765
Transactions with owners	與擁有人之交易	10,300	259,225	-	-	(98,760)	-	170,765	(1,288)	169,477
Net loss for the period	本期間虧損淨額	-	-	-	-	-	(2,144)	(2,144)	-	(2,144)
Other comprehensive loss:	其他全面虧損:									
Exchange loss on disposals of subsidiaries (note 19)	出售附屬公司匯兌虧損(附註19)	-	-	-	(9,308)	-	-	(9,308)	-	(9,308)
Total comprehensive loss for the period	本期間全面虧損總額	-	-	-	(9,308)	-	(2,144)	(11,452)	-	(11,452)
At 30 June 2009	於二零零九年六月三十日	40,547	1,162,273	137,610	1,082	21,612	(621,320)	741,804	-	741,804
At 1 January 2010	於二零一零年一月一日	73,610	1,451,003	137,610	972	15,904	(1,051,363)	627,736	-	627,736
Issue of shares on conversion of convertible bonds	於兌換可換股債券時發行股份	36	2,048	-	-	(945)	-	1,139	-	1,139
Transactions with owners	與擁有人之交易	36	2,048	-	-	(945)	-	1,139	-	1,139
Net loss for the period	本期間虧損淨額	-	-	-	-	-	(359,583)	(359,583)	-	(359,583)
Other comprehensive loss:	其他全面虧損:									
De-consolidating subsidiaries (note 20)	附屬公司不再綜合入賬(附註20)	-	-	-	(972)	-	-	(972)	-	(972)
Total comprehensive loss for the period	本期間全面虧損總額	-	-	-	(972)	-	(359,583)	(360,555)	-	(360,555)
At 30 June 2010	於二零一零年六月三十日	73,646	1,453,051	137,610	-	14,959	(1,410,946)	268,320	-	268,320

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

(Unaudited)

(未經審核)

Six months ended 30 June

截至六月三十日止六個月

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 (Restated) 二零零九年 千港元 (經重列)
Net cash used in operating activities	用於經營業務之現金淨額	(7,951)	(18,541)
Net cash (used in)/generated from investing activities	(用於)／源自投資業務之現金淨額	(582)	17,548
Net cash used in financing activities	用於融資活動之現金淨額	-	(47)
Net decrease in cash and cash equivalents	現金及現金等值項目之減少淨額	(8,533)	(1,040)
Cash and cash equivalents at the beginning of the period	期初之現金及現金等值項目	113,382	2,387
Cash and cash equivalents at the end of the period	期末之現金及現金等值項目	104,849	1,347

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

1. GENERAL INFORMATION

Xian Yuen Titanium Resources Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in the Cayman Islands. Registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Room 1102B, 11th Floor, Tower I, Admiralty Centre, 18 Harcourt Road, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. The principal activities of its subsidiaries (together with the Company, collectively referred to as the "Group") consisted of investment holding and trading of carpets.

Due to the recent discovery of the loss of the exploration licence, as detailed described in the Company's announcements dated 26 and 27 August 2010, it is the Board's current intention to suspend the Group's exploration and mining business until the Group regains controls of Qinghai Forest Source Mining Industry Developing Company Limited ("QHFSMI") and Inner Mongolia Forest Source Mining Industry Developing Company Limited ("IMFSMI") and the Group repossesses the exploration licence. Details of loss of assets and loss on controls over QHFSMI and IMFSMI and the financial impact are set out in note 3(i) and (ii) respectively below.

2. RE-STATEMENT OF COMPARATIVE FINANCIAL INFORMATION

The Group has reclassified other income from gain on disposal of subsidiaries to profit for the period from discontinued operations which conforms with the presentation of annual financial statements for the year ended 31 December 2009.

1. 一般資料

森源鈦礦控股有限公司(「本公司」)為一間於開曼群島註冊成立並以開曼群島為居籍之有限責任公司。本公司之註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, 而主要營業地點則為香港夏愨道18號海富中心第一座11樓1102B室。本公司之股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司之主要業務為投資控股。其附屬公司(連同本公司, 統稱「本集團」)之主要業務包括投資控股及買賣地毯。

由於近期發現失去勘探牌照, 如本公司日期為二零一零年八月二十六日及二十七日之公佈所詳述, 董事會目前擬暫停本集團之勘探及採礦業務, 直至本集團重新取回青海森源礦業開發有限公司(「青海森源」)及內蒙古森源礦業開發有限公司(「內蒙古森源」)之控制權及本集團重新管有勘探牌照為止。資產損失及失去對青海森源及內蒙古森源之控制權以及財務影響之詳情分別載於下文附註3(i)及(ii)。

2. 比較財務資料之重列

本集團已將來自出售附屬公司之收益之其他收入重新分類至已終止經營業務本期間溢利, 以與截至二零零九年十二月三十一日止年度之年度財務報表之呈列方式一致。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

3. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements of the Group which comprise the condensed consolidated statement of financial position as at 30 June 2010, and the related condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the six months ended 30 June 2010, and explanatory notes, have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2009 (the “2009 Annual Financial Statements”), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which include individual Hong Kong Financial Reporting Standards, HKAS and Interpretations).

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the 2009 Annual Financial Statements.

It should be noted that accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unaudited condensed consolidated financial statements, are disclosed in note 5.

3. 編製基準

此等本集團之未經審核簡明綜合財務報表（包括於二零一零年六月三十日之簡明綜合財務狀況表，及截至二零一零年六月三十日止六個月之相關簡明綜合損益表、全面收入表、權益變動表及現金流量表，以及說明附註）已根據香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號中期財務報告及聯交所證券上市規則之適用披露規定而編製。

除採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（包括個別香港財務報告準則、香港會計準則及詮釋）外，未經審核簡明綜合財務報表乃根據截至二零零九年十二月三十一日止年度之年度財務報表（「二零零九年年度財務報表」）所採納之相同會計政策編製。

未經審核簡明綜合財務報表並不包括年度財務報表所規定之全部資料及披露，並應與二零零九年年度財務報表一併閱讀。

應注意於財務報表編製時曾運用會計估計及假設。儘管該等估計乃根據管理層對目前事項及行動之所知及判斷而作出，但最終實際結果或會與該等估計有所差異。涉及更高判斷或複雜程度之範圍，或假設及估計對未經審核簡明綜合財務報表而言屬重大之範圍於附註5披露。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

3. BASIS OF PREPARATION (Continued)

(i) Loss of assets and loss on control on QHFSMI and IMFSMI

During the preparation of the preparing the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2010, the Board, to its astonishment, found out that as from 31 January 2010 the exploration licence held by QHFSMI, an indirect wholly-owned subsidiary of the Company incorporated in the People's Republic of China ("PRC"), had been transferred to a company known as 內蒙古小紅山源森礦業有限公司 (in English, for identification purpose only, Inner Mongolia Xian Hong Shan Yuen Xian Mining Industry Company Limited) ("**Yuen Xian Company**") without the Company's knowledge, consent or approval.

Based on the searches conducted by the Company's legal advisers, the Company further found out that:

1. Yuen Xian Company is a wholly foreign owned enterprise established in the PRC on 21 October 2009 and is wholly-owned by a company known as "Yuenxian Mining Industry Holding Company Limited" ("**HK Yuenxian**"). Ms. Leung Lai Ching Margaret ("**Ms. Leung**") is one of the directors and the legal representative of Yuen Xian Company.
2. HK Yuenxian (formerly known as Forest Source Mining Industry Holding Company Limited) is a company incorporated in Hong Kong and is wholly-owned by Ms. Leung. Ms. Leung is also the sole director of HK Yuenxian.

3. 編製基準 (續)

(i) 資產損失以及失去青海森源及內蒙古森源之控制權

於編製本集團截至二零一零年六月三十日止六個月之未經審核簡明綜合財務報表期間，董事會驚訝發現，由本公司之間接全資附屬公司青海森源（於中華人民共和國（「中國」）註冊成立）持有之勘探牌照自二零一零年一月三十一日起轉讓予名為內蒙古小紅山源森礦業有限公司（英文名稱為Inner Mongolia Xian Hong Shan Yuen Xian Mining Industry Company Limited，僅供識別）之公司（「源森公司」），而本公司並不知悉、同意或批准。

根據本公司法律顧問進行之調查，本公司進一步發現：

1. 源森公司為一間於二零零九年十月二十一日於中國成立之全外資企業，由名為源森礦業控股有限公司（「香港源森」）之公司全資擁有。梁麗瀨女士（「梁女士」）為源森公司之其中一名董事及法定代表。
2. 香港源森（前稱為森源礦業控股有限公司）為一間於香港註冊成立之公司，由梁女士全資擁有。梁女士亦為香港源森之唯一董事。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

3. BASIS OF PREPARATION (Continued)

(i) Loss of assets and loss on control on QHFSMI and IMFSMI (Continued)

Disputes with Ms. Leung

In November 2009, a legal proceeding was commenced by Hong Kong Forest Source Mining Industry Holding Company Limited (“HKFSMIH”), QHFSMI and IMFSMI, three wholly-owned subsidiaries of the Company, against HK Yuenxian, Ms. Leung and such other persons named as co-defendants to such legal proceedings. The Company had sought and obtained, among other things, an interim injunction order from the Hong Kong Court in the following terms:

- (a) an injunction restraining, amongst others, HK Yuenxian and Ms. Leung from carrying on business in Hong Kong and/or the PRC under the name “Forest Source Mining Industry Holding Company Limited; and
- (b) an injunction restraining, amongst others, Ms. Leung from acting or holding out as a director of QHFSMI or interfering with the business of QHFSMI, including but not limited to making any representations, requests, demands or promises to the Inner Mongolia Autonomous Region Commerce and Industry Bureau or any other governmental agencies in the PRC on behalf of QHFSMI in regard to any affairs of or relating to QHFSMI.

The interim injunction order was subsequently discharged on 30 March 2010. Details of the interim injunction order were set out in the 2009 Annual Financial Statements.

3. 編製基準 (續)

(i) 資產損失以及失去青海森源及內蒙古森源之控制權 (續)

與梁女士之糾紛

於二零零九年十一月，本公司三間全資附屬公司香港森源礦業控股有限公司（「香港森源礦業控股」）、青海森源及內蒙古森源展開向香港源森、梁女士及有關法律訴訟中名列共同被告人之其他人士提出法律訴訟。本公司已尋求並取得（其中包括）香港法院頒佈之暫時禁制令，內容如下：

- (a) 限制（其中包括）香港源森及梁女士以「森源礦業控股有限公司」之名於香港及／或中國進行業務之禁制令；及
- (b) 限制（其中包括）梁女士擔任青海森源之董事或顯示出其為董事之身份行事或干涉青海森源之業務，包括但不限於就青海森源之任何事務或與之有關之任何事務代表青海森源向內蒙古自治區工商局或中國任何其他政府機構作出任何聲明、要求、索求或承諾之禁制令。

該暫時限制令其後於二零一零年三月三十日撤銷。暫時限制令之詳情載於二零零九年年報財務報表。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

3. BASIS OF PREPARATION (Continued)

(i) Loss of assets and loss on control on QHFSMI and IMFSMI (Continued)

Disputes with Ms. Leung (Continued)

To the best knowledge, information and belief of the directors of the Company having made all reasonable enquiries, the company name of “Forest Source Mining Industry Holding Company Limited” was subsequently changed to “Yuenxian Mining Industry Holding Company Limited” on 7 January 2010.

Ms. Leung’s legal status as director and legal representatives in the PRC subsidiaries remained unchanged during the period due to her in-cooperation

Ms. Leung was a director and legal representative of QHFSMI and IMFSMI. On 10 September 2009, the board of directors of the sole shareholder of QHFSMI and IMFSMI (namely, HKFSMIH) had resolved to remove Ms. Leung’s capacity as director and legal representative of both QHFSMI and IMFSMI with immediate effect. As disclosed in the 2009 Annual Financial Statements dated 14 May 2010 and the Company’s circular dated 28 June 2010, the respective members of the board of directors and legal representatives of QHFSMI and IMFSMI have yet to be officially changed as the procedures for changing and updating the official records at the relevant PRC government authority are taking longer than expected as Ms. Leung, being the previous legal representative, has not been cooperative and has failed to provide the requested documents and corporate seals. Based on the advice of the Company’s legal adviser as to PRC laws, the directors were of the view that the Company had maintained control on QHFSMI and IMFSMI despite the fact that the respective members of the board of directors and legal representatives of QHFSMI and IMFSMI have yet to be officially changed, although the directors and legal representatives were removed on 10 September 2009.

3. 編製基準 (續)

(i) 資產損失以及失去青海森源及內蒙古森源之控制權 (續)

與梁女士之糾紛 (續)

經作出一切合理查詢後，據本公司董事所知、所悉及所信，公司名稱「森源礦業控股有限公司」其後於二零一零年一月七日更改為「源森礦業控股有限公司」。

梁女士於期內作為中國附屬公司之董事及法定代表之法律地位因其合作而維持不變

梁女士曾為青海森源及內蒙古森源之董事及法定代表。於二零零九年九月十日，青海森源及內蒙古森源唯一股東之董事會（即香港森源礦業控股）議決罷免梁女士出任青海森源及內蒙古森源之董事及法定代表職務，即時生效。如日期為二零一零年五月十四日之二零零九年度財務報表及本公司日期為二零一零年六月二十八日之通函所披露，由於前法定代表梁女士不配合及未能提供所需文件及公司印章，致使於相關中國政府部門更改及更新正式記錄之手續所花費之時間超過預期，因此青海森源及內蒙古森源各自之董事會成員及法定代表仍未正式更改。根據本公司中國法律顧問提供之意見，儘管青海森源及內蒙古森源各自之董事會成員及法定代表仍未正式更改（儘管董事及法定代表已於二零零九年九月十日遭罷免），但董事認為本公司仍維持對青海森源及內蒙古森源之控制權。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

3. BASIS OF PREPARATION (Continued)

(i) Loss of assets and loss on control on QHFSMI and IMFSMI (Continued)

Transfer of Exploration Licence without the Company's consent

The Company acquired QHFSMI from Ms. Leung three year ago. QHFSMI was the holder of an exploration licence which conferred QHFSMI the rights to conduct exploration work for the mineral resources containing iron, vanadium and titanium in the titanium mine located at Xiao Hong Shan in Inner Mongolia, the PRC. Based on the search recently conducted by the Company's legal adviser, the exploration licence was transferred, without the Company's consent, to Yuen Xian Company on 31 January 2010. Such actions by Ms. Leung were totally unexpected in view of the interim injunction order obtained by the Company from the Hong Kong Court as referred to in the sub-paragraph headed "Disputes with Ms. Leung" above. Without the exploration licence, QHFSMI no longer has the rights to, among other things, carry out exploration of the mineral resources of the titanium mine, access the titanium mine and neighbouring areas and has no priority in obtaining the mining rights of the titanium mine.

As soon as the Company discovered the loss of QHFSMI's exploration licence, the Company has sought preliminary advice from its legal adviser. In light of the information provided by the Company, the legal adviser opined that given the discovery of the loss of significant assets of QHFSMI, the Board is no longer in the position of maintaining controls over QHFSMI and IMFSMI by the Company. Due to the above reasons, the directors considered that the Group no longer has the power to exercise its rights as the sole shareholder and thus has lost its controls over the assets and operations or is unable to exercise control over the financial and operating policy decisions of QHFSMI and IMFSMI. Accordingly, the directors consider that it is inappropriate to consolidate the financial results of QHFSMI and IMFSMI into the Group and these two wholly-owned subsidiaries are de-consolidated and classified as discontinued operations during the six months ended 30 June 2010.

3. 編製基準 (續)

(i) 資產損失以及失去青海森源及內蒙古森源之控制權 (續)

未經本公司同意下轉讓勘探牌照

本公司於三年前向梁女士收購青海森源。青海森源持有一個勘探牌照，該牌照賦予青海森源在位於中國內蒙古小紅山之含有鐵、鈮及鈦之鈦礦進行礦產資源勘探工作之權利。根據本公司法律顧問近期進行之調查，該勘探牌照已於二零一零年一月三十一日在未經本公司同意下轉讓予源森公司。鑒於本公司已取得香港法院頒佈之暫時禁制令（如上文「與梁女士之糾紛」分段中所述），故本公司完全沒有預料到梁女士會採取有關行動。倘無勘探牌照，青海森源不再擁有（其中包括）於鈦礦進行礦產資源勘探、進入鈦礦及鄰近區域以及優先獲得鈦礦之開採權。

本公司發現失去青海森源之勘探牌照後，已立即尋求其法律顧問之初步意見。鑒於本公司提供之資料，法律顧問認為，鑒於發現青海森源出現重大資產損失，董事會已無法再維持本公司對青海森源及內蒙古森源之控制權。基於上述原因，董事認為，本集團不再有權行使其作為唯一股東之權利，並因此失去其對青海森源及內蒙古森源之資產及經營之控制權，或無法對青海森源及內蒙古森源之財務及經營決策行使控制權。因此，董事認為，不宜將青海森源及內蒙古森源之財務業績綜合計入本集團之賬目內，故該兩間全資附屬公司不再綜合計入截至二零一零年六月三十日止六個月之賬目內，並分類為已終止經營業務。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

3. BASIS OF PREPARATION (Continued)

(ii) Financial impact on de-consolidating QHFSMI and IMFSMI

Due to the reasons mentioned above, the Group was unable to obtain the financial information of QHFSMI and IMFSMI for the six months ended 30 June 2010. The directors of the Company consider that the Group had lost its control to govern the financial and operating policies of QHFSMI and IMFSMI so as to obtain benefit from its activities with effect from 1 January 2010. Accordingly, in preparing the consolidated financial statements of the Group for the six months ended 30 June 2010, the financial information of QHFSMI and IMFSMI was de-consolidated with effect from 1 January 2010, and the unaudited loss arising from loss of control of QHFSMI and IMFSMI amounting to approximately HK\$348,966,000 was arrived at based on the latest available financial information of QHFSMI and IMFSMI as at 31 December 2009.

4. ADOPTION OF NEW OR AMENDED HKFRSs

In the current period, the Group has applied for the first time the following new and revised standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2010:

HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements
HKFRS 2 (Amendments)	Share-based Payment – Group cash-settled share-based payment transactions
HKFRS 3 (Revised 2008)	Business Combinations
Various	Annual Improvements to HKFRSs 2008
Various	Annual Improvements to HKFRSs 2009

Other than as noted below, the adoption of these new and revised HKFRSs did not change the Group's accounting policies as followed in the preparation of the 2009 Annual Financial Statements.

3. 編製基準 (續)

(ii) 不再綜合入賬青海森源及內蒙古森源之財務影響

由於上述原因，本集團無法取得青海森源及內蒙古森源截至二零一零年六月三十日止六個月之財務資料。本公司董事認為，二零一零年一月一日起，本集團失去其規管青海森源及內蒙古森源之財務及經營政策之控制權，以從其經營活動取得利益。因此，編製本集團截至二零一零年六月三十日止六個月之綜合財務報表時，青海森源及內蒙古森源之財務資料不再綜合入賬，於二零一零年一月一日起生效。失去青海森源及內蒙古森源之控制權而引致之未經審核虧損約348,966,000港元，乃根據於二零零九年十二月三十一日最近期可得之青海森源及內蒙古森源之財務資料計得。

4. 採納新訂或經修訂香港財務報告準則

於本期間，本集團首次應用下列由香港會計師公會頒佈之新準則、修訂及詮釋，該等準則與本集團於二零一零年一月一日起開始之年度期間之財務報表有關，並對該等財務報表有效：

香港會計準則第27號 (二零零八年經修訂)	綜合及獨立財務報表
香港財務報告準則第2號 (修訂本)	以股份為基礎之付款 – 集團現金結算以股份為基礎之交易
香港財務報告準則第3號 (二零零八年經修訂)	業務合併
各項	二零零八年香港財務報告準則之年度改進項目
各項	二零零九年香港財務報告準則之年度改進項目

除下文所述者外，採納該等新訂及經修訂香港財務報告準則對本集團跟從編製二零零九年度財務報表之會計政策並無產生任何變動。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

4. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

HKFRS 3 Business Combinations (Revised 2008)

The adoption of HKFRS 3 requires the use of the purchase method (now renamed as the acquisition method) and introduces certain changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interests) in the acquiree. The revised standard has been applied prospectively to business combination for which the acquisition date is on or after 1 January 2010. Business combinations for which the acquisition date is before 1 January 2010 have not been restated. This standard does not have any impact on the unaudited condensed consolidated financial statements as the Group has not entered into any business combination during the period.

HKAS 27 Consolidated and Separate Financial Statements (Revised 2008)

The adoption of HKFRS 3 required that the revised HKAS 27 is adopted at the same time. HKAS 27 introduced changes to the accounting requirements for transactions with non-controlling (formerly called "minority") interests and the loss of control of a subsidiary. Similar to HKFRS 3, the adoption of HKAS 27 is applied prospectively. The Group did not dispose of any of its equity interests in its subsidiaries. Therefore, the adoption of HKAS 27 did not have an impact on the unaudited condensed consolidated financial statements.

4. 採納新訂或經修訂香港財務報告準則 (續)

香港財務報告準則第3號業務合併 (二零零八年經修訂)

採納香港財務報告準則第3號要求使用購買法(現改稱收購法),並對於所轉讓之代價及被收購方之可識別資產及負債之確認及計量以及被收購方之非控股股東權益(前稱少數股東權益)之計量引入若干轉變。經修訂準則已提早應用於收購日期為二零一零年一月一日或之後之業務合併。收購日期為二零一零年一月一日之前之業務合併。由於本集團期內並無進行任何業務合併,故該準則對未經審核簡明綜合財務報表並無任何影響。

香港會計準則第27號綜合及獨立財務報表 (二零零八年經修訂)

採納香港財務報告準則第3號要求同時採納香港會計準則第27號。香港會計準則第27號對非控股股東權益(前稱「少數股東權益」)交易及失去一間附屬公司之控制權之會計規定引入變動。與香港財務報告準則第3號一樣,採納香港會計準則第27號可提早應用。本集團並無出售其附屬公司之任何股本權益。因此,採納香港會計準則第27號對未經審核簡明綜合財務報表並無任何影響。

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簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

4. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

Impact of new and revised HKFRSs which are issued but not effective

The Group has not early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective in the current period:

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ³
HKAS 32 (Amendment)	Classification of Rights Issues ¹
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 – Disclosures for First-time Adopters ²
HKFRS 9	Financial Instruments ⁴
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

¹ Effective for annual periods beginning on or after 1 February 2010

² Effective for annual periods beginning on or after 1 July 2010

³ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

⁴ Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of assessing the impact of these new and revised standards, amendments or interpretations upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

4. 採納新訂或經修訂香港財務報告準則 (續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則之影響

本集團並無提早採納下列於本期間已頒佈但尚未生效之新訂及經修訂準則、修訂及詮釋：

香港財務報告準則 (修訂本)	二零一零年香港財務報告準則之改進項目 ³
香港會計準則第32號 (修訂本)	供股分類 ¹
香港財務報告準則第1號 (修訂本)	香港財務報告準則第7號—首次採納者披露比較數字之有限豁免 ²
香港財務報告準則第9號	金融工具 ⁴
香港 (國際財務報告詮釋委員會) — 詮釋第19號	以權益工具對銷金融負債 ²

¹ 於二零一零年二月一日或其後開始之年度期間生效

² 於二零一零年七月一日或其後開始之年度期間生效

³ 於二零一零年七月一日及二零一一年一月一日或其後開始之年度期間生效 (倘適用)

⁴ 於二零一三年一月一日或其後開始之年度期間生效

本集團正評估首次應用此等新訂及經修訂準則、修訂及詮釋之影響，惟仍未達致表述此等新訂及經修訂香港財務報告準則是否可能會對其經營業績及財務狀況造成重大影響。

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簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

De-consolidating subsidiaries

As soon as the Company discovered the loss of QHFSMI's exploration licence (note 3), without the Company's consent, the Company has sought preliminary advice from its legal adviser. In light of the information provided by the Company, the legal adviser opined that given the discovery of the loss of significant assets of QHFSMI, the Board is no longer in the position of maintaining controls over QHFSMI and IMFSMI by the Company. Due to the above reasons, the directors consider that the Group no longer has the power to exercise its rights as the sole shareholder and thus has lost its controls over the assets and operations or is unable to exercise control over the financial and operating policy decisions of QHFSMI and IMFSMI. Accordingly, the directors of the Company consider that it is inappropriate to consolidate the financial results of QHFSMI and IMFSMI into the Group and these two wholly-owned subsidiaries are de-consolidated and classified as discontinued operations during the six months ended 30 June 2010.

5. 重大會計估計及判斷

估計及判斷會持續進行評估，並根據過往經驗及其他因素進行，包括在有關情況下相信為合理之對未來事件之預測。

本集團對未來作出估計及假設。所得之會計估計因其性質使然，很少會與實際結果一致。下述估計及假設存在可能導致須於期內對資產及負債之賬面值作出重大調整之重大風險：

附屬公司不再綜合入賬

本公司發現在未經本公司同意下失去青海森源之勘探牌照後（附註3），已立即尋求其法律顧問之初步意見。基於本公司提供之資料，法律顧問認為，鑒於青海森源出現重大資產損失，董事會已無法再維持本公司對青海森源及內蒙古森源之控制權。基於上述原因，董事認為，本集團不再有權行使其作為唯一股東之權利，並因此失去其對青海森源及內蒙古森源之資產及經營之控制權，或無法對青海森源及內蒙古森源之財務及經營決策行使控制權。因此，本公司董事認為，不宜將青海森源及內蒙古森源之財務業績綜合計入本集團之賬目內，故該兩間全資附屬公司不再綜合計入截至二零一零年六月三十日止六個月之賬目內，並分類為已終止經營業務。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

6. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents net invoiced value of goods sold after allowances for returns and trade discounts.

An analysis of the Group's revenue and other income are as follows:

6. 收益及其他收入

收益（亦為本集團之營業額）指扣除退貨及貿易折扣後售出貨品之發票淨值。

本集團之收益及其他收入分析如下：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 (Restated) 二零零九年 千港元 (經重列)
Revenue	收益		
Sale of goods	銷售貨品	-	3,733
Other income	其他收入		
Interest income from loan receivables	貸款應收款項之利息收入	-	862
Sundry income	各項收入	51	25
Gain on disposals of subsidiaries (note 19)	出售附屬公司之收益（附註19）	-	736
		51	1,623

7. SEGMENT INFORMATION

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to management of the Group for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to management of the Group are determined following the Group's major product and service lines. The Group has identified the trading of carpets segment represents the trading of carpets of renowned brand names as reportable segment.

7. 分類資料

本集團已根據定期向本集團管理層匯報以供決定分配資源至本集團業務分部及檢討該等分部表現之內部財務資料，確立其營運分類及編製分類資料。向本集團管理層進行內部報告之業務分部乃按照本集團主要產品及服務種類釐定。本集團已確立以下買賣地毯分類指買賣馳名品牌之地毯為報告分類。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

7. SEGMENT INFORMATION (Continued)

Due to the recent discovery of the loss of the exploration licence, it is the Board's current intention to suspend the Group's exploration and mining business until the Group regains controls of QHFSMI and IMFSMI and the Group repossesses the exploration licence.

7. 分類資料 (續)

由於近期發現失去勘探牌照，故董事會目前擬暫停本集團勘探及開採業務，直至本集團重新獲得青海森源及內蒙古森源之控制權及本集團重新管有勘探牌照。

(Unaudited)

(未經審核)

Trading of carpets

買賣地毯

Six months ended 30 June

截至六月三十日止六個月

		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 (Restated) 二零零九年 千港元 (經重列)
Reportable segment revenue:	報告分類收益：		
From external customers	來自外間客戶之收益	-	3,733
Reportable segment loss	報告分類虧損	(981)	(847)
Gain on disposals of subsidiaries	出售附屬公司之收益	-	33
Reportable segment assets	報告分類資產	429	3,772
Reportable segment liabilities	報告分類負債	3	3,416

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

8. FINANCE COSTS

8. 財務成本

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Interest on other borrowing due within one year	一年內到期之其他借款利息	-	54
Finance leases	融資租約	-	4
Imputed interest on convertible bonds (note 18)	可換股債券之推算利息 (附註18)	1,028	5,204
		1,028	5,262

9. LOSS BEFORE INCOME TAX

9. 除所得稅前虧損

Loss before income tax is arrived at after charging/(crediting) the following:

除所得稅前虧損已扣除/(計入)以下各項:

		(Unaudited) (未經審核)		(Unaudited) (未經審核)		(Unaudited) (未經審核)	
		Continuing operations 持續經營業務		Discontinued operations 已終止經營業務		Consolidated 綜合	
		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月	
		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 (Restated) 二零零九年 千港元 (經重列)	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 (Restated) 二零零九年 千港元 (經重列)	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 (Restated) 二零零九年 千港元 (經重列)
Charging/(crediting):	扣除/(計入):						
Cost of inventories recognised as expense	確認為開支之存貨成本	-	3,617	-	-	-	3,617
Depreciation	折舊	63	623	-	-	63	623
Staff costs, including directors' emoluments	員工成本, 包括董事酬金	2,479	2,531	-	-	2,479	2,531
Loss on de-consolidating subsidiaries (note 20)	附屬公司不再綜合入賬之虧損 (附註20)	-	-	348,966	-	348,966	-
Gain on disposals of subsidiaries (note 19)	出售附屬公司之收益 (附註19)	-	(736)	-	(8,342)	-	(9,078)

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

10. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided as the Group had no estimated assessable profits arising in or derived from Hong Kong for both periods. PRC foreign enterprise income tax has not been provided as the PRC subsidiaries incurred a loss for taxation purposes for both periods.

11. DIVIDEND

The Board do not recommend any payment of interim dividend for the six months ended 30 June 2010 (Six months ended 30 June 2009: Nil).

12. DISCONTINUED OPERATIONS

Save as disclosed in notes 3 and 5 to the financial statements, the board of directors of the Company considered that it is appropriate to de-consolidate QHFSMI and IMFSMI with effect from 1 January 2010. Details of the assets and liabilities disposed of, and the calculation of the loss on de-consolidating subsidiaries, are disclosed in note 20.

The business of carpet manufacturing was carried out by its subsidiaries, namely Hui Zhou Orient Carpet Manufacturing Co., Ltd (“HZOCM”) and Tang Shan Win Alliance Wealthy Unit Carpet Limited (“Tang Shan Win Alliance”) (collectively referred to as the “Carpet Manufacturing Group”) whilst the business of goods trading was carried out by the Group’s other subsidiaries, namely Wise Mount Management Limited (“Wise Mount”) and Win Alliance Development Limited (“Win Alliance”) (collectively referred to as the “Goods Trading Business Group”).

As these two business segments had been suffering persistent losses, on 4 December 2008, the Group entered into two separate sale and purchase agreements to dispose of the Carpet Manufacturing Group and the Goods Trading Business Group. The Carpet Manufacturing Group and the Goods Trading Business Group are collectively referred to as the 2009 Discontinued Operations.

The disposals of the 2009 Discontinued Operations were completed in March and February 2009 respectively and were presented as discontinued operations in accordance with HKFRS 5.

10. 所得稅開支

由於本集團於兩個期間均無在香港產生任何估計應課稅溢利，故並無就香港利得稅作出撥備。由於中國附屬公司於兩個期間均錄得稅務虧損，故並無就中國外資企業所得稅作出撥備。

11. 股息

截至二零一零年六月三十日止六個月，董事會建議不派付任何中期股息（截至二零零九年六月三十日止六個月：無）。

12. 已終止經營業務

除財務報表附註3及5所披露者外，本公司之董事會認為，不再綜合入賬青海森源及內蒙古森源屬恰當，於二零一零年一月一日起生效。出售資產及負債之詳情以及計算附屬公司不再綜合入賬之虧損於附註20內披露。

地毯製造業務乃由本集團附屬公司惠州市東方地毯生產有限公司（「惠州東方地毯」）及唐山勝盟豐盛工藝製毯有限公司（「唐山勝盟」）（統稱「地毯製造集團」）進行，而貨品買賣業務則由本集團其他附屬公司智峰管理有限公司（「智峰」）及勝盟發展有限公司（「勝盟」）（統稱「貨品買賣業務集團」）進行。

由於上述兩項業務分類一直蒙受虧損，故本集團於二零零八年十二月四日訂立兩份獨立買賣協議，以出售地毯製造集團及貨品買賣業務集團。地毯製造集團及貨品買賣業務集團統稱為二零零九年已終止經營業務。

出售二零零九年已終止經營業務分別於二零零九年三月及二月完成，並根據香港財務報告準則第5號呈列為已終止經營業務。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

12. DISCONTINUED OPERATIONS (Continued)

An analysis of the results and cash flows of the discontinued operations included in the condensed consolidated income statement and the condensed consolidated statement of cash flows was as follows:

12. 已終止經營業務 (續)

載列於簡明綜合損益表及簡明綜合現金流量表之已終止經營業務之業績及現金流量分析如下：

		(Unaudited) Six months ended 30 June 2010 (未經審核) 截至二零一零年 六月三十日止六個月		(Unaudited) Six months ended 30 June 2009 (未經審核) 截至二零零九年 六月三十日止六個月	
		The 2009 Exploration of mine HK\$'000 礦區勘探 千港元	Discontinued Operations HK\$'000 二零零九年 已終止 經營業務 千港元	The 2009 Exploration of mine HK\$'000 礦區勘探 千港元	Discontinued Operations HK\$'000 二零零九年 已終止 經營業務 千港元
Revenue	收益	-	-	-	-
Other income	其他收入	-	-	-	-
Expenses	開支	-	-	-	-
Income tax expense	所得稅開支	-	-	-	-
Loss on de-consolidating subsidiaries (note 20)	附屬公司不再綜合入賬之虧損 (附註20)	(348,966)	-	-	-
Gain on disposals of subsidiaries (note 19)	出售附屬公司之收益 (附註19)	-	-	-	8,342
(Loss)/Profit for the period from discontinued operations	已終止經營業務本期間 (虧損)/溢利	(348,966)	-	-	8,342
Operating cash flows	經營現金流	-	-	-	-
Investing cash flows	投資現金流	(75)	-	-	-
Total cash flows	總現金流	(75)	-	-	-

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簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

13. LOSS PER SHARE

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

Loss

Loss for the period attributable to the owners of the Company for the purpose of basic loss per share

虧損

用以計算每股基本虧損之本公司擁有人應佔本期間虧損

(Unaudited) (未經審核)	
Six months ended 30 June 截至六月三十日止六個月	
2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
(359,583)	(2,144)

(Unaudited)

(未經審核)

Six months ended 30 June

截至六月三十日止六個月

Number of shares

Weighted average number of ordinary shares for the purpose of basic loss per share

股份數目

用以計算每股基本虧損之普通股加權平均數

2010 '000 二零一零年 千股	2009 '000 二零零九年 千股
7,364,077	3,722,123

No diluted loss per share attributable to the owners of the Company is presented for the six months ended 30 June 2010 and 2009 as the potential ordinary shares have anti-dilutive effect.

由於潛在普通股具反攤薄影響，故截至二零一零年及二零零九年六月三十日止六個月並無呈列本公司擁有人應佔每股攤薄虧損。

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簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

13. LOSS PER SHARE (Continued)

From continuing operations

The calculation of basic loss per share from continuing operations attributable to the owners of the Company are based on the following data:

Loss for the period attributable to the owners of the Company for the purpose of basic loss per share	用以計算每股基本虧損之本公司擁有人應佔本期間虧損	(359,583)	(2,144)
Loss/(Profit) for the period attributable to the owners of the Company from discontinued operations	本公司擁有人應佔已終止經營業務本期間虧損／(溢利)	348,966	(8,342)
Loss for the period attributable to the owners of the Company for the purpose of basic loss per share from continuing operations	用以計算每股基本虧損之本公司擁有人應佔持續經營業務本期間虧損	(10,617)	(10,486)

No diluted loss per share from continuing operations attributable to the owners of the Company is presented for the six months ended 30 June 2010 and 2009 as the potential ordinary shares have anti-dilutive effect.

From discontinued operations

Basic loss per share attributable to the owners of the Company from discontinued operations of HK4.74 cents (2009: basic earnings of HK0.22 cent per share (restated)), based on the loss for the period attributable to the owners of the Company from discontinued operations of approximately HK\$348,966,000 (2009: profit of approximately HK\$8,342,000) and the weighted average number of ordinary shares in issue as set out above.

13. 每股虧損 (續)

來自持續經營業務

本公司擁有人應佔持續經營業務每股基本虧損乃根據以下數據計算：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元
Loss for the period attributable to the owners of the Company for the purpose of basic loss per share	用以計算每股基本虧損之本公司擁有人應佔本期間虧損	(359,583)	(2,144)
Loss/(Profit) for the period attributable to the owners of the Company from discontinued operations	本公司擁有人應佔已終止經營業務本期間虧損／(溢利)	348,966	(8,342)
Loss for the period attributable to the owners of the Company for the purpose of basic loss per share from continuing operations	用以計算每股基本虧損之本公司擁有人應佔持續經營業務本期間虧損	(10,617)	(10,486)

由於潛在普通股具反攤薄影響，故截至二零一零年及二零零九年六月三十日止六個月並無呈列本公司擁有人應佔持續經營業務之每股攤薄虧損。

來自已終止經營業務

本公司擁有人應佔已終止經營業務每股基本虧損為4.74港仙(二零零九年：每股基本盈利為0.22港仙(經重列))，乃根據本公司擁有人應佔已終止經營業務之本期間虧損約348,966,000港元(二零零九年：溢利約8,342,000港元)及上文所述之已發行普通股加權平均數計算。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2010,

- (a) the Group incurred capital expenditure of HK\$507,000 in property, plant and equipment (Six months ended 30 June 2009: Nil).
- (b) As a consequence of de-consolidating QHFSMI and IMFSMI, certain property, plant and equipment of the Group, amounting to HK\$3,578,000, were written down for the six months ended 30 June 2010 (Six months ended 30 June 2009 : Nil).

15. GOODWILL

Save as disclosed in notes 3 and 5 to the financial statements, the board of directors of the Company considers that it is appropriate to de-consolidate QHFSMI and IMFSMI with effect from 1 January 2010. Details of the assets and liabilities disposed of, and the calculation of the loss on de-consolidating subsidiaries, are disclosed in note 20.

14. 物業、廠房及設備

於截至二零一零年六月三十日止六個月，

- (a) 本集團產生物業、廠房及設備資本開支507,000港元(截至二零零九年六月三十日止六個月:無)。
- (b) 由於不再綜合入賬青海森源及內蒙古森源,本集團於截至二零一零年六月三十日止六個月撇銷金額為3,578,000港元之若干物業、廠房及設備(截至二零零九年六月三十日止六個月:無)。

15. 商譽

除財務報表附註3及5所披露者外,本公司之董事會董事認為,不再綜合入賬青海森源及內蒙古森源屬恰當,於二零一零年一月一日起生效。出售資產及負債之詳情以及計算附屬公司不再綜合入賬之虧損於附註20內披露。

		(Unaudited) 30 June 2010 HK\$'000 (未經審核) 二零一零年 六月三十日 千港元	(Audited) 31 December 2009 HK\$'000 (經審核) 二零零九年 十二月三十一日 千港元
At 1 January	於一月一日		
Gross carrying amount	賬面總值	1,021,644	1,021,644
Accumulated impairment	累計減值	(694,012)	(325,611)
Net carrying amount	賬面淨值	327,632	696,033
Opening net carrying amount	期初賬面淨值	327,632	696,033
Impairment loss during the period/year	期內/年內減值虧損	-	(368,401)
Loss on de-consolidating subsidiaries (note 20)	附屬公司不再綜合入賬之 虧損(附註20)	(327,632)	-
Closing net carrying amount	期末賬面淨值	-	327,632
At the end of reporting date	於報告日期結束時		
Gross carrying amount	賬面總值	-	1,021,644
Accumulated impairment	累計減值	-	(694,012)
Net carrying amount	賬面淨值	-	327,632

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

16. DEPOSITS FOR ACQUISITIONS OF SUBSIDIARIES

On 25 September 2009, the Group entered into an agreement with the vendor, Greater Finance Limited (“Greater Finance”) to acquire the entire equity interests in China International Energy Investments (Hong Kong) Limited (together with its subsidiaries collectively referred to as the “China International Group”) for a consideration of HK\$1,500,000,000 (subject to adjustments). The China International Group is principally investing in oil and gas business. As at 30 June 2010, the refundable deposit of HK\$150,000,000 was paid to the vendor by the Company and the acquisition has not yet been completed.

On 5 November 2009, the Group entered into an agreement with the vendor, Maycrown Capital Limited (“Maycrown Capital”) to acquire the entire equity interests in Sunlight Rise Limited (together with its subsidiaries collectively referred to as the “Sunlight Group”) for a consideration of HK\$350,860,000. The Sunlight Group is engaged in the business of generating and supplying electricity and heat by using coke oven gas in the PRC. As at 30 June 2010, the refundable deposit of HK\$35,000,000 was paid to the vendor by the Company. This acquisition was completed on 10 August 2010, details of which are set out in note 25.

16. 收購附屬公司之按金

於二零零九年九月二十五日，本集團與賣方 Greater Finance Limited (「Greater Finance」) 訂立協議以收購於 China International Energy Investments (Hong Kong) Limited (連同其附屬公司統稱「China International Group」) 之全部股本權益，代價為 1,500,000,000 港元 (可予調整)。China International Group 主要投資油氣業務。於二零一零年六月三十日，本公司已向賣方支付 150,000,000 港元之可退還按金，而是項收購尚未完成。

於二零零九年十一月五日，本集團與賣方美冠資本有限公司 (「美冠資本」) 訂立協議以收購於昇暉有限公司 (連同其附屬公司統稱為「昇暉集團」) 之全部股本權益，代價為 350,860,000 港元。昇暉集團於中國從事使用焦爐煤氣發電、供電及供熱業務。於二零一零年六月三十日，本公司已向賣方支付 35,000,000 港元之可退還按金。是項收購已於二零一零年八月十日完成，有關詳情載於附註 25。

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簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

17. EXPLORATION AND EVALUATION ASSETS

Save as disclosed in notes 3 and 5 to the financial statements, the board of directors of the Company considers that it is appropriate to de-consolidate QHFSMI and IMFSMI with effect from 1 January 2010. Details of the assets and liabilities disposed of, and the calculation of the loss on de-consolidating subsidiaries, are disclosed in note 20.

17. 勘探及評估資產

除財務報表附註3及5所披露者外，本公司之董事會董事認為，不再綜合入賬青海森源及內蒙古森源屬恰當，於二零一零年一月一日起生效。出售資產及負債之詳情以及計算附屬公司不再綜合入賬之虧損於附註20內披露。

		(Unaudited) 30 June 2010 HK\$'000 (未經審核) 二零一零年 六月三十日 千港元	(Audited) 31 December 2009 HK\$'000 (經審核) 二零零九年 十二月三十一日 千港元
At 1 January	於一月一日	38,562	34,253
Additions during the period/year	期內／年內添置	-	4,465
Exchange differences	匯兌差額	-	(156)
Net carrying amount	賬面淨值	38,562	38,562
Opening net carrying amount	期初賬面淨值	38,562	38,562
Loss on de-consolidating subsidiaries (note 20)	附屬公司不再綜合入賬之虧損 (附註20)	(38,562)	-
Closing net carrying amount	期末賬面淨值	-	38,562

18. CONVERTIBLE BONDS

In November 2007, the Company issued zero coupon convertible bonds (the "CB1") in the principal amount of HK\$365,000,000 as a part of the consideration for the acquisition of 51% equity interests in Kanson Development Limited ("Kanson"). The CB1 bear no interest with a maturity date on 4 November 2012 and are convertible into shares of the Company at the conversion price of HK\$0.60 per share (subject to the standard adjustment clauses relating to share sub-division, share consolidation, capitalisation issues and rights issues) at any time after the issue date. Details of the CB1 are set out in the Company's circular dated 15 October 2007.

18. 可換股債券

於二零零七年十一月，本公司發行本金額365,000,000港元之零票息可換股債券（「可換股債券第一批債券」），作為收購Kanson Development Limited（「Kanson」）51%股本權益之部分代價。可換股債券第一批債券為免息，於二零一二年十一月四日到期及可於發行日期後任何時間按兌換價每股0.60港元兌換為本公司股份（須遵從股份拆細、股份合併、資本化發行及配股相關之標準調整條款）。可換股債券第一批債券之詳情載於本公司日期為二零零七年十月十五日之通函。

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簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

18. CONVERTIBLE BONDS (Continued)

In July 2008, the Company issued zero coupon convertible bonds (the "CB3") in the principal amount of HK\$580,000,000 as the consideration for the acquisition of the remaining 49% equity interests in Kanson. The CB3 bear no interest with maturity date on 2 July 2013 and are convertible into shares of the Company at the conversion price of HK\$0.25 per share (subject to the standard adjustment clauses relating to share sub-division, share consolidation, capitalisation issues and rights issues) at any time after the issue date. Details of the CB3 are set out in the Company's circular dated 6 June 2008.

The fair value of the liability components, included in the CB1 and CB3, was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included in the convertible bond equity reserve in the owners' equity.

The CB1 and CB3 recognised in the statement of financial position are calculated as follows:

		CB1 可換股債券 第一批債券 HK\$'000 千港元	CB3 可換股債券 第三批債券 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Face value of convertible bonds issued	已發行可換股債券之面值	365,000	580,000	945,000
Proceeds of issue (fair value on initial recognition)	發行收益(首次確認之公平值)	365,467	363,506	728,973
Equity component	權益部分	(189,421)	(103,438)	(292,859)
Liability component	負債部分	176,046	260,068	436,114

18. 可換股債券(續)

於二零零八年七月，本公司發行本金額580,000,000港元之零票息可換股債券(「可換股債券第三批債券」)，作為收購Kanson餘下49%股本權益之代價。可換股債券第三批債券為免息，於二零一三年七月二日到期及可於發行日期後任何時間按兌換價每股0.25港元兌換為本公司股份(須遵從股份拆細、股份合併、資本化發行及配股相關之標準調整條款)。可換股債券第三批債券之詳情載於本公司日期為二零零八年六月六日之通函。

可換股債券第一批債券及可換股債券第三批債券負債部分之公平值乃按同等不可換股債券之市場利率計算。餘下金額即為權益轉換部分之價值，並計入擁有人權益之可換股債券權益儲備。

於財務狀況表內確認之可換股債券第一批債券及可換股債券第三批債券計算如下：

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簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

18. CONVERTIBLE BONDS (Continued)

Movement of liability component

Movements of liability component for the six months ended 30 June 2010 and for the year ended 31 December 2009 are as follows:

At 1 January 2010	於二零一零年一月一日
Exercise of the convertible bonds	行使可換股債券
Imputed interest expenses (note 8)	推算利息費用 (附註8)
At 30 June 2010	於二零一零年六月三十日

18. 可換股債券 (續)

負債部分變動

於截至二零一零年六月三十日止六個月及截至二零零九年十二月三十一日止年度之負債部分變動如下：

(Unaudited)

(未經審核)

30 June 2010

二零一零年六月三十日

CB1 HK\$'000 可換股債券 第一批債券 千港元	CB3 HK\$'000 可換股債券 第三批債券 千港元	Total HK\$'000 總計 千港元
19,001	278	19,279
(1,139)	–	(1,139)
1,010	18	1,028
18,872	296	19,168

(Audited)

(經審核)

31 December 2009

二零零九年十二月三十一日

CB1 HK\$'000 可換股債券 第一批債券 千港元	CB3 HK\$'000 可換股債券 第三批債券 千港元	Total HK\$'000 總計 千港元
88,414	104,248	192,662
(73,243)	(106,537)	(179,780)
3,830	2,567	6,397
19,001	278	19,279

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簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

18. CONVERTIBLE BONDS (Continued)

Movement of equity component

Movements of equity component for the six months ended 30 June 2010 and for the year ended 31 December 2009 are as follows:

At 1 January 2010	於二零一零年一月一日
Issue of shares on conversion	於兌換時發行股份
At 30 June 2010	於二零一零年六月三十日

18. 可換股債券 (續)

權益部分變動

於截至二零一零年六月三十日止六個月及截至二零零九年十二月三十一日止年度之權益部分變動如下：

(Unaudited)

(未經審核)

30 June 2010

二零一零年六月三十日

CB1 HK\$'000 可換股債券 第一批債券 千港元	CB3 HK\$'000 可換股債券 第三批債券 千港元	Total HK\$'000 總計 千港元
15,849	55	15,904
(945)	-	(945)
14,904	55	14,959

(Audited)

(經審核)

31 December 2009

二零零九年十二月三十一日

CB1 HK\$'000 可換股債券 第一批債券 千港元	CB3 HK\$'000 可換股債券 第三批債券 千港元	Total HK\$'000 總計 千港元
81,872	38,500	120,372
(66,023)	(38,445)	(104,468)
15,849	55	15,904

At 1 January 2009	於二零零九年一月一日
Issue of shares on conversion	於兌換時發行股份

At 31 December 2009	於二零零九年 十二月三十一日
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Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

18. CONVERTIBLE BONDS (Continued)

The fair value of the liability components of CB1 and CB3 at the dates of issue amounted to approximately HK\$176 million and HK\$260 million respectively.

Interest expense on the bonds is calculated using the effective interest rate method by applying interest rate of 15.7% and 17.4% per annum to the liability components of CB1 and CB3 respectively.

During the six months ended 30 June 2010, 3,543,000 ordinary shares were issued in aggregate, at the conversion price of HK\$0.508 (as adjusted) per share, to the bond holders upon the conversion of the CB1. The conversion price was adjusted to HK\$0.508 as a result of the open offer. Details of the result of open offer and the adjustment to the conversion price of the convertible bonds are set out in the Company's announcement dated 7 October 2009. As a result, there was an increase in the share capital and share premium of HK\$36,000 and HK\$2,048,000 respectively.

Subsequent to the reporting date, no ordinary share was issued to the bond holders upon the conversion of CB1 and CB3 respectively.

According to the sale and purchase agreements dated on 8 July 2007 and 8 April 2008, , another zero-coupon convertible bonds with face value of HK\$400,000,000 (the "CB2") and HK\$380,780,000 (the "CB4") would be issued to Ms. Leung on the fifth business day following the date of receipt of mining license in respect of the underlying mine. The CB2 and CB4 are convertible into shares of the Company at the conversion price of HK\$0.60 and HK\$0.25 per share respectively. As at 30 June 2010, the CB2 and CB4 have not been issued and have not included the purchase consideration of acquisition in Kanson.

18. 可換股債券 (續)

於發行日，可換股債券第一批債券及可換股債券第三批債券負債部分之公平值分別約為176,000,000港元及260,000,000港元。

債券之利息費用乃按實際利率法以年利率15.7%及17.4%分別就可換股債券第一批債券及可換股債券第三批債券負債部分計算。

截至二零一零年六月三十日止六個月，本公司於可換股債券第一批債券進行兌換時按每股兌換價0.508港元（經調整）向債券持有人發行合共3,543,000股普通股。兌換價因公開發售而調整為0.508港元。公開發售之結果及可換股債券之兌換價調整之詳情載於本公司日期為二零零九年十月七日之公佈。因此，其股本及股份溢價分別增加36,000港元及2,048,000港元。

於報告日期後，本公司於可換股債券第一批債券及可換股債券第三批債券進行兌換時並無向債券持有人發行任何普通股。

根據日期為二零零七年七月八日及二零零八年四月八日之買賣協議，另一批面值分別為400,000,000港元（「可換股債券第二批債券」）及380,780,000港元（「可換股債券第四批債券」）之零票息可換股債券將於取得有關礦區之開採牌照當日後之第五個營業日發行予梁女士。可換股債券第二批債券及可換股債券第四批債券分別可按兌換價每股0.60港元及0.25港元兌換為本公司股份。於二零一零年六月三十日，可換股債券第二批債券及可換股債券第四批債券尚未發行，亦未計入收購Kanson之購買代價。

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19. DISPOSALS OF SUBSIDIARIES

The Group disposed the subsidiaries, namely, Orient Carpet Manufacturing (HK) Limited, HZOCCM, Beijing Forest Source Mining Industry Development Company Limited, Wise Mount, Win Alliance and Tang Shan Win Alliance at the total consideration of HK\$29,330,000 of which (a) HK\$12,200,000 was used to set off against the net current liabilities of HZOCCM and assumed by the independent third party and (b) HK\$17,130,000 was paid in cash on completion date.

In April 2009, the Group also disposed of certain inactive and loss suffering subsidiaries, namely, Jackley China Limited and its subsidiaries including Orient Finance (Hong Kong) Limited, Charvix Concrete Company Limited and Jackley Carpet Limited, at the consideration of HK\$1.

In May 2009, the Group also disposed of subsidiaries, namely, 626 Limited and Hong Kong Forest Source Mining Industry Development Company Limited, at the consideration of HK\$1.

19. 出售附屬公司

本集團以總代價29,330,000港元出售附屬公司，即東方地毯生產（香港）有限公司、惠州東方地毯、北京森源礦產品技術開發有限公司、智峰、勝盟及唐山勝盟，其中(a) 12,200,000港元已用於抵銷惠州東方地毯之流動負債淨額（獨立第三方將承擔該筆款項），及(b) 17,130,000港元已於完成日期以現金支付。

於二零零九年四月，本集團亦以代價1港元出售若干蒙受虧損之非活躍附屬公司，即Jackley China Limited及其附屬公司，包括東方財務（香港）有限公司、超固建材有限公司及旭晟地氈有限公司。

於二零零九年五月，本集團亦以代價1港元出售附屬公司，即626有限公司及香港森源礦業開發有限公司。

		(Unaudited) Six months ended 30 June 2009 HK\$'000 (未經審核) 截至二零零九年 六月三十日止 六個月 千港元
Net assets disposed of :	出售之資產淨額：	
Property, plant and equipment	物業、廠房及設備	26,735
Prepaid lease payments	預付租賃款項	14,062
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	10,113
Inventories	存貨	7,321
Trade receivables	應收貿易賬項	1,852
Cash and cash equivalents	現金及現金等值項目	459
Trade payables	應付貿易賬項	(17,582)
Deposit received, other payables and accruals	已收按金、其他應付款項及應計款項	(24,312)
Amount due to a non-controlling shareholder	應付非控股股東款項	(1,288)
		17,360
Release of exchange reserve upon disposal	出售時匯兌儲備撥回	(9,308)
		8,052
Gain on disposals of subsidiaries in continuing operations (note 6)	持續經營業務出售附屬公司之收益 (附註6)	736
Gain on disposals of subsidiaries in the 2009 Discontinued Operations (note 12)	二零零九年已終止經營業務出售附屬公司之收益 (附註12)	8,342
		17,130
Total consideration	總代價	17,130
Satisfied by:	以下列方式支付：	
Cash	現金	17,130

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20. DE-CONSOLIDATING SUBSIDIARIES

As explained in notes 3, 5 and 12, the board of directors of the Company considers that the Group no longer has the power to exercise its rights as the sole shareholder and thus has lost controls over the assets and operations or is unable to exercise control over the financial and operating policy decisions of QHFMSI and IMFSMI. Base on its financial statements of QHFMSI and IMFSMI as at 31 December 2009, in light of the latest management accounts of the two subsidiaries available to the directors of the Company. Accordingly, the Group recorded a loss on de-consolidating QHFMSI and IMFSMI of approximately HK\$348,966,000.

Details of net assets attributable to QHFMSI and IMFSMI as at 1 January 2010 are set out below:

20. 附屬公司不再綜合入賬

如財務報表附註3、5及12所述，本公司董事會認為，本集團不再有權行使其作為唯一股東之權利，並因此失去對青海森源及內蒙古森源之資產及經營之控制權，或無法對青海森源及內蒙古森源之財務及經營決策行使控制權。根據青海森源及內蒙古森源截至二零零九年十二月三十一日之財務報表（就本公司董事而言，此乃最新之管理賬目），本集團錄得青海森源及內蒙古森源不再綜合入賬之虧損約348,966,000港元。

於二零一零年一月一日青海森源及內蒙古森源應佔資產淨值載列如下：

		(Unaudited) HK\$'000 (未經審核) 千港元
Net assets disposed of :	出售之資產淨值：	
Property, plant and equipment (note 14)	物業、廠房及設備（附註14）	3,578
Exploration and evaluation assets (note 17)	勘探及評估資產（附註17）	38,562
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	71
Cash and cash equivalents	現金及現金等值項目	75
Deposits received, other payables and accruals	已收按金、其他應付款項及應計款項	(19,980)
		22,306
Attributable goodwill (note 15)	應佔商譽（附註15）	327,632
		349,938
Exchange loss arising from de-consolidation	不再綜合入賬產生之匯兌虧損	(972)
Net loss on de-consolidating subsidiaries	附屬公司不再綜合入賬之虧損淨額	348,966
Analysis of net outflow of cash and cash equivalents arising from de-consolidating subsidiaries	附屬公司不再綜合入賬而產生之現金及現金等值項目之流出淨額分析	(75)

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21. SHARE CAPITAL

21. 股本

	Notes 附註	(Unaudited) 30 June 2010 (未經審核) 二零一零年六月三十日		(Audited) 31 December 2009 (經審核) 二零零九年十二月三十一日	
		Number of shares '000 股份數目 千股	HK\$'000 千港元	Number of shares '000 股份數目 千股	HK\$'000 千港元
Authorised : Ordinary shares of HK\$0.01 each	法定股本： 每股面值0.01港元之普通股	20,000,000	200,000	20,000,000	200,000
Issued and fully paid : At the beginning of period/year, ordinary shares of HK\$0.01 each	已發行及繳足股本： 於期初/年初，每股面值 0.01港元之普通股	7,361,043	73,610	3,024,720	30,247
Exercise of convertible bonds and issue of shares	行使可換股債券及 發行股份	3,543	36	1,074,543	10,745
Shares issued in August 2009	於二零零九年八月發行之股份	-	-	809,280	8,093
Shares issued in October 2009	於二零零九年十月發行之股份	-	-	2,452,500	24,525
At the end of period/year, ordinary shares of HK\$0.01 each	於期末/年末，每股面值 0.01港元之普通股	7,364,586	73,646	7,361,043	73,610

Notes:

- (a) During the six months ended 30 June 2010, 3,543,000 new ordinary shares in aggregate were issued at the conversion price of HK\$0.508 (as adjusted) (Year ended 31 December 2009: 209,000,000 and 3,543,000 new ordinary shares at the conversion price of HK\$0.60 and HK\$0.508 (as adjusted) per share respectively) to the bond holders upon the conversion of the CB1. As a result, there was an increase in share capital and share premium of HK\$36,000 (Year ended 31 December 2009: HK\$2,125,000) and HK\$2,048,000 (Year ended 31 December 2009: HK\$137,140,000) respectively.

附註：

- (a) 於截至二零一零年六月三十日止六個月，本公司於兌換可換股債券第一批債券時合共發行3,543,000股新普通股，兌換價為0.508港元（經調整）（截至二零零九年十二月三十一日止年度：209,000,000股及3,543,000股新普通股每股兌換價分別為0.60港元及0.508港元（經調整）），因此，其股本及股份溢價分別增加36,000港元（截至二零零九年十二月三十一日止年度：2,125,000港元）及2,048,000港元（截至二零零九年十二月三十一日止年度：137,140,000港元）。

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簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

21. SHARE CAPITAL (Continued)

Notes: (Continued)

- (b) During the year 2009, 862,000,000 new ordinary shares in aggregate were issued, at the conversion price of HK\$0.25 per share, to the bond holders upon the conversion of the CB3. As a result, there was an increase in share capital and share premium of HK\$8,620,000 and HK\$136,361,000 respectively.
- (c) On 6 August 2009 and 10 August 2009, the Company entered into a placement agreement and a supplemental agreement respectively with Mayfair Securities Limited ("Mayfair Securities") as placing agent, pursuant to which an aggregate of 809,280,000 new ordinary shares were placed by Mayfair Securities on behalf of the Company, at the price of HK\$0.137 per placing share with the independent investors. As a result, the Company issued 809,280,000 new ordinary shares at HK\$0.137 per share on 20 August 2009 and there was an increase in share capital and share premium of HK\$8,093,000 and HK\$102,779,000 respectively.
- (d) On 25 August 2009, the Company entered into an underwriting agreement with Kingston Securities Limited relating to the open offer at the subscription price of HK\$0.08 per offer share to its shareholders on the basis of one offer share for every two shares of the Company recorded on the register of members of the Company on 15 September 2009. As a result, the Company issued 2,452,500,000 new ordinary shares at HK\$0.08 per share in October 2009 and there was an increase in share capital and share premium of HK\$24,525,000 and HK\$171,675,000 respectively.

All issued new ordinary shares rank pari passu with other shares in issue in all respect.

21. 股本 (續)

附註: (續)

- (b) 於二零零九年，本公司於可換股債券第三批債券進行兌換時按每股兌換價0.25港元向債券持有人發行合共862,000,000股新普通股。因此，其股本及股份溢價分別增加8,620,000港元及136,361,000港元。
- (c) 於二零零九年八月六日及二零零九年八月十日，本公司與配售代理美輝證券有限公司（「美輝證券」）分別訂立一份配售協議及一份補充協議。據此，美輝證券代表本公司以每股配售股份0.137港元之價格向獨立投資者配售合共809,280,000股新普通股。因此，本公司於二零零九年八月二十日以每股0.137港元之價格發行809,280,000股新普通股，其股本及股份溢價分別增加8,093,000港元及102,779,000港元。
- (d) 於二零零九年八月二十五日，本公司與金利豐證券有限公司就按於二零零九年九月十五日本公司股東名冊之記錄每持有兩股本公司股份獲發一股發售股份之基準，按認購價每股發售股份0.08港元向其股東公開發售股份訂立一份包銷協議。因此，本公司於二零零九年十月以每股0.08港元之價格發行2,452,500,000股新普通股，其股本及股份溢價分別增加24,525,000港元及171,675,000港元。

所有發行之新普通股在各方面與其他已發行股份享有同等權益。

Notes to the Condensed Financial Statements

簡明財務報表附註

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

22. OPERATING LEASE COMMITMENTS

At 30 June 2010, the Group had total future minimum lease payments under non-cancellable operating lease falling due as follows:

		(Unaudited) 30 June 2010 HK\$'000 (未經審核) 二零一零年 六月三十日 千港元	(Audited) 31 December 2009 HK\$'000 (經審核) 二零零九年 十二月三十一日 千港元
Within one year	一年內	1,355	1,355
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	1,197	1,875
		2,552	3,230

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

23. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in condensed consolidated financial statements, the Group had the following material transactions with related parties during the periods:

Compensation of key management personnel

		(Unaudited) (未經審核) Six months ended 30 June 截至六月三十日止六個月	2009 HK\$'000 二零零九年 千港元
Total remuneration of directors and other members of key management during the period	期內董事及其他 主要管理人員之 薪酬總額	951	951

22. 經營租約承擔

於二零一零年六月三十日，本集團於下列年期內屆滿之不可撤銷經營租約之未來最少租賃付款總額如下：

		(Unaudited) 30 June 2010 HK\$'000 (未經審核) 二零一零年 六月三十日 千港元	(Audited) 31 December 2009 HK\$'000 (經審核) 二零零九年 十二月三十一日 千港元
Within one year	一年內	1,355	1,355
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	1,197	1,875
		2,552	3,230

本集團根據經營租約租用若干租賃土地及樓宇。該等租約初步為期兩至三年，可於到期日或本集團與有關業主／出租人共同商定之日期選擇續租及重訂租約條款。該等租約不包括或然租金。

23. 關連人士交易

除簡明綜合財務報表其他部分所披露者外，期內，本集團與關連人士尚有如下重大交易：

主要管理人員之補償

		(Unaudited) (未經審核) Six months ended 30 June 截至六月三十日止六個月	2009 HK\$'000 二零零九年 千港元
Total remuneration of directors and other members of key management during the period	期內董事及其他 主要管理人員之 薪酬總額	951	951

Notes to the Condensed Financial Statements

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24. COMMITMENTS

As at 30 June 2010, the Group had the following outstanding capital commitments:

- (a) As explained in notes 3, 5 and 20, the financial information of QHFSMI and IMFSMI were de-consolidated during the six months ended 30 June 2010. As at 30 June 2010, no agreements have been entered into with other parties in relation to exploration and evaluation expenditures which are to be capitalised. (As at 31 December 2009: the total contracted amount of HK\$1,048,000).
- (b) As mentioned in note 16 to the financial statements, on 25 September 2009, the Group entered into an agreement with the vendor, Greater Finance, to acquire the entire equity interests in the China International Group for a consideration of HK\$1,500,000,000 (subject to the adjustments). The China International Group is principally investing in oil and gas business. As at 30 June 2010, the refundable deposit of HK\$150,000,000 was paid to the vendor by the Company and hence capital commitment arising from this potential acquisition was approximately HK\$1,350,000,000.
- (c) As mentioned in note 16 to the financial statements, on 5 November 2009, the Group entered into an agreement with the vendor, Maycrown Capital to acquire the entire equity interests in the Sunlight Group for a consideration of HK\$350,860,000. The Sunlight Group is engaged in the business of generating and supplying electricity and heat by using coke oven gas in the PRC. As at 30 June 2010, the refundable deposit of HK\$35,000,000 was paid to the vendor by the Company and hence capital commitment arising from this acquisition was approximately HK\$315,860,000.

24. 承擔

於二零一零年六月三十日，本集團有以下尚未償付之資本承擔：

- (a) 如附註3、5及20所述，截至二零一零年六月三十日止六個月，青海森源及內蒙古森源之財務資料不再綜合入賬。於二零一零年六月三十日，概無與其他訂約方就將被資本化之勘探及評估開支訂立任何協議。（於二零零九年十二月三十一日：總計已訂約金額為1,048,000港元）。
- (b) 如財務報表附註16所述，本集團於二零零九年九月二十五日與賣方Greater Finance訂立一份協議，以收購China International Group之全部股本權益，代價為1,500,000,000港元（可予調整）。China International Group主要投資油氣業務。於二零一零年六月三十日，本公司已向賣方支付150,000,000港元之可退還按金，因此，因是項可能進行之收購而產生之資本承擔約為1,350,000,000港元。
- (c) 如財務報表附註16所述，本集團於二零零九年十一月五日與賣方美冠資本訂立一份協議，以收購昇暉集團之全部股本權益，代價為350,860,000港元。昇暉集團於中國從事使用焦爐煤氣發電、供電及供熱業務。於二零一零年六月三十日，本公司已向賣方支付35,000,000港元之可退還按金，因此，因是項收購而產生之資本承擔約為315,860,000港元。

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25. EVENTS AFTER THE REPORTING DATE

The Group had the following significant events after the reporting date:

Precious New Limited (“Precious New”), a wholly owned subsidiary of the Company and the Company entered into a supplemental agreement with Maycrown Capital and Ms. Ho Mee Kuen Karen (the “Guarantor”) to vary the provisions of the sale and purchase agreement dated 5 November 2009 (the “Agreement”) regarding the further deposit payable by Precious New (the “**Supplemental Agreement**”). According to the provisions of the Agreement, Precious New should pay to Maycrown Capital HK\$35,000,000 as a further refundable deposit in cash within three business days after the completion of the due diligence investigation to be conducted by Precious New and its advisers on the target group and conditional upon certain conditions being fulfilled and/or waived by the Precious New.

Following discussions between the parties to the Agreement and considering that the Company had paid HK\$80,000,000 to Ontop Finance Limited for the registered capital of Shanxi Zhong Kai Group Lingshi Heat and Power Company Limited, the parties entered into the Supplemental Agreement on 10 August 2010, pursuant to which the payable amount of the HK\$35,000,000 by Precious New has been postponed to on or before 31 July 2011 and Precious New shall pay interest charged on the HK\$35,000,000 at the rate of 3% per annum. The interest shall accrue from day to day, shall be calculated on the basis of the actual number of days elapsed and a 365-day year, including the date of completion and ending on the date of actual payment by Precious New, provided that if such balance of HK\$35,000,000 is paid in full on or before 11 February 2011, no interest shall be payable on such amount. The details are set out in the Company’s announcement dated 10 August 2010.

The Company agree that all conditions precedent set out in the Agreement as varied by the Supplemental Agreement have been fulfilled and the completion of the Agreement (as amended) took place on 10 August 2010. The Company has issued the consideration shares of HK\$140,430,000 and the convertible notes of HK\$140,430,000 to Maycrown Capital in accordance with the terms of the Agreement as varied by the Supplemental Agreement. Sunlight Group has accordingly become the subsidiaries of the Company on 10 August 2010.

25. 報告日後事項

本集團有以下之報告日後事項：

本公司之全資附屬公司寶穎有限公司（「寶穎」）及本公司與美冠資本及何美娟女士（「擔保人」）訂立一份補充協議（「**補充協議**」），以修訂日期為二零零九年十一月五日之買賣協議（「該協議」）中有關寶穎應付之第二筆按金之條文。根據該協議之條文，寶穎須以現金向美冠資本支付第二筆可退還按金35,000,000港元。可退還按金須於寶穎及其顧問完成對目標集團之盡職審查後三個營業日內支付，並於若干條件達成及／或獲寶穎豁免後，方可作實。

經該協議各訂約方磋商後並經考慮本公司已向宏達融資有限公司支付80,000,000港元以繳足山西中凱集團靈石熱電有限公司之註冊資本，各訂約方於二零一零年八月十日訂立補充協議，據此，寶穎之應付款項35,000,000港元已延後至二零一一年七月三十一日或之前支付，而寶穎須按年利率3%支付35,000,000港元之利息。利息將逐日計算，並將按實際已過日數（完成日期包括在內，並直至寶穎實際付款日期為止）及一年365日之基準計算，惟倘該結餘35,000,000港元於二零一一年二月十一日或之前全部支付，則無須對該筆款項支付利息。詳情載於本公司日期為二零一零年八月十日之公佈。

本公司同意經補充協議修訂之該協議所載之所有先決條件經已達成，該協議（經修訂）已於二零一零年八月十日完成。本公司已根據經補充協議修訂之該協議之條款向美冠資本發行140,430,000港元之代價股份及140,430,000港元之可換股票據。因此，昇暉集團於二零一零年八月十日起已成為本公司之附屬公司。

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26. LITIGATIONS

There are litigations being undertaken against and for the Group in 2010, details of which are set out as follows:

(a) Capital contribution to IMFSMI

The Group's subsidiary, namely IMFSMI was established since 2007 and its capital has not yet been fully paid up since then. IMFSMI (acting under the legal representative and the director of IMFSMI, Ms. Leung required its immediate holding company, namely HKFSMIH to make capital contribution of HK\$30 million into IMFSMI (the "Capital Contribution"), pursuant to IMFSMI's articles of the association. In September 2009, IMFSMI acted as plaintiff and undertook legal action against HKFSMIH to make the Capital Contribution. In March 2010, the Company's PRC legal adviser replied to the court in Inner Mongolia that

- (i) The plaintiff (i.e. IMFSMI) does not possess the litigation qualification as the business licence of IMFSMI has already expired on 30 April 2009.
- (ii) The plaintiff does not have any rights to undertake the litigation as there are no laws in the PRC to enable a company to sue its equity holders who have not made their capital contribution.
- (iii) The certificate of approval for IMFSMI is now invalid and the 2009 annual statutory examination in the PRC has not been fulfilled.
- (iv) After taking into account the above considerations, the PRC legal adviser advised that the business license of IMFSMI should be firstly cancelled. As such, the Capital Contribution may not be necessary.

Although the court in Inner Mongolia dismissed the litigation in April 2010, the plaintiff appealed against the decision. As at the date of this interim report, the litigation is still in progress.

26. 訴訟

本集團於二零一零年有訴訟事項，詳情載列如下：

(a) 對內蒙古森源之注資

本集團之附屬公司內蒙古森源自二零零七年成立之後一直未繳足資本。內蒙古森源（由內蒙古森源之法人代表兼董事梁女士代表）要求其直接控股公司香港森源礦業控股根據內蒙古森源之章程細則對內蒙古森源作出30,000,000港元之注資（「注資」）。於二零零九年九月，內蒙古森源作為原告就注資一事對香港森源礦業控股採取法律行動。於二零一零年三月，本公司之中國法律顧問向內蒙古法院作出以下回覆：

- (i) 由於內蒙古森源之營業執照已於二零零九年四月三十日屆滿，原告（即內蒙古森源）並無訴訟主體資格。
- (ii) 由於中國並無任何授權公司控告股權持有人未作出注資之法律依據，原告並無任何權利提起訴訟。
- (iii) 內蒙古森源之批准證書現已失效，亦未能通過二零零九年之中國年檢。
- (iv) 經考慮以上因素，中國法律顧問認為內蒙古森源之營業執照不可避免地將被註銷。因此不必作出注資。

儘管內蒙古法院於二零一零年四月撤銷訴訟，惟原告對該裁決提出上訴。於本中期報告日期，訴訟仍在進行中。

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26. LITIGATIONS (Continued)

(b) Injunction order

HK Yuenxian (previously known as Forest Source Mining Industry Holding Company Limited) is a private company incorporated in Hong Kong and owned by Ms. Leung (see note 3). This company is not related to the Group. The Group has requested Ms. Leung to change the original name of this company on the basis that similarity between the name of this company and the Company's subsidiaries might cause confusion to the shareholders and business partners of the Group. On 30 November 2009, HKFSMIH, IMFSMI and QHFSMI successfully requested the High Court of Hong Kong to issue an interim injunction order against Forest Source Mining Industry Holding Company Limited, Ms. Leung and other three independent persons restraining them from carrying on business in Hong Kong and/or the PRC under the name of "Forest Source Mining Industry Holding Company Limited" or under any style or name comprising the words "Forest Source Mining Industry" in form likely to mislead or deceive the public. On 31 December 2009, the High Court of Hong Kong continued the interim injunction order against HK Yuenxian, Ms. Leung and other two independent persons and discharged the interim injunction order against other one independent person. On 30 March 2010, upon Ms. Leung Lai Ching Margaret on oath saying that she was not intending to compete with HKFSMIH at the moment or to pass herself/Forest Source Mining Industry Holding Company Limited off as HKFSMIH, the High Court of Hong Kong discharged the interim injunction order against HK Yuenxian, Ms. Leung and other two independent persons.

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified as to conform with current period's presentation and as a result of the re-statement of comparative financial information set out in note 2.

26. 訴訟 (續)

(b) 禁制令

香港源森(前稱森源礦業控股有限公司)乃一間於香港註冊成立並由梁女士擁有之私人公司(見附註3),與本集團並無關連。本集團以該公司與本公司之附屬公司之名稱極為相似,容易令本集團股東及業務夥伴混淆為理由,要求梁女士更改該公司之原有名稱。於二零零九年十一月三十日,香港森源礦業控股、內蒙古森源及青海森源已成功要求香港高等法院對森源礦業控股有限公司、梁女士以及其他三名獨立人士發出臨時禁制令,限制彼等以「森源礦業控股有限公司」之名或以任何可能誤導或欺詐公眾之形式以包含「森源礦業」字眼之方式或名稱於香港及/或中國進行業務。於二零零九年十二月三十一日,香港高等法院繼續對香港源森、梁女士以及其他兩名獨立人士發出臨時禁制令,並撤銷對另外一名獨立人士發出之臨時禁制令。於二零一零年三月三十日,於梁儷澗女士宣誓彼目前並無意與香港森源礦業控股競爭或其本人/森源礦業控股有限公司並無意冒充香港森源礦業控股後,香港高等法院撤銷對香港源森、梁女士以及其他兩名獨立人士發出之臨時禁制令。

27. 比較數字

若干比較數字已為符合當前期間之呈報方式及因重列附註2所載比較財務資料而重新分類。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 June 2010 (the “Period”), no revenue is recorded from its continuing operations by the Group (2009: HK\$3.7 million) and operating loss from its continuing operations were approximately HK\$9.6 million (2009: HK\$5.2 million (restated)). The operating loss of the Group from its continuing operations was substantially increased by approximately HK\$4.4 million as compared to the corresponding period of last year due to the administrative expenses was increased by HK\$2.6 million. The finance costs were reduced by HK\$4.2 million as the imputed interest on convertible bonds was decreased. Loss on de-consolidating subsidiaries HK\$349 million incurred for the Period from discontinued operations (2009: profit of HK\$8.3 million (restated)). The details are set out in the notes 3, 5 and 12.

CARPET TRADING BUSINESS

The market environment of carpet trading continued to be extremely competitive. During the Period, no revenue is recorded by the Group and incurred a loss HK\$981,000 in carpets trading business. The Group will take more effort to source more orders from both new and existing customers to improve the results. In fact, the Group have already got some sale orders in second half year.

ELECTRICITY AND HEAT BUSINESS

On 5 November 2009, Precious New Limited, a wholly owned subsidiary of the Company, entered into a conditional agreement with Maycrown Capital Limited (“**Maycrown Capital**”), pursuant to which Precious New Limited has agreed to purchase and Maycrown Capital has agreed to sell the entire issued share capital of Sunlight Rise Limited (“**Sunlight Rise**”) at an aggregate consideration of HK\$350.86 million, and to assume the obligation of contributing to and paying up the remaining balance of the registered capital of Shanxi Zhong Kai Group Lingshi Heat & Power Company Limited (山西中凱集團靈石熱電有限公司) (“**Shanxi Zhong Kai**”) in the sum of approximately RMB69.55 million (the “**Electricity and Heat Acquisition**”). The sole asset of Sunlight Rise and its subsidiaries is its holding of a 60% equity interest in Shanxi Zhong Kai. Details of the Electricity and Heat Acquisition are set out in the Company’s announcement and circular dated 23 November 2009 and 28 June 2010 respectively.

業務回顧及展望

截至二零一零年六月三十日止六個月（「**本期間**」），本集團之持續經營業務並無錄得收益（二零零九年：3,700,000港元），且錄得經營虧損約9,600,000港元（二零零九年：5,200,000港元（經重列））。由於行政開支增加2,600,000港元，本集團持續經營業務之經營虧損較去年同期大幅增加約4,400,000港元。財務成本因可換股債券之推算利息減少而下降4,200,000港元。本期間已終止經營業務所產生之附屬公司不再綜合入賬之虧損為349,000,000港元（二零零九年：溢利8,300,000港元（經重列））。詳情載於附註3、5及12。

地毯買賣業務

地毯買賣市況之競爭仍舊相當激烈。本集團於本期間並無錄得收益，地毯買賣業務則錄得虧損981,000港元。本集團將加大力度向新客戶及現有客戶獲取更多訂單，從而改善業績。事實上，本集團已於下半年取得若干銷售訂單。

發電及供熱業務

於二零零九年十一月五日，本公司之全資附屬公司寶穎有限公司與美冠資本有限公司（「**美冠資本**」）訂立一份有條件協議，據此，寶穎有限公司同意購買而美冠資本同意出售昇暉有限公司（「**昇暉**」）之全部已發行股本，總代價為350,860,000港元，並承擔出資及繳足山西中凱集團靈石熱電有限公司（「**山西中凱**」）餘下註冊資本之責任，合共約為人民幣69,550,000元（「**發電及供熱收購事項**」）。昇暉及其附屬公司之唯一資產為於山西中凱擁有之60%股本權益。有關發電及供熱收購事項之詳情分別載於本公司日期為二零零九年十一月二十三日之公佈及日期為二零一零年六月二十八日之通函。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As per the Company's announcement dated 10 August 2010, (i) Precious New Limited injected HK\$80,000,000 into the bank account of a subsidiary of Sunlight Rise for paying up the remaining registered capital of Shanxi Zhong Kai of approximately RMB69.55 million on 3 August 2010; (ii) Precious New Limited entered into a supplemental agreement with Maycrown Capital to postpone the payment of a refundable deposit of HK\$35,000,000 to a date on or before 31 July 2011; and (iii) the Electricity and Heat Acquisition was completed on 10 August 2010. After the completion, Shanxi Zhong Kai became a 60% owned subsidiary of the Company and the Group could broaden its source of income by expanding its business to the power generation industry in China.

EXPLORATION AND MINING BUSINESS

As per the Company's announcements dated 26 and 27 August 2010, the Board, to its astonishment, recently found out that as from 31 January 2010 the exploration licence held by Qinghai Forest Source Mining Industry Developing Company Limited ("**Qinghai Subsidiary**"), an indirect wholly-owned subsidiary of the Company incorporated in the People's Republic of China ("**PRC**"), had been transferred to a company known as 內蒙古小紅山源森礦業有限公司 (in English, for identification purpose only, Inner Mongolia Xian Hong Shan Yuen Xian Mining Industry Company Limited) ("**Yuen Xian Company**") without the Company's knowledge, consent or approval.

Based on the searches conducted by the Company's legal advisers, the Company further found out that:

1. Yuen Xian Company is a wholly foreign owned enterprise established in the PRC on 21 October 2009 and is wholly-owned by a company known as "Yuenxian Mining Industry Holding Company Limited" ("**HK Yuenxian**"). Ms. Margaret Lai Ching LEUNG ("**Ms. Leung**") is one of the directors and the legal representative of Yuen Xian Company.
2. HK Yuenxian (previously known as Forest Source Mining Industry Holding Company Limited) is a company incorporated in Hong Kong and is wholly-owned by Ms. Leung. Ms. Leung is also the sole director of HK Yuenxian.

根據本公司日期為二零一零年八月十日之公佈，(i)於二零一零年八月三日，寶穎有限公司向昇暉一間附屬公司之銀行賬戶注資80,000,000港元，以支付山西中凱餘下註冊股本約人民幣69,550,000元；(ii)寶穎有限公司與美冠資本訂立一份補充協議，以將可退回按金35,000,000港元之付款日期延遲至二零一一年七月三十一日或之前；及(iii)發電及供熱收購事項已於二零一零年八月十日完成。完成後，山西中凱成為本公司擁有60%權益之附屬公司，而本集團可透過擴展其業務至中國發電業務以拓闊其收入來源。

勘探及開採業務

根據本公司日期為二零一零年八月二十六日至二十七日之公佈，董事會近期驚訝發現，由本公司之間接全資附屬公司青海森源礦業開發有限公司 ("**青海附屬公司**")，於中華人民共和國 ("**中國**") 註冊成立) 持有之勘探牌照已自二零一零年一月三十一日起轉讓予名為內蒙古小紅山源森礦業有限公司 (英文名稱為 Inner Mongolia Xian Hong Shan Yuen Xian Mining Industry Company Limited, 僅供識別) 之公司 ("**源森公司**")，而本公司並不知悉、同意或批准。

根據本公司法律顧問進行之調查，本公司進一步發現：

1. 源森公司為一間於二零零九年十月二十一日於中國成立之全外資企業，由名為「源森礦業控股有限公司」 ("**香港源森**") 之公司全資擁有。梁儷瀨女士 ("**梁女士**") 為源森公司之其中一名董事及法定代表。
2. 香港源森 (前稱為森源礦業控股有限公司) 為一間於香港註冊成立之公司，由梁女士全資擁有。梁女士亦為香港源森之唯一董事。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Control of the PRC subsidiaries

Ms. Leung was a director and legal representative of the Qinghai Subsidiary and Inner Mongolia Forest Source Mining Industry Developing Company Limited (“**Inner Mongolia Subsidiary**”). On 10 September 2009, the board of directors of the sole shareholder of the Qinghai Subsidiary and the Inner Mongolia Subsidiary (namely, Hong Kong Forest Source Mining Industry Holding Company Limited) had resolved to remove Ms. Leung as director and legal representative of the Qinghai Subsidiary and the Inner Mongolia Subsidiary with immediate effect. As disclosed in the Company’s circular dated 28 June 2010, the respective members of the board of directors and legal representatives of the Qinghai Subsidiary and the Inner Mongolia Subsidiary have yet to be officially changed as the procedure for changing and updating the official records at the relevant PRC government authority is taking longer than expected as Ms. Leung, being the previous legal representative, was not cooperative and failed to provide the requested documents and corporate seals. Based on the advice of the Company’s legal adviser as to PRC laws, the Directors were of the view that the Company had maintained control on the Qinghai Subsidiary and the Inner Subsidiary despite the fact that the respective members of the board of directors and legal representatives of the Qinghai Subsidiary and the Inner Mongolia Subsidiary have yet to be officially changed, although the directors and legal representatives were removed on 10 September 2009.

Exploration licence

The Company acquired the Qinghai Subsidiary from Ms. Leung. The Qinghai Subsidiary was the holder of an exploration licence which conferred the Qinghai Subsidiary the right to conduct exploration work for the mineral resources containing iron, vanadium and titanium in the titanium mine located at Xiao Hong Shan in Inner Mongolia, the PRC. Based on the search recently conducted by the Company’s legal adviser, the exploration licence was transferred to Yuen Xian Company on 31 January 2010. Such action by Ms. Leung was totally unexpected in view of the interim injunction order obtained by the Company from the Hong Kong Court. Without the exploration licence, the Qinghai Subsidiary will no longer have the right to, among other things, carry out exploration of the mineral resources of the titanium mine, access the titanium mine and neighbouring areas and have the priority in obtaining the mining rights of the titanium mine.

對中國附屬公司之控制權

梁女士曾為青海附屬公司及內蒙古森源礦業開發有限公司(「**內蒙古附屬公司**」)之董事及法定代表。於二零零九年九月十日，青海附屬公司及內蒙古附屬公司之唯一股東(即香港森源礦業控股有限公司)之董事會議決罷免梁女士出任青海附屬公司及內蒙古附屬公司之董事及法定代表職務，即時生效。如本公司日期為二零一零年六月二十八日之通函所披露，由於前法定代表梁女士不合作及未能提供所需文件及公司印章，致使於相關中國政府機關更改及更新正式記錄之手續所花費之時間超過預期，因此青海附屬公司及內蒙古附屬公司各自之董事會成員及法定代表仍未正式更改。根據本公司中國法律顧問提供之意見，儘管青海附屬公司及內蒙古附屬公司各自之董事會成員及法定代表仍未正式更改(儘管董事及法定代表已於二零零九年九月十日遭罷免)，但董事認為本公司仍維持對青海附屬公司及內蒙古附屬公司之控制權。

勘探牌照

本公司已向梁女士收購青海附屬公司。青海附屬公司持有一個勘探牌照，該牌照賦予青海附屬公司在位於中國內蒙古小紅山之含有鐵、鈮及鈦之鈦礦進行礦產資源勘探工作之權利。根據本公司法律顧問近期進行之調查，該勘探牌照已於二零一零年一月三十一日轉讓予源森公司。鑒於本公司已取得香港法院發出之暫時禁制令，故本公司完全沒有預料到梁女士會採取有關行動。倘無勘探牌照，青海附屬公司將不再有權(其中包括)於鈦礦進行礦產資源勘探、進入鈦礦及鄰近區域以及優先獲得鈦礦之開採權。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Due to the recent discovery of the loss of the exploration licence, it is the Board's current intention to suspend the Group's exploration and mining business until the Group regains control of the Qinghai Subsidiary and the exploration licence. The Company will continue to seek advice from its legal advisers and legal counsel as to what further action the Company shall take in respect of the loss of the Qinghai Subsidiary's exploration licence and the procedure for regaining the exploration licence. Further announcement(s) will be issued by the Company as and when necessary to comply with the requirements of the Listing Rules.

FUTURE PLAN AND PROSPECTS

Proposed acquisition of oil and gas business

On 25 September 2009, Cheerful Dragon Limited, a wholly owned subsidiary of the Company, entered into a conditional agreement with Greater Finance Limited ("**Greater Finance**"), pursuant to which Cheerful Dragon Limited has agreed to purchase and Greater Finance has agreed to sell the entire issued share capital of China International Energy Investments (Hong Kong) Limited ("**China International Energy**") at an aggregate consideration of HK\$1,500 million (subject to the adjustment). The principal asset in China International Energy and its subsidiaries is its participating interest in Target Oil Field pursuant to the Cooperation Contract with China National Petroleum Corporation ("**CNPC**"). The details of the proposed acquisition are set out in the Company's announcement dated 22 October 2009. As at the date of this interim report, the proposed acquisition is still not yet completed and the Company is still finalising the information to be included in the circular.

The Company takes initiative in identifying investment opportunities that will broaden its revenue sources. The acquisition represents a good opportunity for the Company to diversify its business into the Petroleum Businesses in cooperation with CNPC, one of the leading state-owned petroleum enterprise in the People's Republic of China (the "**PRC**"). With the anticipated continued growth of the PRC economy which will fuel the demand for oil as basis of the acquisition cost, the Board believes that the oil business under the proposed acquisition is beneficial to the Group's profile.

由於近期發現失去勘探牌照，故董事會目前擬暫停本集團之勘探及開採業務，直至本集團重奪獲得青海附屬公司之控制權及勘探牌照為止。本公司將就失去青海附屬公司之勘探牌照及重奪獲得勘探牌照之程序而須採取之進一步行動繼續尋求其法律顧問之意見。本公司將按照上市規則之規定於必要時刊發進一步公佈。

未來規劃及展望

建議收購油氣業務

於二零零九年九月二十五日，本公司之全資附屬公司怡龍有限公司與Greater Finance Limited ("**Greater Finance**")訂立一份有條件協議，據此，怡龍有限公司同意購買而Greater Finance同意出售China International Energy Investments (Hong Kong) Limited ("**China International Energy**")之全部已發行股本，總代價為1,500,000,000港元（可予調整）。China International Energy及其附屬公司之主要資產為根據與中國石油天然氣集團公司 ("**中國石油天然氣集團公司**")訂立之合作合約於目標油田擁有之參與權益。有關建議收購事項之詳情載於本公司日期為二零零九年十月二十二日之公佈。於本中期報告日期，建議收購事項仍未完成，本公司仍在落實擬載入通函之資料。

本公司致力物色投資商機，以擴闊其收益來源。收購事項乃本公司與中華人民共和國 ("**中國**") 主要國有石油企業之一中國石油天然氣集團公司合作，將業務拓展至石油業務之良機。鑒於中國經濟預期將持續增長，推動石油需求（為收購成本之基準），董事會認為建議收購事項所涉及之石油業務將有利於本集團之前景。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2010, the net assets value of the Group is approximately HK\$268 million (31 December 2009: approximately HK\$628 million) and the total cash and bank balance is approximately HK\$105 million (31 December 2009: approximately HK\$113 million). As at 30 June 2010, the Group had total current assets of approximately HK\$105.8 million (31 December 2009: approximately HK\$114.8 million) and total current liabilities of approximately HK\$3.8 million (31 December 2009: approximately HK\$22.6 million).

CURRENT AND GEARING RATIO

As at 30 June 2010, the Group had total assets of approximately HK\$291 million (31 December 2009: approximately HK\$670 million), total liabilities of approximately HK\$23 million (31 December 2009: approximately HK\$42 million), indicating a gearing ratio of 0.08 (31 December 2009: 0.06) on the basis of total liabilities over total assets. The current ratio of the Group for the Period was 27.8 (31 December 2009: 5.09).

EMPLOYEE INFORMATION

As at 30 June 2010, the Group employed approximately 6 full-time employees (2009: 29). The substantial drop in number of employees is mainly due to de-consolidation of QHFSMI during the Period. The details are set out in note 20. The Group's emolument policies are formulated on the performance of individual employees and are reviewed annually in line with industry practice. The Group also provides provident fund schemes (as the case may be) to its employees depending on the location of such employees.

流動資金及財務資源

於二零一零年六月三十日，本集團之資產淨值約為268,000,000港元（二零零九年十二月三十一日：約628,000,000港元），而現金及銀行結餘總額則約為105,000,000港元（二零零九年十二月三十一日：約113,000,000港元）。於二零一零年六月三十日，本集團之流動資產總值約為105,800,000港元（二零零九年十二月三十一日：約114,800,000港元），而流動負債總額則約為3,800,000港元（二零零九年十二月三十一日：約22,600,000港元）。

流動比率及資本負債比率

於二零一零年六月三十日，本集團之資產總值約為291,000,000港元（二零零九年十二月三十一日：約670,000,000港元），負債總額約為23,000,000港元（二零零九年十二月三十一日：約42,000,000港元），按負債總額除資產總值計算，資本負債比率為0.08（二零零九年十二月三十一日：0.06）。本期間本集團之流動比率為27.8（二零零九年十二月三十一日：5.09）。

僱員資料

於二零一零年六月三十日，本集團僱用約6名全職僱員（二零零九年：29名），僱員人數大幅減少主要由於本期間青海森源不再綜合入賬所致。有關詳情載於附註20。本集團之薪酬政策按個別僱員表現而釐定，並每年檢討以便與業界慣例相符。此外，本集團亦按該等僱員之工作地點向僱員提供公積金計劃（按情況而定）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

INTERIM DIVIDEND

The Board do not recommend the payment of an interim dividend for the six months ended 30 June 2010 (six months ended 30 June 2009: Nil).

FOREIGN CURRENCY EXPOSURE

The Group did not have any significant exposure to and did not hedge against risks associated with foreign currency fluctuation.

CONTINGENT LIABILITIES

As at 30 June 2010, the Group did not have any significant contingent liabilities.

中期股息

董事不建議派付截至二零一零年六月三十日止六個月之中期股息（截至二零零九年六月三十日止六個月：無）。

外匯風險

本集團並無承受任何重大匯兌風險，亦無對沖與外幣波動有關之風險。

或然負債

於二零一零年六月三十日，本集團概無任何重大或然負債。

OTHER INFORMATION

其他資料

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

At 30 June 2010, none of the Directors or chief executive of the Company and their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO") (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2010, so far as is known to the directors or chief executives of the Company, the following persons (other than a director or chief executive of the Company) had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

董事於股份、相關股份及債券之權益及淡倉

於二零一零年六月三十日，本公司董事或主要行政人員及彼等之聯繫人概無於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之任何股份、相關股份及債券中擁有任何已根據證券及期貨條例第XV部第7及8分部通知本公司及聯交所（包括根據證券及期貨條例之該等條文當作或視為擁有之權益及淡倉），或須根據證券及期貨條例第352條規定於該規定所指之由本公司存置之登記冊記錄，或須根據上市發行人董事進行證券交易的標準守則（「標準守則」）通知本公司及聯交所之權益或淡倉。

主要股東於本公司股份及相關股份之權益及淡倉

於二零一零年六月三十日，就本公司董事或主要行政人員所知，除本公司董事或主要行政人員外，以下人士於本公司股份及相關股份中擁有本公司根據證券及期貨條例第336條須予備存之登記冊中記錄之權益或淡倉：

Name of Shareholder	Interest in Share	Interests in underlying Shares	Aggregate interest	Approximate percentage [#]
股東姓名	股份權益	於相關股份之權益	總權益	概約百分比 [#]
Ms. Leung Lai Ching Margaret (Notes 1 and 2) 梁儷瀨女士（附註1及2）	-	2,212,617,599	2,212,617,599	30.04%

[#] Percentage which the aggregate long position in the Shares or underlying Shares represents to the issued Share capital of the Company of 7,364,586,614 Shares as at 30 June 2010.

[#] 於股份或相關股份之好倉總額（指本公司於二零一零年六月三十日之已發行股本7,364,586,614股股份）之百分比。

OTHER INFORMATION

其他資料

Notes:

1. 2,212,617,599 underlying Shares consist of shares to be issued upon the conversion of (i) the outstanding Tranche 1 Bonds (as defined in the circular of the Company dated 15 October 2007) (which, based on the conversion price of HK\$0.508 per Share (as adjusted), can be converted into 20,472,441 Shares); (ii) the Tranche 2 Bonds (as defined in the circular of the Company dated 15 October 2007) (which, based on the conversion price of HK\$0.60 per Share, can be converted into 666,666,667 Shares); (iii) the outstanding Tranche 3 Bonds (as defined in the circular of the Company dated 6 June 2008) (which, based on the conversion price of HK\$0.212 per Share (as adjusted), can be converted into 2,358,491 Shares); and (iv) the Tranche 4 Bonds (as defined in the circular of the Company dated 6 June 2008) (which, based on the conversion price of HK\$0.25 per Share, can be converted into 1,523,120,000 Shares).
2. The Tranche 2 Bonds and Tranche 4 Bonds have not been issued. Please refer to the Company's circulars dated 15 October 2007 and 6 June 2008 for details of the principal terms of the Tranche 2 Bonds and Tranche 4 Bonds respectively.

All the interests stated above represent long positions in the ordinary Shares of the Company. As at 30 June 2010, no short positions were recorded in the register maintained by the Company under section 336 of the SFO.

Save as disclosed above, as far as the Directors are aware, no other person had an interest or short position in the Company's shares or underlying shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

附註：

1. 該2,212,617,599股相關股份包括於轉換下列債券時發行之股份：(i)尚未行使之第一批債券（定義見本公司日期為二零零七年十月十五日之通函）（按轉換價每股0.508港元（經調整）計算，可兌換為20,472,441股股份）；(ii)第二批債券（定義見本公司日期為二零零七年十月十五日之通函）（按轉換價每股0.60港元計算，可兌換為666,666,667股股份）；(iii)尚未行使之第三批債券（定義見本公司日期為二零零八年六月六日之通函）（按轉換價每股0.212港元（經調整）計算，可兌換為2,358,491股股份）；及(iv)第四批債券（定義見本公司日期為二零零八年六月六日之通函）（按轉換價每股0.25港元計算，可兌換為1,523,120,000股股份）。
2. 第二批債券及第四批債券尚未發行。有關第二批債券及第四批債券之主要條款之詳情，請參閱本公司日期分別為二零零七年十月十五日及二零零八年六月六日之通函。

上述所有權益代表於本公司普通股之好倉。於二零一零年六月三十日，於本公司根據證券及期貨條例第336條存置之登記冊中並無淡倉之記錄。

除以上所披露者外，就董事所知，概無其他人士於本公司之股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露或須記錄於本公司根據證券及期貨條例第336條存置之登記冊中之權益或淡倉。

購買、出售或贖回股份

本公司於本期間並無贖回其任何股份。本公司或其任何附屬公司於本期間並無購買或出售本公司之任何股份。

OTHER INFORMATION

其他資料

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company and the Board have applied the principles in the code provisions of the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Listing Rules on the Stock Exchange by adopting the code provisions of the Code.

During the six months ended 30 June 2010, the Board has adopted and complied with the code provisions of the Code in so far they are applicable with the exception of the deviation from the code provision A.2.1 (i.e. the vacancy of chairman of the Company).

Following the retirement of Mr. Tam Owen (“Mr. Tam”) at the 2009 annual general meeting of the Company, Mr. Tam ceased to act as chairman, executive director, chairman of remuneration committee and nomination committee and authorised representative of the Company with effect from 2 June 2009. The Company is still looking for a suitable candidate to fill the vacancy of chairman and further announcement will be made by the Company upon fulfillment of this requirement under the Listing Rules.

The Board will review the management structure of the Group from time to time and will adopt appropriate measures as may be desirable for future development of the operating activities or business of the Group.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2010.

遵守企業管治常規守則

本公司及董事會透過採納聯交所上市規則附錄十四所載之企業管治常規守則(「守則」)之守則條文，應用守則條文之原則。

於截至二零一零年六月三十日止六個月，董事會已採納並一直遵守適用之守則條文，惟偏離守則條文A.2.1條(即本公司主席一職懸空)者除外。

自譚浩榮先生(「譚先生」)於本公司二零零九年股東週年大會上退任後，由二零零九年六月二日起，譚先生不再擔任本公司之主席、執行董事、薪酬委員會及提名委員會主席以及授權代表。本公司仍在物色合適人選填補主席之空缺，並將於符合上市規則此項規定後作進一步公佈。

董事會將不時檢討本集團之管理架構，並會為本集團經營活動或業務之未來發展採取所需之適當措施。

遵守標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)。經作出具體查詢後，全體董事均確認彼等於截至二零一零年六月三十日止六個月內均已遵守標準守則所載之規定標準。

OTHER INFORMATION

其他資料

REMUNERATION COMMITTEE

The Remuneration Committee, established in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, comprises the three independent non-executive directors of the Company and the chairman of the Company, is responsible for reviewing and evaluating the remuneration packages of the executive directors and senior management of the Company and making recommendations to the board of directors from time to time.

Following the retirement of Mr. Tam at the 2009 annual general meeting of the Company as stated under the heading of “Compliance with Code on Corporate Governance Practices” above, the Remuneration Committee currently comprises the three independent non-executive directors of the Company.

NOMINATION COMMITTEE

The Nomination Committee, established in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, comprises the three independent non-executive directors of the Company and the chairman of the Company, is responsible for making recommendations to the Board on the appointment of Directors and management of the Board succession.

Following the retirement of Mr. Tam at the 2009 annual general meeting of the Company as stated under the heading of “Compliance with Code on Corporate Governance Practices” above, the Nomination Committee currently comprises the three independent non-executive directors of the Company.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code for the purposes of reviewing the Group’s financial reporting process and internal controls. The Audit Committee comprises the three independent non-executive directors of the Company. The members of the Audit Committee have reviewed the unaudited financial statements of the Group for the six months ended 30 June 2010 and are of the opinion that such statements comply the applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

薪酬委員會

本公司遵照上市規則附錄十四所載企業管治常規守則成立薪酬委員會，成員包括本公司三名獨立非執行董事及本公司主席，負責審閱及評估本公司執行董事及高級管理層之薪酬待遇，並不時向董事會提供推薦建議。

如上文「遵守企業管治常規守則」所述，自譚先生於本公司二零零九年股東週年大會上退任後，薪酬委員會現時由本公司三名獨立非執行董事組成。

提名委員會

本公司遵照上市規則附錄十四所載企業管治常規守則成立提名委員會，成員包括本公司三名獨立非執行董事及本公司主席，負責就委任董事及董事會管理層之繼任事宜向董事會提供推薦建議。

如上文「遵守企業管治常規守則」所述，自譚先生於本公司二零零九年股東週年大會上退任後，提名委員會現時由本公司三名獨立非執行董事組成。

審核委員會

本公司按照守則之規定設有審核委員會，旨在檢討本集團財務報告程序及內部監控。審核委員會由本公司三名獨立非執行董事組成。審核委員會成員已審閱本集團截至二零一零年六月三十日止六個月之未經審核財務報表，認為該等報表符合適用之會計準則及上市規則，並已作出適當披露。

OTHER INFORMATION

其他資料

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Upon specific enquiry by the Company, there is no change in the information of the Directors required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the Company's last published annual report.

APPRECIATION

I take this opportunity to express our gratitude to the shareholders of the Company for their continued support and our Directors and our staff for their contribution to the Company.

By Order of the Board

Law Fei Shing

Chief Executive Officer and Executive Director

Hong Kong, 31 August 2010

根據上市規則第13.51B(1)條披露 董事資料

於本公司作出具體查詢後，自本公司上次刊發年報以來並無董事資料變動須根據上市規則第13.51B(1)條之規定予以披露。

致謝

本人謹此由衷感謝本公司股東從不間斷的支持。同時，本人亦向本公司董事及員工致以深切謝意，感謝他們所作出的努力。

承董事會命

行政總裁兼執行董事

羅輝城

香港，二零一零年八月三十一日