



**KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED**  
**泰 盛 實 業 集 團 有 限 公 司**

(Incorporated in Bermuda with limited liability)  
(於百慕達註冊成立之有限公司)

Stock Code 股份代號: 1159

**2010**

Annual Report 年報

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# CORPORATE INFORMATION

## 公司資料

### DIRECTORS

#### Executive Directors

Mr. Sun Ying Chung  
(Chairman and Managing Director)  
Mr. Chan Sung Wai  
Mr. Wong King Lam, Joseph

#### Non-executive Directors

Mr. Lee Kwok Leung  
Mr. Yang Yiu Chong, Ronald Jeffrey

#### Independent non-executive Directors

Mr. Lum Pak Sum  
Mr. Chan Siu Wing, Raymond  
(resigned on 7 April 2010)  
Mr. Ho Lic Ki  
(appointed on 14 January 2010 and resigned on 9 April 2010)  
  
Mr. Law Chun Choi  
(appointed on 22 April 2010)  
Mr. Mak Ka Wing, Patrick  
(appointed on 22 April 2010)

### COMPANY SECRETARY

Ms. Tang Lo Nar, Luler  
(resigned on 1 April 2010)  
Mr. Cheng Mei Chau  
(appointed on 1 April 2010)

### AUDIT COMMITTEE

Mr. Lum Pak Sum (Chairman)  
Mr. Law Chun Choi  
Mr. Mak Ka Wing, Patrick

### REMUNERATION COMMITTEE

Mr. Sun Ying Chung (Chairman)  
Mr. Lum Pak Sum  
Mr. Law Chun Choi  
Mr. Mak Ka Wing, Patrick

### INVESTMENT STEERING COMMITTEE

Mr. Yang Yiu Chong, Ronald Jeffrey (Chairman)  
Mr. Chan Sung Wai  
Mr. Lum Pak Sum

### 董事

#### 執行董事

辛衍忠先生  
(主席兼董事總經理)  
陳崇煒先生  
黃景霖先生

#### 非執行董事

李國樑先生  
楊耀宗先生

#### 獨立非執行董事

林栢森先生  
陳兆榮先生  
(於二零一零年四月七日辭任)  
何力驥先生  
(於二零一零年一月十四日  
獲委任並已於二零一零年四月九日辭任)  
羅進財先生  
(於二零一零年四月二十二日獲委任)  
麥家榮先生  
(於二零一零年四月二十二日獲委任)

### 公司秘書

鄧露娜女士  
(於二零一零年四月一日辭任)  
鄭美洲先生  
(於二零一零年四月一日獲委任)

### 審核委員會

林栢森先生(主席)  
羅進財先生  
麥家榮先生

### 薪酬委員會

辛衍忠先生(主席)  
林栢森先生  
羅進財先生  
麥家榮先生

### 投資督導委員會

楊耀宗先生(主席)  
陳崇煒先生  
林栢森先生

# CORPORATE INFORMATION

## 公司資料

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 3404, 34th Floor  
Bank of America Tower  
12 Harcourt Road, Central  
Hong Kong

### AUDITORS

Deloitte Touche Tohmatsu  
Certified Public Accountants

### BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Bank of China Limited  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Chong Hing Bank Limited

### WEBSITE

<http://www.aplushk.com/clients/1159>

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### 總辦事處及主要營業地點

香港  
中環夏慤道12號  
美國銀行中心  
34樓3404室

### 核數師

德勤•關黃陳方會計師行  
香港執業會計師

### 百慕達主要股份過戶登記處

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

### 股份過戶登記香港分處

卓佳秘書商務有限公司  
香港  
灣仔  
皇后大道東28號  
金鐘匯中心  
26樓

### 主要往來銀行

中國銀行(香港)有限公司  
中國銀行股份有限公司  
恒生銀行有限公司  
香港上海滙豐銀行有限公司  
創興銀行有限公司

### 網址

<http://www.aplushk.com/clients/1159>

# CHAIRMAN'S STATEMENT

## 主席報告

### Dear shareholders,

On behalf of the board ("Board") of directors (the "Directors") of Karce International Holdings Company Limited (the "Company"), together with its subsidiaries (the "Group"), I present herewith to the shareholders of the Group the annual report and audited consolidated results of the Group for the year ended 31 December 2010.

### RESULTS OF THE YEAR

The Group's efforts in rationalising its operations bore fruit in 2010. Following the disposal of its electronic products business and conductive silicon rubber keypads manufacturing business in 2009, the Group continued to improve the operation of its conductive silicon rubber keypads trading business. Through proactive measures to control costs and enhance efficiency, the conductive silicon rubber keypads trading segment, being the principal business of the Group, resumed profitability during the year under review.

For the year ended 31 December 2010, the Group's conductive silicon rubber keypads trading business reported a segment profit of approximately HK\$1,273,000 (2009: segment loss of HK\$21,701,000). The revenue of this segment, however, decreased to approximately HK\$26,524,000 from approximately HK\$43,485,000 of the previous year, due to market oversupply and weak demand.

Production of the Group's LCoS television business, which was acquired in January 2009, continued to be put off during the year under review, as the vendors failed to perform certain terms and undertakings of the acquisition agreement. As a result, the LCoS television business incurred non-cash finance costs of HK\$36,445,000 for the year ended 31 December 2010.

### 致各股東：

本人謹代表泰盛實業集團有限公司（「本公司」，連同其附屬公司統稱「本集團」）董事（「董事」）會（「董事會」）向本集團各股東提呈本集團截至二零一零年十二月三十一日止年度之年度報告及經審核綜合業績。

### 本年度業績

本集團優化其業務營運之努力於二零一零年結出果實。於二零零九年出售其電子產品業務及導電硅橡膠按鍵生產業務後，本集團繼續改善其導電硅橡膠按鍵貿易業務。透過採取積極措施控制成本及提升效率，導電硅橡膠按鍵貿易分部（即本集團之主要業務）於回顧年度內恢復盈利能力。

截至二零一零年十二月三十一日止年度，本集團之導電硅橡膠按鍵貿易業務呈報分部溢利約1,273,000港元（二零零九年：分部虧損21,701,000港元）。然而，本分部之收益從去年約43,485,000港元降至約26,524,000港元，原因為市場供過於求及需求疲軟。

本集團於二零零九年一月收購之LCoS電視業務之生產於回顧年度內繼續被推遲，原因為賣方無法履行收購協議之若干條款及承諾。因此，LCoS電視業務於截至二零一零年十二月三十一日止年度產生非現金融資成本36,445,000港元。

# CHAIRMAN'S STATEMENT

## 主席報告

In light of the LCoS television business locked in stalemate, the Group continued to look for potential buyers to acquire the business. In January 2011, the Group entered into a formal agreement with an independent third party for the disposal of the entire LCoS television business. The Group believes the proposed disposal will be in the interests of the shareholders and the Company as a whole.

During the year under review, a reversal of impairment loss recognised in respect of intangible assets amounted to HK\$50,000,000. As a result, the Group reported a profit attributable to owners of the Company of approximately HK\$24,429,000 for the year ended 31 December 2010 (2009: a loss of HK\$585,670,000). Earnings per share from continuing and discontinued operations were approximately HK3.48 cents (2009: loss per share HK83.71 cents).

### DIVIDEND

The Board has resolved not to recommend a final dividend for the year ended 31 December 2010.

鑑於LCoS電視業務陷入僵局，本集團繼續尋求收購此業務之潛在買家。於二零一一年一月，本集團與一名獨立第三方就出售整個LCoS電視業務訂立正式協議。本集團相信，建議出售將符合股東及本公司之整體利益。

於回顧年度，撥回就無形資產確認之減值虧損50,000,000港元。因此，於截至二零一零年十二月三十一日止年度，本集團呈報本公司擁有人應佔溢利約24,429,000港元（二零零九年：虧損585,670,000港元）。持續及終止經營業務之每股盈利約為3.48港仙（二零零九年：每股虧損83.71港仙）。

### 股息

董事會議決不擬派發截至二零一零年十二月三十一日止年度之末期股息。

# CHAIRMAN'S STATEMENT

## 主席報告

### FUTURE PLANS AND PROSPECTS

The trading business of conductive silicon rubber keypads will continue to provide the Group with steady cash flow. The management is well aware of the pressing need to strengthen its operation portfolio and broaden its earning base to sustain the Group's continued development.

To enlarge its scope of activities and source of revenue, the Group will continue to explore new business opportunities offering a viable business model and a solid asset base. The Group believes that the proposed disposal of the LCoS television business creates a good opportunity for the Group to concentrate its resources in possible investments in businesses with good returns and high-growth potential.

With the ever growing demand for energy and resources, possession of valuable resources will be the key to determine the pace and magnitude of growth of various industries. Moreover, as the global consumption of metals and minerals has been growing continuously, these markets provide vast room for development in mid and long term. China is now the world's largest consumer of metals and minerals including iron ore, steel, coal, aluminum, copper and nickel. The country becomes a major driver of demand for these commodities. In light of this, the Group is identifying suitable metals and minerals projects for possible acquisition to achieve sustainable growth.

The Group's share trading has been suspended since September 2010, pending an announcement on a very substantial acquisition. The Group will keep its shareholders informed on this transaction following clearance from the Stock Exchange of Hong Kong Limited.

### 未來計劃及展望

導電硅橡膠按鍵之貿易業務將持續為本集團提供穩定之現金流量。管理層充分了解加強其經營範疇並擴闊其盈利基礎以保持本集團之持續發展之迫切需要。

為擴大其業務範圍及收入來源，本集團將持續探索提供切實可行之業務模式及鞏固之資產基礎之新業務機遇。本集團相信，建議出售LCoS電視業務，將為本集團提供集中其資源於可能投資具有良好回報及高增長潛能之業務之良機。

隨著能源及資源之需求不斷增長，擁有寶貴資源將成為釐定各行業增長之步伐及規模之關鍵。此外，由於金屬及礦產之全球消耗量持續增長，該等市場提供龐大之中長期發展空間。中國現為世界上金屬及礦產（包括鐵礦石、鋼鐵、煤炭、鋁、銅及鎳等）的最大消耗國，並成為該等商品需求之主要推動者。有鑑於此，本集團正物色合適之金屬及礦產之可能收購項目，以實現持續增長。

本集團之股份自二零一零年九月起暫停買賣，以待發表一份有關一項非常重大收購事項之公佈。本集團將於香港聯合交易所有限公司審批後繼續知會其股東有關此交易之情況。



# CHAIRMAN'S STATEMENT

## 主席報告

The Group's incumbent management team possesses extensive investment and finance experience. The team has made tremendous effort, since its taking over of the Group's operations, to rationalise the Group's business operation and improve its profitability, thereby creating satisfactory return for the shareholders. The dedication has begun to generate results following the successful disposal of certain not performing business and identification of new business opportunities.

We believe the Group is gradually returning to its track of stable development.

### ACKNOWLEDGEMENTS

Finally, on behalf of the Board, I would like to express my sincere gratitude to the management and all the employees of the Group for their dedication. I would also like to thank our shareholders, suppliers, bankers and customers for their continuous support.

**Sun Ying Chung**  
*Chairman*

31 March 2011

本集團之在職管理層團隊具備豐富投資及融資經驗。自接管本集團之營運以來，該團隊已作出巨大努力以整頓本集團之業務經營並改善其盈利能力，從而為股東創造滿意回報。於成功出售若干表現欠佳之業務及物色新業務機遇後，所付出之努力已開始取得成果。

我們相信，本集團正逐漸重返穩定發展之升軌。

### 致謝

最後，對於本集團管理層及全體員工盡忠職守，本人謹代表董事會致以深切謝意。此外，就各股東、供應商、往來銀行及客戶對本集團不斷支持，本人謹此致謝。

主席  
辛衍忠

二零一一年三月三十一日



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層回顧及業績分析

### SEGMENTAL ANALYSIS

#### Conductive Silicon Rubber Keypads

The market environment of conductive silicon rubber keypads continued to be extremely competitive. Coupled with a market oversupply, the stagnant demand for conductive silicon rubber keypads amid the rising trend of touch-screen keyboards had caused the selling prices to decline further during the year.

Following the completion of the disposal of the manufacturing operation in 2009, the Group continued to exercise stringent cost control and improved operational efficiency of its trading business to mitigate the downward pressure on the selling prices, which had eroded profitability across the industry. The Group's efforts paid off during the year. Despite a 39% decrease in revenue, the conductive silicon rubber keypads trading business returned to the black and reported a segment profit of approximately HK\$1,273,000 during the year, compared to a segment loss of HK\$21,701,000 in 2009.

In view of intensified market competition, the Group anticipates further decline in the selling prices. With a prudent financial management and seasoned experience in trading operations, the Group is confident in weathering any possible challenges ahead and will continue to explore ways to improve operational efficiency of this segment.

### 分部分析

#### 導電硅橡膠按鍵

導電硅橡膠按鍵之營商環境仍面對劇烈競爭。加上市場上供過於求，導電硅橡膠按鍵之需求於觸摸屏鍵盤崛起之趨勢中已停滯，並導致售價於年內進一步下跌。

於二零零九年出售製造業務完成後，本集團繼續實施嚴格成本控制並改善其貿易業務之營運效率以減輕售價下調（其已削弱整個行業之盈利能力）之壓力。本集團於年內作出之努力已見成效。儘管收益下降39%，惟導電硅橡膠按鍵貿易業務於本年度轉虧為盈，並錄得分部溢利約1,273,000港元，而二零零九年則為分部虧損21,701,000港元。

鑑於市場競爭劇烈，本集團預計售價將進一步下跌。憑藉審慎財務管理及於貿易業務之豐富經驗，本集團有信心可應對未來可能出現之任何挑戰，並將繼續尋求方法改善此分部之營運效率。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層回顧及業績分析

### LCoS Television

The production plan of LCoS at the Suzhou plant did not realize during the year under review even though the acquisition of the entire issued share capital of Pacific Choice Holdings Limited ("Pacific Choice") by the Group was completed in early 2009. Despite continual requests by the Group seeking the original vendors' fulfillment of the agreed terms, the pledge created on the key manufacturing machineries had not been discharged, and the transfer of ownership of the machineries to the Group could not be completed. Moreover, the management of the Suzhou plant had never complied with the request of the Company concerning its operation and production.

For the year ended 31 December 2010, the Group incurred non-cash finance costs of HK\$36,445,000, as a result of the imputed interests on the convertible bonds and promissory notes issued to the vendors as part of the consideration for the acquisition of patents and machineries required for the production of LCoS televisions.

The Group acknowledged at a meeting held on 20 April 2010 that the results of the PRC subsidiary which carried out the LCoS television business shall be treated as having been deconsolidated from that of the Group with effect from 1 December 2009.

Despite the recovery of the LCoS television market from its bottom, the operation of this segment remains difficult. Moreover, the Group is of the opinion that it has missed the golden opportunity for developing LCoS televisions, in view of the rapid advancement in television technology. As such, the Group considers that the continual holding of the LCoS television business would not be in the interests of the shareholders and the Company as a whole. During the year under review, the Company had been actively seeking potential purchaser to acquire this business.

In January 2011, the Group entered into a formal agreement with an independent third party for the disposal of the entire LCoS Television segment. A non-refundable deposit of HK\$50,000,000 was paid to the Company.

### LCoS電視

儘管本集團於二零零九年初完成收購Pacific Choice Holdings Limited (「Pacific Choice」)之全部已發行股本，惟蘇州廠之LCoS生產計劃於回顧年度仍未落實。縱使本集團不斷要求原賣方履行協定條款，但由於以主要製造機器設立之抵押尚未解除，故未能完成向本集團轉讓機器所有權。此外，蘇州廠房之管理層從未配合本公司有關其營運及生產之要求。

於截至二零一零年十二月三十一日止年度，由於向賣方發行可換股債券及承兌票據（作為收購生產LCoS電視所需之專利權及機器之部份代價）之估算利息，令本集團產生36,445,000港元非現金融資成本。

本集團於二零一零年四月二十日舉行之會議上確認，自二零零九年十二月一日起把從事LCoS電視業務之中國附屬公司之業績，以取消綜合計入本集團業績內之方式處理。

儘管LCoS電視市場已從谷底復甦，該分部之營運仍甚困難。此外，本集團認為，鑑於電視科技發展迅速，其已錯過發展LCoS電視之最佳時機。因此，本集團認為，持續持有LCoS電視業務將不符合股東及本公司之整體利益。於回顧年度內，本公司一直積極尋求收購該業務之潛在買家。

於二零一一年一月，本集團與一名獨立第三方訂立正式協議以出售整個LCoS電視分部。不可退還按金50,000,000港元已支付予本公司。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層回顧及業績分析

### CAPITAL STRUCTURE

The Group has a deficiency in shareholders' equity of approximately HK\$231,420,000 (31 December 2009: a deficiency of approximately HK\$255,849,000). As at 31 December 2010, the short term and long term interest bearing debts to shareholders' equity was nil (31 December 2009: nil).

### LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operation by internally generated cash flow and banking facilities provided by its bankers.

Prudent financial management and selective investment criteria have enabled the Group to maintain a strong financial position. As at 31 December 2010, the Group's bank balances and cash decreased to approximately HK\$15,856,000 (2009: approximately HK\$25,544,000).

In 2010, the current ratio was approximately 12.4 (2009: approximately 9.6) based on current assets of approximately HK\$22,200,000 and current liabilities of approximately HK\$1,792,000, and the quick ratio was approximately 12.4 (2009: approximately 9.6).

The Directors considered that the Group shall have sufficient financial resources to meet its future expansion plan and working capital requirement after a due consideration of the net cash position and the availability of the existing banking facilities.

### MATERIAL ACQUISITION AND DISPOSALS DURING THE YEAR

During the year under review, the Company had not announced any material acquisition; but the Company had on 31 December 2010 entered into the Heads of Agreement with an independent third party for the possible disposal of the entire LCoS Television segment.

### 股本結構

本集團之股東權益虧絀約為231,420,000港元(二零零九年十二月三十一日:虧絀約為255,849,000港元)。於二零一零年十二月三十一日,短期及長期計息債項對股東權益為零(二零零九年十二月三十一日:零)。

### 流動資金及財政資源

本集團一般以內部產生之現金流量及其往來銀行提供之銀行信貸為其業務提供資金。

審慎理財及選擇性投資令本集團之財政狀況維持穩健。於二零一零年十二月三十一日,本集團之銀行結餘及現金減少至約15,856,000港元(二零零九年:約25,544,000港元)。

於二零一零年,流動比率約為12.4(二零零九年:約9.6),此乃按流動資產約22,200,000港元及流動負債約1,792,000港元之基準計算。速動比率約為12.4(二零零九年:約9.6)。

經周詳考慮現金淨額狀況及現時可動用之銀行融資後,董事認為本集團將具備充足之財政資源以應付其日後擴展計劃及營運資金之需求。

### 年內重大收購及出售事項

於回顧年度內,本公司概無宣佈任何重大收購,惟於二零一零年十二月三十一日,本公司與獨立第三方就可能出售整個LCoS電視分部簽訂綱目協議。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層回顧及業績分析

### FOREIGN EXCHANGE RISK MANAGEMENT

Most of the Group's assets and liabilities, revenue and expenditure are denominated in Hong Kong dollars, the United States dollars and the Renminbi. The Group was not exposed to material exchange risks and had not employed any financial instruments for hedging purposes.

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2010, the Group employed approximately 8 employees in Hong Kong. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Employees may also participate in the share option scheme of the Group.

### CONTINGENT LIABILITY

At 31 December 2010, the Group had no significant contingent liability.

### 外匯風險管理

本集團大部份之資產及負債、收益及開支乃以港元、美元及人民幣結算。本集團並無面臨重大匯率風險，故此並無採用任何金融工具作對沖用途。

### 僱員及酬金政策

於二零一零年十二月三十一日，本集團僱用約8名香港僱員。本集團之薪酬政策主要根據現行之市場薪酬水平，以及各公司及員工個別之表現為基準釐定。僱員亦可參與本集團之認購股權計劃。

### 或然負債

於二零一零年十二月三十一日，本集團並無任何重大或然負債。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Company has established a formal and transparent procedure to protect the interests of the shareholders of the Company. The Company regularly reviews the corporate governance procedures and developments of the Company. The Company applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices ("Code") contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year under review, except for the deviations from provisions A.2.1 and A.4.1 of the Code which are explained in the relevant paragraph as below.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the year ended 31 December 2010.

### 企業管治常規

本公司已設立正式並具透明度之程序以保障本公司股東之利益。本公司定期檢討本公司之企業管治程序及發展。於回顧年度，本公司已應用香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「守則」）所列之原則並遵守所有守則條文，惟偏離守則條文第A.2.1及A.4.1條除外，其於下文相關段落內闡述。

### 董事之證券交易

本公司已採納條款不遜於上市規則附錄10所載交易規定標準之董事進行證券交易之行為守則。經向全體董事作出特定查詢後，各董事於截至二零一零年十二月三十一日止年度已一直遵守該等行為守則及交易規定標準以及其董事進行證券交易之行為守則。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD OF DIRECTORS

During the year till the date of this report, the members of the board of Directors included:

#### Executive Directors

Mr. Sun Ying Chung  
*(Chairman and Managing Director)*  
Mr. Chan Sung Wai  
Mr. Wong King Lam, Joseph

#### Non-executive Directors

Mr. Lee Kwok Leung  
Mr. Yang Yiu Chong, Ronald Jeffrey

#### Independent non-executive Directors

Mr. Lum Pak Sum  
Mr. Chan Siu Wing, Raymond  
*(resigned on 7 April 2010)*  
Mr. Ho Lic Ki  
*(appointed on 14 January 2010 and resigned on 9 April 2010)*  
  
Mr. Law Chun Choi  
*(appointed on 22 April 2010)*  
Mr. Mak Ka Wing, Patrick  
*(appointed on 22 April 2010)*

### 董事會

於本年度直至本報告日期，董事會成員包括：

#### 執行董事

辛衍忠先生  
*(主席兼董事總經理)*  
陳崇煒先生  
黃景霖先生

#### 非執行董事

李國樑先生  
楊耀宗先生

#### 獨立非執行董事

林栢森先生  
陳兆榮先生  
*(於二零一零年四月七日辭任)*  
何力驥先生  
*(於二零一零年一月十四日獲委任並已於二零一零年四月九日辭任)*  
羅進財先生  
*(於二零一零年四月二十二日獲委任)*  
麥家榮先生  
*(於二零一零年四月二十二日獲委任)*

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The board of Directors held several board meetings during the year ended 31 December 2010. Details of the attendance of the meetings of the board of Directors are as follows:

董事會於截至二零一零年十二月三十一日止年度內舉行多次董事會會議。董事會之會議出席詳情如下：

<b>Directors</b>	<b>董事</b>	<b>Attendance 出席次數</b>
<b>Executive Directors</b>		
Mr. Sun Ying Chung	辛衍忠先生	4/11
Mr. Chan Sung Wai	陳崇煒先生	11/11
Mr. Wong King Lam, Joseph	黃景霖先生	11/11
<b>Non-executive Directors</b>		
Mr. Lee Kwok Leung	李國樑先生	6/11
Mr. Yang Yiu Chong, Ronald Jeffrey	楊耀宗先生	7/11
<b>Independent non-executive Directors</b>		
Mr. Lum Pak Sum	林栢森先生	9/11
Mr. Chan Siu Wing, Raymond <i>(resigned on 7 April 2010)</i>	陳兆榮先生 <i>(於二零一零年四月七日辭任)</i>	1/4
Mr. Ho Li Ki <i>(appointed on 14 January 2010 and resigned on 9 April 2010)</i>	何力驥先生 <i>(於二零一零年一月十四日獲委任 並已於二零一零年四月九日辭任)</i>	1/4
Mr. Law Chun Choi <i>(appointed on 22 April 2010)</i>	羅進財先生 <i>(於二零一零年四月二十二日獲委任)</i>	6/6
Mr. Mak Ka Wing, Patrick <i>(appointed on 22 April 2010)</i>	麥家榮先生 <i>(於二零一零年四月二十二日獲委任)</i>	5/6



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Apart from the above regular board meetings of the year, the board of Directors will meet on other occasions when a board-level decision on a particular matter is required. The Directors receive details of agenda items for decision and minutes of committee meetings in advance of each board meeting. The board of Directors has reserved for its decision or consideration matters covering corporate strategy, annual and interim results, Directors' appointment, succession planning, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specifically delegated by the board of Directors to the management include the preparation of annual and interim accounts for board approval before public reporting, execution of business strategies and initiatives adopted by the board of Directors, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements, rules and regulations.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the code provision A.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Company should be clearly established and set out in writing. The roles of the chairman and the CEO of the Company were not separated and were performed by the same individual, Mr. Sun Ying Chung throughout the year ended 31 December 2010.

The Directors meet regularly to consider major matters affecting the operations of the Group. As such, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of Company and believes that this structure will enable the Group to make and implement decisions promptly and efficiently.

除本年度上述董事會定期會議外，董事會將於須就特定事項作出董事會層面之決定之其他情況下舉行會議。董事於每次董事會會議前取得議程項目及委員會會議記錄之詳情。董事會保留其對企業策略、全年及中期業績、董事委任、繼任計劃、風險管理、重大收購、出售及資本交易，以及其他重大營運及財務事宜之決策及審議權。董事會向管理層作出特定委託之主要企業事宜包括編製全年及中期賬目以於公開報告前供董事會批准、執行董事會採納之業務策略及新計劃、實行充分之內部監控制度及風險管理程序，以及遵守相關法例規定、規則及規例。

### 主席兼行政總裁

根據守則條文第A.2.1條，主席與行政總裁之角色應有區分，並不應由一人同時兼任。本公司主席與行政總裁之間職責之分工應清楚界定並以書面列載。於整個截至二零一零年十二月三十一日止年度，本公司之主席與行政總裁之角色並無區分，乃由辛衍忠先生一人兼任。

董事定期會面以考慮影響本集團營運之重大事項。因此，董事認為此組織結構將不會損害董事與本公司管理層之間的權力及職權平衡，並相信此組織結構將可令本集團迅速及有效率地作出及落實決定。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### NON-EXECUTIVE DIRECTORS

Under the code provision A.4.1, the appointment of non-executive Directors should have been appointed for a specific term.

During the year ended 31 December 2010, the non-executive Directors were not appointed for any specific terms as they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's by-laws.

### REMUNERATION COMMITTEE

Under the code provision B.1.1, the Company should establish a remuneration committee (the "Remuneration Committee") with specific written terms of reference which deal clearly with its authority and duties. The role and function of the Remuneration Committee include the determination of the specific remuneration packages of all executive Directors and senior management of the Company, including benefits in kind, pension rights and compensation payments, such as any compensation payable for loss or termination of their office or appointment, and make recommendations to the board of the remuneration of non-executive Directors.

### 非執行董事

根據守則條文第A.4.1條，委任非執行董事須以特定任期予以委任。

截至二零一零年十二月三十一日止年度內，非執行董事並非按特定任期委任，因彼等須根據本公司之細則於本公司之股東週年大會上輪值退任並重選連任。

### 薪酬委員會

根據守則條文第B.1.1條，本公司應設立具有明確成文權責範圍之薪酬委員會（「薪酬委員會」）；有關權責範圍應清楚說明委員會之權限及職責。薪酬委員會之角色及職能包括釐定全體執行董事及本公司高級管理人員之特定薪酬待遇，包括實物利益、退休金權利及賠償金（包括喪失或終止職務或委任之賠償），並就非執行董事之薪酬向董事會提出建議。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

During the year and until the date of this report, members of the Remuneration Committee included:

Mr. Sun Ying Chung (*Chairman*)  
 Mr. Chan Siu Wing, Raymond  
 (*resigned on 7 April 2010*)  
 Mr. Lum Pak Sum  
 Mr. Ho Lic Ki  
 (*appointed on 14 January 2010 and resigned on 9 April 2010*)

Mr. Law Chun Choi  
 (*appointed on 22 April 2010*)  
 Mr. Mak Ka Wing, Patrick  
 (*appointed on 22 April 2010*)

One meeting of the Remuneration Committee was held in 2010 to discuss remuneration related matters. Details of the attendance of the meeting of the Remuneration Committee are as follows:

於本年度直至本報告日期，薪酬委員會之成員包括：

辛衍忠先生 (主席)  
 陳兆榮先生  
 (於二零一零年四月七日辭任)  
 林栢森先生  
 何力驥先生  
 (於二零一零年一月十四日獲委任並已  
 於二零一零年四月九日辭任)  
 羅進財先生  
 (於二零一零年四月二十二日獲委任)  
 麥家榮先生  
 (於二零一零年四月二十二日獲委任)

薪酬委員會於二零一零年舉行一次會議，以討論薪酬相關事宜。薪酬委員會會議之出席詳情如下：

Members	成員	Attendance 出席次數
Mr. Sun Ying Chung	辛衍忠先生	0/1
Mr. Chan Siu Wing, Raymond	陳兆榮先生	0/0
Mr. Lum Pak Sum	林栢森先生	1/1
Mr. Ho Lic Ki	何力驥先生	0/0
Mr. Law Chun Choi	羅進財先生	1/1
Mr. Mak Ka Wing, Patrick	麥家榮先生	0/1

The Remuneration Committee has considered and reviewed the existing terms of employment contracts of the executive Directors and appointment letters of the independent non-executive Directors with reference to the factors including salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Company and desirability of performance-based remuneration. The Remuneration Committee considers that the existing terms of employment contracts of the executive Directors and appointment letters of the independent non-executive Directors are fair and reasonable. Details of the emolument policy of the Directors are set out on page 33 of this report.

薪酬委員會已參照包括可資比較公司所支付之薪金、董事付出之時間及職責、本公司其他職位之僱傭條件及應否按表現釐訂薪酬等因素，考慮及檢討執行董事聘用合約及獨立非執行董事委任函之現有條款。薪酬委員會認為執行董事聘用合約及獨立非執行董事委任函之現有條款屬公平合理。董事之酬金政策詳情載於本報告第33頁。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### AUDITORS' REMUNERATION

The Company's external auditors are Deloitte Touche Tohmatsu (the "Auditors"). The audit committee of the Group (the "Audit Committee") is responsible for considering the appointment of the external auditors and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Group. For the year ended 31 December 2010, the Auditors have performed audit services and their remuneration in respect of audit service is HK\$780,000.

### AUDIT COMMITTEE

As required by Rule 3.21 of the Listing Rules, the Company has established an Audit Committee with written terms of reference which deal clearly with its authority and duties. Its principal duties are to review and supervise the Group's financial reporting process and internal control systems. During the year and until the date of this report, members of the Audit Committee included:

Mr. Chan Siu Wing, Raymond  
*(resigned on 7 April 2010)*

Mr. Lum Pak Sum

Mr. Ho Lic Ki

*(appointed on 14 January 2010 and resigned on 9 April 2010)*

Mr. Law Chun Choi

*(appointed on 22 April 2010)*

Mr. Mak Ka Wing, Patrick

*(appointed on 22 April 2010)*

### 核數師酬金

本公司之外聘核數師為德勤•關黃陳方會計師事務所（「核數師」）。本集團之審核委員會（「審核委員會」）負責考慮委任外聘核數師及檢討外聘核數師所執行之任何非核數職能，包括該等非核數職能會否對本集團構成任何潛在重大不利影響。截至二零一零年十二月三十一日止年度，核數師已履行核數及非核數服務，彼等有關核數服務之酬金為780,000港元。

### 審核委員會

本公司已按照上市規則第3.21條之規定成立審核委員會；審核委員會具有成文權責範圍，明確列出該委員會的權限及職責。其主要職責為檢討及監督本集團之財務報告程序及內部監控系統。於本年度直至本報告日期，審核委員會之成員包括：

陳兆榮先生

*(於二零一零年四月七日辭任)*

林栢森先生

何力驥先生

*(於二零一零年一月十四日獲委任並已*

*於二零一零年四月九日辭任)*

羅進財先生

*(於二零一零年四月二十二日獲委任)*

麥家榮先生

*(於二零一零年四月二十二日獲委任)*

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Audit Committee held three meetings during the year under review. Details of the attendance of the meetings of the Audit Committee are as follows:

於回顧年度內，審核委員會共舉行三次會議。審核委員會會議之出席詳情如下：

Members	成員	Attendance 出席次數
Mr. Chan Siu Wing, Raymond	陳兆榮先生	0/0
Mr. Lum Pak Sum	林栢森先生	3/3
Mr. Ho Lic Ki	何力驥先生	0/0
Mr. Law Chun Choi	羅進財先生	3/3
Mr. Mak Ka Wing, Patrick	麥家榮先生	2/3

The Group's audited consolidated results for the year ended 31 December 2010 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

審核委員會已審閱本集團截至二零一零年十二月三十一日止年度之經審核綜合業績。審核委員會認為該等業績之編製符合適用會計準則、上市規則及法律規定，並已作出充分披露。

The Audit Committee considered that the existing proposed terms in relation to the appointment of the Group's external auditors are fair and reasonable.

審核委員會認為有關委任本集團外聘核數師之現行計劃條款屬公平合理。

## INVESTMENT STEERING COMMITTEE

An Investment Steering Committee was established in June 2010 which composed of one executive director, one non-executive director and one independent non-executive director. The Committee is responsible for the consideration, recommendation of potential investment projects. Ad-hoc meetings will be held when potential projects are identified. During the meeting, they will review individual project's position and action to be taken if necessary, and to recommend to the board for consideration and approval.

## 投資督導委員會

投資督導委員會於二零一零年六月成立，由一名執行董事、一名非執行董事及一名獨立非執行董事組成。該委員會負責考慮及建議潛在投資項目。臨時會議於識別潛在項目時舉行。於會議上，彼等將檢討個別項目狀況及將採取之行動（如有需要），並向董事會作出推薦建議，以供考慮及批准。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### **DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR ACCOUNTS**

The Directors' responsibilities for the accounts and the responsibilities of the external auditors to the shareholders of the Company are set out on pages 35 and 36 of this report.

### **INTERNAL CONTROL**

The Board has conducted a review of the effectiveness of the Group's system of internal control to ensure the effective and adequate internal control system. The Board convened meetings regularly to discuss financial, operational and compliance controls risk management functions.

### **COMMUNICATION WITH SHAREHOLDERS**

The Company discloses relevant information to shareholders through the Company's annual report and financial statements, the interim report, as well as the Annual General Meeting ("AGM"). The AGM allows the Directors to meet and communicate with shareholders.

To further promote effective communication, the corporate website is maintained to disseminate Company announcements and other relevant financial and non-financial information electronically on a timely basis.

### **董事及核數師對賬目之責任**

董事對賬目之責任及外聘核數師對本公司股東之責任載於本報告第35及36頁。

### **內部監控**

董事會已對本集團之內部監控制度之成效進行檢討，以確保內部監控制度行之有效及並無不足。董事會定期召開會議以討論財務、經營及遵例監控風險管理職能。

### **與股東的溝通**

本公司透過本公司之年報及財務報表、中期報告以及股東週年大會（「股東週年大會」）向股東披露相關資料。股東週年大會可讓董事與股東會面及溝通。

為進一步促進有效溝通，本公司已設立公司網站，以電子方式及時發放本公司之公佈以及其他相關財務及非財務資料。

# DIRECTORS' PROFILES

## 董事簡介

### EXECUTIVE DIRECTORS

**Mr. Sun Ying Chung**, aged 71, has extensive experience in the investment, construction and property development in the major cities of the PRC. Mr. Sun has been the Chairman and Managing Director of the Company since April 2009.

**Mr. Chan Sung Wai**, aged 62, has been an executive Director of the Company since April 2009. Mr. Chan has extensive experience in trading, real property and shipping industries. He also has extensive experience in financial and media business. He has been working for a number of years on the major media companies in Hong Kong, and responsible for covering, editing and writing commentaries. Mr. Chan has also been a chief editor of the petroleum magazine and has comprehensive knowledge on the media industry in the PRC. Mr. Chan was an executive director of Grand Field Group Holdings Limited (stock code: 115) for a period from November 2007 to June 2008. Currently, he is an executive director of Energy International Investments Holdings Limited (formerly known as Xian Yuan Titanium Resources Holdings Limited) (stock code: 353) and Asia Resources Holdings Limited (stock code: 899). Both companies are listed on the main board of the Stock Exchange.

### 執行董事

**辛衍忠先生**，七十一歲，在中國內地各大主要城市投資、建築及物業發展等方面有豐富經驗。彼自二零零九年四月起獲委任為本公司主席兼董事總經理。

**陳崇煒先生**，六十二歲，自二零零九年四月起為本公司執行董事。陳先生具有豐富之貿易、地產及航運投資經驗。彼亦為金融及傳媒業資深工作者，在香港主流媒體負責採訪、編輯及評論工作多年，曾任石油雜誌主編，熟悉國內傳媒行業狀況。陳先生曾於二零零七年十一月至二零零八年六月出任鈞濠集團有限公司（股份代號：115）之執行董事。彼現為能源國際投資控股有限公司（前稱森源鈦礦控股有限公司）（股份代號：353）及亞洲資源控股有限公司（股份代號：899）之執行董事。該兩間公司均於聯交所主板上市。



## DIRECTORS' PROFILES

### 董事簡介

**Mr. Wong King Lam, Joseph**, aged 58, has been an executive Director of the Company since October 2009. Mr. Wong is a fellow member of both The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants. He has more than 29 years' extensive experience in auditing, corporate and financial management with a number of companies in different business sectors which include an international accounting firm and local listed companies.

Currently, Mr. Wong is an executive director of Asia Resources Holdings Limited (stock code: 899) since 1 October 2009. He has been an executive director of Grand Field Group Holdings Limited (stock code: 115) during the period from 16 March to 31 December 2007 and was subsequently re-appointed as executive director of the same company since 20 November 2009. He is also an independent non-executive director of Tungtex (Holdings) Company Limited (stock code: 518) since August 2004.

### NON-EXECUTIVE DIRECTORS

**Mr. Lee Kwok Leung**, aged 57, has been a non-executive Director of the Company since 2000. He is the managing director of Derico Financial Capital Limited and Success Talent Investments Limited. He has years of direct investment, fund management and banking experience. Mr. Lee holds an investment advisor status from the Securities and Futures Commissions from 2000.

**Mr. Yang Yiu Chong, Ronald Jeffrey**, aged 44, has been a non-executive Director of the Company since 2000. He is also an executive director of Sing Tao News Corporation Limited (stock code: 1105), a listed company in Hong Kong. He had worked in the corporate finance field with an international bank for four years and held a senior position with a publicly listed printing company. Mr. Yang holds a double bachelors' degree in accounting and finance from Boston University, the United States of America.

**黃景霖先生**，五十八歲，自二零零九年十月起為本公司執行董事。黃先生為英國特許公認會計師公會及香港會計師公會資深會員。彼於多間不同業務範疇之公司積逾29年審計、企業及財務管理方面之豐富經驗，其中包括一間主要國際會計師行及多間本港上市公司。

黃先生自二零零九年十月一日起出任亞洲資源控股有限公司（股份代號：899）之執行董事。彼自二零零七年三月十六日至十二月三十一日期間曾為鈞濠集團有限公司（股份代號：115）之執行董事及其後自二零零九年十一月二十日起獲重新委任為該公司之執行董事。彼自二零零四年八月起亦為同得仕（集團）有限公司（股份代號：518）之獨立非執行董事。

### 非執行董事

**李國樑先生**，五十七歲，自二零零零年起為本公司非執行董事。彼為德高金融服務有限公司及成駿投資有限公司之董事總經理。彼在直接投資、基金管理及銀行業務方面擁有多年經驗。李先生於二零零零年取得證券及期貨事務監察委員會認可之投資顧問資格。

**楊耀宗先生**，四十四歲，自二零零零年起為本公司非執行董事。彼亦為香港上市公司星島新聞集團有限公司（股份代號：1105）之執行董事。彼於一間國際銀行任職企業財務職位達四年，並於一間上市印刷公司擔任高級管理人員職位。楊先生持有美國波士頓大學會計及財務學雙學士學位。

# DIRECTORS' PROFILES

## 董事簡介

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Lum Pak Sum**, aged 50, has been an independent non-executive Director of the Company since April 2009. Mr. Lum holds a master degree in business administration from the University of Warwick, UK and a LLB (Honor) degree from the University of Wolverhampton, UK. He is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, UK. Mr. Lum has over 20 years' experience in the financial field, the money market and capital market.

Mr. Lum was an independent non-executive director of Grand Field Group Holdings Limited (stock code: 115) for the period from July 2004 to May 2008, China Star Film Group Limited (stock code: 8172) for the period from September 2005 to December 2008 and Heng Xin China Holdings Limited (stock code: 8046) for the period from June 2007 to November 2008.

Currently, he is an independent non-executive director of Waytung Global Group Limited (stock code: 21), Energy International Investments Holdings Limited (formerly known as Xian Yuen Titanium Resources Holdings Limited) (stock code: 353), Bestway International Holdings Limited (stock code: 718), Radford Capital Investment Limited (stock code: 901) and Asia Resources Holdings Limited (stock code: 899). These companies are listed on The Stock Exchange of Hong Kong Limited.

### 獨立非執行董事

**林栢森先生**，五十歲，於二零零九年四月起為本公司獨立非執行董事。林先生持有英國華威大學工商管理碩士學位及英國 Wolverhampton 大學法律榮譽學位。彼現時為香港會計師公會及英國特許公認會計師公會資深會員。林先生於財經界、貨幣市場及資本市場擁有逾20年豐富經驗。

林先生曾於鈞濠集團有限公司（股份代號：115）（任期自二零零四年七月至二零零八年五月）、中國星電影集團有限公司（股份代號：8172）（任期自二零零五年九月至二零零八年十二月）及恆芯中國控股有限公司（股份代號：8046）（任期自二零零七年六月至二零零八年十一月）擔任獨立非執行董事。

彼現時為滙通天下集團有限公司（股份代號：21）、能源國際投資控股有限公司（前稱森源鈦礦控股有限公司）（股份代號：353）、百威國際控股有限公司（股份代號：718）、萊福資本投資有限公司（股份代號：901）及亞洲資源控股有限公司（股份代號：899）之獨立非執行董事。上述公司之股份均於香港聯合交易所上市。

## DIRECTORS' PROFILES

### 董事簡介

**Mr. Law Chun Choi**, aged 50, appointed as an independent non-executive Director of the Company on 22 April 2010. Mr. Law is a practising and fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. Mr. Law graduated from The Hong Kong Polytechnic University with a Postgraduate Diploma in Corporate Administration and Professional Diploma in Accountancy.

Mr. Law is the Financial Controller and Company Secretary of China Infrastructure Investment Limited (stock code: 600) since 2005. He is a rich-experienced accountant and has extensive experience in diversified business in Asia-Pacific. Mr. Law is also a director of Jade Century Investments Ltd., a private investments holding company incorporated in BVI, since April 1998.

**Mr. Mak Ka Wing, Patrick**, aged 46, appointed as an independent non-executive Director of the Company on 22 April 2010. Mr. Mak is a registered solicitor of the High Court of Hong Kong and a managing partner of Patrick Mak & Tse., Solicitors. Mr. Mak has over 10 years' legal experience as a practicing solicitor. He was awarded the Common Professional Examination Certificate in Laws by the University of Hong Kong in 1995 and was awarded his Postgraduate Certificate in Laws (P.C.LL) by the University of Hong Kong in 1998.

Mr. Mak worked in Dublin, Ireland with Messrs. Donald T. McAuliffe & Co., Solicitors of Ireland from 1990 to 1991 and worked in London, England with Messrs. Sparrow & Trieu, Solicitors from 1991 to 1992.

Mr. Mak is being an independent non-executive director of U-right International Holdings Limited (Provisional Liquidators Appointed) (stock code: 627), and Norstar Founders Group Limited (Provisional Liquidators Appointed) (stock code: 2339).

**羅進財先生**，五十歲，於二零一零年四月二十二日獲委任為本公司獨立非執行董事。羅先生為香港會計師公會之執業資深會員、特許會計師公會、香港公司秘書公會及英國特許秘書及行政人員公會之資深會員。羅先生畢業於香港理工大學，持有公司管理深造文憑及會計學專業文憑。

羅先生自二零零五年起出任中國基建投資有限公司（股份代號：600）之財務總監及公司秘書。彼為資深會計師，並擁有亞太區經營多種業務之豐富經驗。自一九九八年四月羅先生亦為Jade Century Investments Ltd.之董事，該公司乃一間於英屬處女群島註冊成立之私人投資控股公司。

**麥家榮先生**，四十六歲，於二零一零年四月二十二日獲委任為本公司獨立非執行董事。麥先生為香港高等法院註冊律師及麥家榮律師行管理合夥人。麥先生擁有超過十年作為執業律師之法律經驗。彼於一九九五年獲香港大學授予香港法律專業共同試證書，並於一九九八年獲香港大學授予法學專業證書（P.C.LL）。

麥先生於一九九零年至一九九一年在愛爾蘭都柏林受聘於愛爾蘭Messrs Donald T. McAuliffe & Co.律師行，其後於一九九一年至一九九二年在英國倫敦受聘於Messrs Sparrow & Trieu律師行。

麥先生現任佑威國際控股有限公司（已委任臨時清盤人）（股份代號：627）及北泰創業集團有限公司（已委任臨時清盤人）（股份代號：2339）之獨立非執行董事。

# DIRECTORS' REPORT

## 董事會報告書

The directors have pleasure in presenting their annual report and the audited consolidated financial statements of Karce International Holdings Company Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2010.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 38 to the consolidated financial statements.

### RESULTS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on pages 42 and 43 of the annual report.

### SHARE CAPITAL

There were no movements in either the authorised or issued share capital of the Company during the year. Details of the share capital of the Company are set out in note 27 to the consolidated financial statements.

### RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 45 of the annual report.

董事會欣然提呈泰盛實業集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一零年十二月三十一日止年度之年報及經審核綜合財務報表。

### 主要業務

本公司為一間投資控股公司，其主要附屬公司之業務載於綜合財務報表附註38。

### 業績

本集團截至二零一零年十二月三十一日止年度之業績載於第42頁及第43頁之綜合全面損益表。

### 股本

於年內，本公司之法定或已發行股本概無變動。本公司之股本詳情乃載於綜合財務報表附註27。

### 儲備

本集團於年內之儲備變動詳情載於年報第45頁之綜合權益變動表。

# DIRECTORS' REPORT

## 董事會報告書

### DISTRIBUTABLE RESERVES OF THE COMPANY

There are no distributable reserves of the Company at 31 December 2010, calculated under The Companies Act 1981 of Bermuda (as amended). The Company's share premium account, in the amount of HK\$102,675,000 at 31 December 2010 (2009: HK\$102,675,000), may be distributed in the form of fully paid bonus shares.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

### MAJOR CUSTOMERS AND SUPPLIERS

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers taken together accounted for 99% and 100% respectively of the Group's total purchases for the year. The aggregate sales attributable to the Group's largest customer and five largest customers taken together accounted for 30% and 80% respectively of the Group's total turnover for the year.

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

### 本公司之可供分派儲備

根據百慕達一九八一年公司法(經修訂)計算,於二零一零年十二月三十一日,本公司概無可供分派儲備。本公司於二零一零年十二月三十一日為數102,675,000港元之股份溢價賬(二零零九年:102,675,000港元)可以繳足股本紅股股份之方式予以分派。

根據百慕達一九八一年公司法(經修訂),本公司之繳入盈餘賬可供分派。然而,在下列情況下,本公司不得宣派或派付股息或從繳入盈餘作出分派:

- (a) 本公司現時或作出派付後將無力償還到期債務;或
- (b) 本公司資產之可變現價值將因分派而少於其負債、已發行股本及股份溢價賬之總和。

### 主要客戶及供應商

於本年度內,本集團之最大及五大供應商合共分別佔本集團之總購買額約99%及100%。於本年度內,本集團之最大及五大客戶合共分別佔本集團總營業額約30%及80%。

本公司所有董事、彼等之聯繫人士或任何股東(據董事所知擁有本公司5%以上股本)概無擁有本公司五大供應商或客戶之任何權益。

# DIRECTORS' REPORT

## 董事會報告書

### DIRECTORS

The directors who held office during the year and up to the date of this report were:

#### Chairman and Managing Director

Mr. Sun Ying Chung

#### Executive Directors

Mr. Chan Sung Wai  
Mr. Wong King Lam, Joseph

#### Non-executive Directors

Mr. Lee Kwok Leung  
Mr. Yang Yiu Chong, Ronald Jeffrey

#### Independent Non-executive Directors

Mr. Lum Pak Sum  
Mr. Law Chun Choi  
(appointed on 22 April 2010)  
Mr. Mak Ka Wing, Patrick  
(appointed on 22 April 2010)  
Mr. Ho Lic Ki  
(appointed on 14 January 2010 and resigned on 9 April 2010)  
Mr. Chan Siu Wing, Raymond  
(resigned on 7 April 2010)

In accordance with Bye-law 87(1) and 87(2) of the Company's bye-laws, Messrs. Sun Ying Chung, Chan Sung Wai and Yang Yin Chong, Ronald Jeffery shall retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### 董事

於年內及直至本報告日期為止，董事如下：

#### 主席兼董事總經理

辛衍忠先生

#### 執行董事

陳崇煒先生  
黃景霖先生

#### 非執行董事

李國樑先生  
楊耀宗先生

#### 獨立非執行董事

林栢森先生  
羅進財先生  
(於二零一零年四月二十二日獲委任)  
麥家榮先生  
(於二零一零年四月二十二日獲委任)  
何力驥先生  
(於二零一零年一月十四日  
獲委任並於二零一零年四月九日辭任)  
陳兆榮先生  
(於二零一零年四月七日辭任)

根據本公司之公司細則第87(1)及87(2)條，辛衍忠先生、陳崇煒先生及楊耀宗先生須於即將舉行之本公司股東週年大會上告退，惟符合資格並願意膺選連任。

於即將舉行之股東週年大會上建議重選連任的各董事並無與本公司或其任何附屬公司訂立本集團不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。



# DIRECTORS' REPORT

## 董事會報告書

### INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

As at 31 December 2010, the interests or short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange, or as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed issuers ("Model Code") set out in the Appendix 10 to the Listing Rules were as follows:

#### Ordinary shares of HK\$0.1 each of the Company (Long positions)

### 獨立非執行董事

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）第3.13條就其獨立性作出的確認聲明。本公司認為所有獨立非執行董事均為獨立。

### 董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於二零一零年十二月三十一日，根據證券及期貨條例（「證券及期貨條例」）第352條規定而設置之登記冊所載或已根據上市規則附錄十所載之上市公司董事進行證券交易的標準守則（「標準守則」）向本公司及香港聯合交易所有限公司（「聯交所」）另行呈報之本公司董事及主要行政人員及彼等之聯繫人士於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有之權益或淡倉如下：

#### 本公司每股面值0.1港元之普通股（好倉）

Name of Director	Number of ordinary shares held personal interests 持有個人權益之普通股數目	Approximate percentage of issued share capital 佔已發行股本之概約百分比
董事姓名		
Mr. Sun Ying Chung 辛衍忠先生	23,000,000	3.27%



# DIRECTORS' REPORT

## 董事會報告書

Save as disclosed above, as at 31 December 2010, none of the Directors or Chief Executive of the Company or their associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation (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 SFO or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contract of significance in relation to the Group's business (as defined in the Listing Rules) to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

The executive directors have confirmed to the Company that they are not interested in any business apart from the Group's business, which competes or is likely to complete, either directly or indirectly, with the Group's business.

### SHARE OPTION SCHEME

Details of the share option scheme adopted by the Company on 29 May 2002 (the "Share Option Scheme") are set out in note 28 to the consolidated financial statements. No options have been granted under the share option scheme since its adoption.

### DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as the Share Option Scheme of the Company, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

除上文所披露者外，於二零一零年十二月三十一日，概無本公司董事或主要行政人員或彼等之聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例）之股份、相關股份或債券中擁有任何須根據證券及期貨條例第XV部之第7及8分部規定知會本公司及聯交所，或須記錄於本公司根據證券及期貨條例第352條須予存置之登記冊或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

### 董事於重大合約之權益

本公司或其任何附屬公司概無訂立任何本公司董事直接或間接擁有重大權益而於年終時或本年度任何時間內仍然有效之有關本集團業務之重大合約（定義見上市規則）。

各執行董事向本公司確認，除本集團業務外，彼等概無於其他業務擁有權益，致使其與本集團業務直接或間接競爭或可能競爭。

### 認購股權計劃

本公司於二零零二年五月二十九日採納之認購股權計劃（「認購股權計劃」）之詳情載於綜合財務報表附註28。自採納認購股權計劃以來，概無根據認購股權計劃授出認購股權。

### 董事收購股份或債券之權利

除本公司之認購股權計劃外，於本年度任何時間內，本公司或其任何附屬公司概無參與任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債券而獲益。

# DIRECTORS' REPORT

## 董事會報告書

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

### 主要股東之權益及淡倉

As at 31 December 2010, so far as was known to the directors and the chief executive of the Company, the following persons (other than any director and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

於二零一零年十二月三十一日，就本公司董事及主要行政人員所知，以下人士（本公司任何董事及主要行政人員除外）於本公司之股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文而將須向本公司披露之權益或淡倉，或根據證券及期貨條例第336條存置之登記冊所記錄之權益或淡倉，或另行知會本公司及聯交所之權益或淡倉：

Name of shareholder 股東姓名／名稱	Capacity 身份	Number of ordinary shares held 所持普通股數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本概約百分比 (Note 1) (附註1)
China Eagle Development Limited ("China Eagle")	Beneficial owner (note 2) 實益擁有人(附註2)	4,669,500,000	664.83%
Hsu Ming Shan 許銘珊	Interest held by controlled corporation (note 2) 受控制法團持有之權益 (附註2)	4,669,500,000	664.83%
Lam Suk Fong	Interest held by controlled corporation (note 2) 受控制法團持有之權益 (附註2)	4,669,500,000	664.83%

# DIRECTORS' REPORT

## 董事會報告書

Name of shareholder	Capacity	Number of ordinary shares held	Approximate percentage of issued share capital of the Company 佔本公司已發行股本概約百分比 (Note 1) (附註1)
股東姓名／名稱	身份	所持普通股數目	
Fairtime International Limited ("Fairtime")	Beneficial owner (note 3) 實益擁有人 (附註3)	612,500,000	87.21%
Chan Shun Yuen	Interest held by controlled corporation (note 3) 受控制法團持有之權益 (附註3)	612,500,000	87.21%
陳迅元			
Taiwan Micro Display Corporation ("TMDC") 台灣微型影像股份有限公司 (「台灣微型影像」)	Beneficial owner (note 4) 實益擁有人 (附註4)	468,000,000	66.63%
Luen Fat Securities Company Limited 聯發證券有限公司	Beneficial owner (note 5) 實益擁有人 (附註5)	351,178,000	50.00%
Yue Wai Keung	Interest held by controlled corporation (note 5) 受控制法團持有之權益 (附註5)	351,178,000	50.00%
余維強			
Golden Mount Limited ("Golden Mount")	Beneficial owner (note 6) 實益擁有人 (附註6)	198,944,000 (L)	28.33%
Chim Pui Chung	Interest held by controlled corporation (note 6) 受控制法團持有之權益 (附註6)	198,944,000 (L)	28.33%
詹培忠			

# DIRECTORS' REPORT

## 董事會報告書

Notes:

- (L) All the shares are long positions.
1. The percentages are calculated based on the total number of issued shares of the Company of 702,356,000 shares as at 31 December 2010.
  2. Pursuant to the sale and purchase agreement dated 30 April 2008 and the supplemental agreement dated 24 October 2008 (collectively refer to as the "SPA"), subject to the provisions stated therein being satisfied, the Company might issue to China Eagle (beneficially owned by Hsu Ming Shan and Lam Suk Fong) up to a total of HK\$1,867,800,000 zero coupon convertible bonds (the "Convertible Bond") due 2014 at a conversion price (the "Conversion Price") of HK\$0.40 each, which entitling China Eagle to subscribe for up to 4,669,500,000 conversion shares at the Conversion Price upon exercise of the conversion rights attached to the Convertible Bonds in full.  
  
The SPA completed on 15 January 2009 (the "Completion Date") and on the same date the Company issued the first tranche of HK\$67,800,000 Convertible Bonds to China Eagle at the Conversion Price (which entitling China Eagle to subscribe for 169,500,000 conversion shares upon exercise of the conversion rights attached to the Convertible Bonds in full). As at the date of this report, the Company has not yet issued the remaining HK\$1,800,000,000 Convertible Bonds.
  3. Pursuant to the SPA, subject to the provisions stated therein being satisfied, the Company might issue to Fairtime (beneficially owned by Chan Shun Yuen who now known as Chan Hau Kong) up to a total of HK\$245,000,000 Convertible Bonds, which entitling Fairtime to subscribe for 612,500,000 conversion shares at the Conversion Price upon exercise of the conversion rights attached to such convertible bonds in full.

附註：

- (L) 所有股份均為好倉。
1. 該等百分比乃根據於二零一零年十二月三十一日之本公司已發行股份總數702,356,000股計算。
  2. 根據日期為二零零八年四月三十日之買賣協議及日期為二零零八年十月二十四日之補充協議（統稱「買賣協議」），並在當中所載之條文獲達成規限下，本公司按每股0.40港元之換股價（「換股價」）可能向China Eagle（由許銘珊及Lam Suk Fong實益擁有）發行最多合共1,867,800,000港元於二零一四年到期之零息可換股債券（「可換股債券」），並賦予China Eagle可於可換股債券附予之換股權獲悉數行使後按換股價認購4,669,500,000股換股股份之權利。  
  
買賣協議已於二零零九年一月十五日（「完成日」）完成，同日，本公司按換股價向China Eagle發行首批67,800,000港元之可換股債券（其賦予China Eagle可於可換股債券附予之換股權獲悉數行使後認購169,500,000股換股股份之權利）。於報告日期，本公司仍未發行餘額1,800,000,000港元之可換股債券。
  3. 根據買賣協議，並在當中所載之條文獲達成規限下，本公司可能向Fairtime（由陳迅元（現名陳厚光）實益擁有）發行最多合共245,000,000港元之可換股債券，並賦予Fairtime可於該等可換股債券附予之換股權獲悉數行使後按換股價認購612,500,000股換股股份之權利。

# DIRECTORS' REPORT

## 董事會報告書

On Completion Date, the Company issued the first tranche of HK\$45,000,000 Convertible Bonds to Fairtime (which entitling Fairtime to subscribe for 112,500,000 conversion shares upon exercise of the conversion rights attached to the Convertible Bonds in full). As at the date of this report, the Company has not yet issued the remaining HK\$200,000,000 Convertible Bonds.

4. Pursuant to the SPA, the Company issued HK\$187,200,000 Convertible Bonds to TMDC on the Completion Date (which entitling TMDC to 468,000,000 conversion shares upon exercise of the conversion rights attached to the Convertible Bonds in full).
5. Luen Fat Securities Company Limited ("Luen Fat") (beneficially owned as to 80.9% by Yue Wai Keung), is the underwriter to the underwriting agreement dated 17 May 2010 in relation to the proposed open offer of 351,178,000 new shares of the Company as announced on 17 May 2010. Pursuant to the underwriting agreement, Luen Fat agreed to underwrite up to 351,178,000 new shares of the Company. As at the date of this report, the open offer is not yet completed.
6. The entire issued share capital of Golden Mount is wholly and beneficially owned by Mr. Chim Pui Chung. By virtue of the Securities and Futures Ordinance, Mr. Chim Pui Chung is deemed to be interested in the 198,944,000 shares of the Company.

Save as disclosed above, the Company had not been notified and is not aware of any other persons who 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 pursuant to Section 336 of the SFO as at 31 December 2010.

### CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

The Company had outstanding zero coupon convertible bonds in the amount of HK\$300,000,000, issued in January 2009, convertible at HK\$0.4 per share, due in 2014, issued for the very substantial acquisition of liquid crystal on silicon ("LCoS") Television where details have been disclosed in notes 3 and 25.

Save as disclosed above, the Company had no outstanding convertible securities, warrants or other similar rights as at 31 December 2010 and there has been no exercise of any convertible securities, warrants or similar rights during the year.

於完成日，本公司向Fairtime發行首批45,000,000港元之可換股債券（其賦予Fairtime可於可換股債券附予之換股權獲悉數行使後認購112,500,000股換股股份之權利）。於報告日期，本公司仍未發行餘額200,000,000港元之可換股債券。

4. 根據買賣協議，本公司於完成日向台灣微型影像發行187,200,000港元之可換股債券（其賦予台灣微型影像可於可換股債券附予之換股權獲悉數行使後認購468,000,000股換股股份之權利）。
5. 聯發證券有限公司（「聯發」）（由余維強實益擁有80.9%權益）為於二零一零年五月十七日公佈之日期為二零一零年五月十七日之包銷協議（內容有關建議公開發售351,178,000股本公司新股份）之包銷商。根據包銷協議，聯發同意包銷最多351,178,000股本公司新股份。於報告日期，公開發售尚未完成。
6. Golden Mount之全部已發行股本乃由詹培忠先生全資實益擁有。鑑於證券及期貨條例，詹培忠先生被視為於198,944,000股本公司股份中擁有權益。

除上文所披露者外，於二零一零年十二月三十一日，本公司並無獲知會且不知悉任何其他人士於本公司股份及相關股份中擁有根據證券及期貨條例第336條須於本公司存置之登記冊所記錄之權益或淡倉。

### 可換股證券、認股權證或類似權利

本集團並未支付有關LCoS電視之非常重大收購事項於二零零九年一月發行本金額300,000,000港元而於二零一四年到期之零息可換股債券，該等債券可按每股0.4港元之換股價兌換為股份。詳情已於附註3及25中披露。

除上文所披露者外，本公司於二零一零年十二月三十一日並無尚未行使之可換股證券、認股權證或類似權利，而年內亦無行使任何可換股證券、認股權證或類似權利。

# DIRECTORS' REPORT

## 董事會報告書

### RELATED PARTY TRANSACTIONS

Related party transactions entered into for the year are set out in note 35 to the consolidated financial statements.

### EMOLUMENT POLICY

The emolument policy of the employees of the Group is based on their merits, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, upon considering the Group's operating results, individual performance and comparable market statistics.

The Company has adopted the Share Option Scheme as an incentive to directors and eligible employees.

### PRE-EMPTIVE RIGHTS

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

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2010, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to and within the knowledge of the Directors, it is confirmed that there is a sufficient public float of the issued share capital of the Company throughout the year ended 31 December 2010.

### 關連人士交易

於年內進行之關連人士交易載於綜合財務報表附註35。

### 酬金政策

本集團僱員之酬金政策由薪酬委員會根據僱員之表現、資格及能力釐定。

本集團董事之酬金由薪酬委員會於考慮本集團經營業績、個人之表現及可比較市場數據後決定。

本公司已採納認購股權計劃，作為對董事及合資格僱員之獎勵。

### 股份優先購買權

本公司之公司細則或百慕達法律均無關於股份優先購買權之規定，要求本公司在發售新股時須按比例配發予現有股東。

### 購買、出售或贖回本公司上市證券

截至二零一零年十二月三十一日止年度，本公司及其附屬公司並無購買、出售或贖回本公司之任何上市證券。

### 足夠之公眾持股量

根據公開可得資料及就董事所知，本公司確認於截至二零一零年十二月三十一日止年度已發行股本一直具有足夠之公眾持股量。

# DIRECTORS' REPORT

## 董事會報告書

### CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 December 2010 with the Code of Corporate Governance Practices as contained in Appendix 14 to the Listing Rules. A report on the principal corporate governance practices adopted by the Company is set out on pages 11 to 19 of the annual report.

### EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 39 to the consolidated financial statements.

### AUDIT COMMITTEE

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2010.

### AUDITORS

Messrs. Deloitte Touche Tohmatsu was appointed as auditor of the Company pursuant to the special general meeting of the Company held on 21 September 2010. Messrs. HLB Hodgson Impey Cheng, Certified Public Accountants, acted as auditor of the Company for the years ended 31 December 2008 and 2009 and up to 5 August 2010.

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

#### Sun Ying Chung

*Chairman and Managing Director*

Hong Kong  
31 March 2011

### 公司管治

截至二零一零年十二月三十一日止年度，本公司已遵守上市規則附錄14所載之企業管治常規守則。本公司所採納之主要企業管治常規報告載於第11至19頁。

### 報告期後事項

重大報告期後事項詳情載於綜合財務報表附註39。

### 審核委員會

審核委員會已審閱本集團截至二零一零年十二月三十一日止年度之綜合財務報表。

### 核數師

根據本公司於二零一零年九月二十一日舉行之股東特別大會，德勤•關黃陳方會計師行獲委任為本公司核數師。執業會計師國衛會計師事務所於截至二零零八及二零零九年十二月三十一日止年度，以及直至二零一零年八月五日擔任本公司核數師。

本公司將於股東週年大會上提呈一項續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會

#### 辛衍忠

*主席兼董事總經理*

香港  
二零一一年三月三十一日



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

# Deloitte.

## 德勤

### TO THE SHAREHOLDERS OF KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED

泰盛實業集團有限公司

*(incorporated in Bermuda with limited liability)*

We were engaged to audit the consolidated financial statements of Karce International Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 42 to 146, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of these consolidated financial statements that give a true and fair view of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### 致泰盛實業集團有限公司各股東 (於百慕達註冊成立之有限公司)

本核數師(以下簡稱「吾等」)已獲委任以審核載於第42至146頁泰盛實業集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下合稱「貴集團」)之綜合財務報表。此綜合財務報表包括於二零一零年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他解釋資料。

### 董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則及香港公司條例披露規定，編製及真實而公平地列報該等綜合財務報表。以及董事確定所需之有關內部控制，以使編製綜合財務報表時不存在由於欺詐或錯誤而導致之重大錯誤陳述。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITY

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

### BASIS FOR DISCLAIMER OF OPINION

#### Limitation of Scope – Deconsolidation of a Subsidiary during the Year Ended 31 December 2009

As set out in notes 3 (i) and 29 to the consolidated financial statements, the Company completed the acquisition of Pacific Choice Holdings Limited (“Pacific Choice”) and its subsidiaries (collectively referred to as the “Pacific Choice Group”) on 15 January 2009 for a total consideration of HK\$604,616,000 which mainly comprised cash, promissory notes issued by the Group and convertible bonds issued by the Company.

### 核數師之責任

吾等的責任是根據吾等的審核對該等綜合財務報表作出意見。吾等的報告僅按照百慕達公司法第90條，為股東（作為一個團體）而編製，並不為其他任何目的。吾等並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。除下文所述未能獲得足夠合適之審核憑證外，吾等根據香港會計師公會刊發之香港核數準則進行吾等之審閱。這些準則要求吾等遵守道德規範，並規劃及執行審核，以合理確定該等綜合財務報表是否不存有任何重大錯誤陳述。由於吾等保留意見之基礎一段所述之事宜，然而，吾等未能獲取充分適當審核證據以為審核意見提供基礎。

### 保留意見之基礎

#### 有關於截至二零零九年十二月三十一日止年度取消綜合附屬公司的範圍限制

誠如綜合財務報表附註3(i)及29所載，貴公司已於二零零九年一月十五日以代價604,616,000港元（主要由現金、貴集團發行之承兌票據及貴公司發行之可換股債券組成）完成收購Pacific Choice Holdings Limited（「Pacific Choice」）及其附屬公司（統稱「Pacific Choice集團」）。

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As set out in note 3 (ii) to the consolidated financial statements, the directors of the Company have been unable to obtain and access to the books and records of 聯合光電(蘇州)有限公司 United Opto-Electronics (Suzhou) Co., Ltd. (the "PRC Subsidiary"), a subsidiary of Pacific Choice, after 30 November 2009 and resolved that the Group no longer had the power to govern the financial and operating policies of the PRC Subsidiary, and accordingly the control over the PRC Subsidiary was lost on that date. The PRC Subsidiary has therefore been deconsolidated from the consolidated financial statements of the Group and recognised as an available-for-sale investment from 1 December 2009 onwards. Besides, since the assets of the PRC Subsidiary and the planned operations thereof predominantly accounted for the reason for which the Company acquired the Pacific Choice Group, the loss of the control over the PRC Subsidiary effectively impaired any practical value of the entire Pacific Choice Group, if any, and therefore, the directors of the Company considered that assets of the entities comprising the Pacific Choice Group other than the PRC Subsidiary (the "Pacific Choice Remaining Group") should be fully impaired on the same date the Group lost control over the PRC Subsidiary.

We were appointed as auditor of the Group pursuant to the special general meeting of the Company held on 21 September 2010 and as a result of the circumstances described above, the directors of the Company have been unable to provide us with the complete set of accounting books and records of the PRC Subsidiary. We have therefore been unable to carry out audit procedures to obtain sufficient reliable audit evidence to satisfy ourselves as to whether:

(i) the loss on deconsolidation of the PRC Subsidiary of HK\$721,000 and the loss incurred by the PRC Subsidiary for the period from 15 January 2009 (date of acquisition) to 30 November 2009 (date of deconsolidation) of HK\$1,944,000 included in the consolidated statement of comprehensive income of the Group for the year ended 31 December 2009 as well as the related disclosures set out in the notes to the consolidated financial statements are free from material misstatement; and

誠如綜合財務報表附註3(ii)所載，貴公司董事未能於二零零九年十一月三十日後獲取及查閱Pacific Choice之一間附屬公司聯合光電(蘇州)有限公司(「中國附屬公司」)之賬簿及記錄，並決議 貴集團不再有權規管中國附屬公司之財務及營運政策，因此，已於該日失去對中國附屬公司之控制權。中國附屬公司因此自二零零九年十二月一日起取消綜合計入 貴集團之綜合財務報表，並定義為可供出售投資。此外，由於中國附屬公司之資產及其計劃之營運乃 貴公司收購Pacific Choice集團之主要原因，故失去對中國附屬公司之控制權已實際上影響Pacific Choice集團之整體實用價值(如有)，因此， 貴公司董事認為Pacific Choice集團旗下除中國附屬公司外各實體之資產(「Pacific Choice餘下集團」)外，本集團將於失去對中國附屬公司之控制權同日悉數減值。

吾等乃根據 貴公司於二零一零年九月二十一日舉行之股東特別大會獲委任為 貴集團之核數師，而由於上述情況， 貴公司董事未能向吾等提供中國附屬公司完整之會計賬簿及記錄。吾等因此未能進行審核程序以取得充足可靠審核憑證令吾等信納以下事項：

(i) 貴集團截至二零零九年十二月三十一日止年度綜合全面收益表所載之取消綜合中國附屬公司之虧損721,000港元及中國附屬公司自二零零九年一月十五日(收購日期)起至二零零九年十一月三十日(取消綜合日期)止期間產生之虧損1,944,000港元，以及綜合財務報表附註所載之相關披露是否不存在重大錯誤陳述；及

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(ii) the Group had lost its control over the PRC Subsidiary and whether it was appropriate to deconsolidate the assets and liabilities of the PRC Subsidiary from the consolidated financial statements of the Group and be recognised as an available-for-sale investment.

Any adjustment that might have been found to be necessary in respect of the above may have a significant effect on the state of the Group's affairs as at 31 December 2010 and 2009 and on its profit for the year ended 31 December 2010 and the loss for the year ended 31 December 2009.

### Limitation of Scope – Fair Value and Carrying Amounts of Convertible Bonds

As set out in notes 3 and 25 to the consolidated financial statements, on 15 January 2009, the Company issued the Tranche 1 Bonds due on 14 January 2014 with a principal amount of HK\$300,000,000, which is interest free, as part of the consideration for acquisition of the Pacific Choice Group. As set out in note 25 to the consolidated financial statements, the directors of the Company appointed an independent valuer to perform a valuation of the fair value of the convertible bonds issued at the date of issue on 15 January 2009. The valuer estimated the fair value of the liability component of the convertible bonds to be HK\$155,811,000 at the date of issue using the discounted cash flow method. However, we were unable to obtain sufficient evidence to satisfy ourselves as to whether the valuation methodology and the assumptions adopted by the valuer in this valuation was appropriate accordingly and, we were unable to satisfy ourselves as to whether:

(i) the fair value of the liability component of the convertible bonds on initial recognition was reliably measured in accordance with the relevant requirements of HKAS 39 "Financial Instruments: Recognition and Measurement" issued by the HKICPA ("HKAS 39") and whether their carrying values of HK\$201,389,000 and HK\$176,785,000 as at 31 December 2010 and 2009, respectively, and HK\$155,811,000 at the date of initial recognition on 15 January 2009 were free from material misstatement;

(ii) 貴集團是否已失去對中國附屬公司之控制權，而將中國附屬公司之資產及負債取消綜合入 貴集團之綜合財務報表並確認為可供出售投資是否恰當。

倘發現須就上述作出任何必需調整，則有關調整可能對 貴集團於二零一零年及二零零九年十二月三十一日之事務狀況及其截至二零一零年十二月三十一日止年度之溢利以及截至二零零九年十二月三十一日止年度之虧損造成重大影響。

### 有關可換股債券之公平值及賬面值的範圍限制

誠如綜合財務報表附註3及25所載，於二零零九年一月十五日， 貴公司發行於二零一四年一月十四日到期之本金額300,000,000港元之第一批債券（不計利息）作為收購Pacific Choice集團之部份代價。誠如綜合財務報表附註25所載， 貴公司董事已委任獨立估值師對於發行日期為二零零九年一月十五日發行之可換股債券進行估值。估值師使用貼現現金流量法估計於發行日期之可換股債券負債部份之公平值為155,811,000港元。然而，吾等未能獲取足夠憑證以令吾等信納估值師於估值中所採用之估值方法及假設是否恰當，因此，吾等未能令吾等信納以下事項：

(i) 可換股債券之負債部份於初步確認時之公平值是否已根據香港會計師公會頒佈之香港會計準則第39號「金融工具：確認及計量」（「香港會計準則第39號」）之相關規定予以可靠計量，及彼等分別於二零一零年及二零零九年十二月三十一日之賬面值201,389,000港元及176,785,000港元，以及於初步確認日期二零零九年一月十五日之賬面值155,811,000港元是否存在重大錯誤陳述；

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- (ii) convertible bonds reserve representing equity component of the convertible bonds, net of deferred tax liabilities arising from the issue of the convertible bonds thereof, amounting to HK\$120,398,000 as at 31 December 2010 and 2009 and at the date of initial recognition on 15 January 2009 were free from material misstatement;
- (iii) any other embedded derivatives of the convertible bonds issued for the acquisition of the Pacific Choice Group have been recognised in accordance with HKAS 39 as at 31 December 2010 and 2009 and at the date of initial recognition on 15 January 2009;
- (iv) goodwill of HK\$77,685,000 arising from the acquisition of the Pacific Choice Group as at 15 January 2009 (date of acquisition) as set out in note 10 to the consolidated financial statements was reliably measured in accordance with the relevant requirements of Hong Kong Financial Reporting Standard 3 "Business Combinations" issued by the HKICPA and whether the impairment loss of HK\$77,685,000 recognised in respect of goodwill during the year ended 31 December 2009 was free from material misstatement; and
- (v) the amortisation recognised in respect of the liability component of the convertible bonds, as set out in note 25 to the consolidated financial statements, amounting to HK\$24,604,000 and HK\$20,974,000 for the year ended 31 December 2010 and 2009, respectively, were free from material misstatement.
- (ii) 於二零一零年及二零零九年十二月三十一日及於初步確認日期二零零九年一月十五日，可換股債券儲備（即可換股債券之權益部份）經扣除就此因發行可換股債券而產生之遞延稅項負債後為數120,398,000港元是否不存在重大錯誤陳述；
- (iii) 於二零一零年及二零零九年十二月三十一日及於初步確認日期二零零九年一月十五日，為收購Pacific Choice集團而發行之可換股債券之任何其他嵌入式衍生工具是否已根據香港會計準則第39號確認；
- (iv) 誠如綜合財務報表附註10所載，於二零零九年一月十五日（收購日期），因收購Pacific Choice集團而產生之商譽77,685,000港元是否已根據香港會計師公會頒佈之香港財務報告準則第3號「業務合併」之相關規定予以可靠計量，及於截至二零零九年十二月三十一日止年度內就商譽確認之減值虧損77,685,000港元是否不存在重大錯誤陳述；及
- (v) 誠如綜合財務報表附註25所載，截至二零一零年及二零零九年十二月三十一日止年度，就可換股債券之負債部份確認之攤銷分別為數24,604,000港元及20,974,000港元是否不存在重大錯誤陳述。



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### Limitation of Scope – Reversal of Impairment Loss Recognised in Respect of Intangible Asset During the Year Ended 31 December 2010

Included in the consolidated statement of financial position as at 31 December 2010 is an intangible asset, as set out in note 18 to the consolidated financial statements, with a carrying value of HK\$50,000,000 arising from the reversal of the impairment loss recognised in respect of intangible assets during the year ended 31 December 2009, as detailed in notes 10 and 18 to the consolidated financial statements. The carrying value was determined by the directors based on the amount of non-refundable deposit received subsequent to the end of the reporting period for the proposed disposal of Sourcestar Profits Limited ("Sourcestar") and its subsidiaries, the Pacific Choice Group. As detailed in note 2 to the consolidated financial statements, total consideration of the disposal is more than HK\$50,000,000. In the absence of a valuation prepared in accordance with HKAS 36, we therefore are unable to satisfy ourselves as to whether the reversal of impairment loss of HK\$50,000,000 included in the consolidated statement of comprehensive income for the year ended 31 December 2010 was free from material misstatement and whether any additional reversal is necessary and whether the fair value of the intangible asset has been reliably measured in accordance with HKAS 38 "Intangible Assets" issued by the HKICPA.

### Going Concern

As set out in note 2 to the consolidated financial statements, the Group had net liabilities of HK\$231,420,000 as at 31 December 2010. To improve the Group's liquidity position, the Company entered into a conditional sale and purchase agreement for the disposal of the entire issued share capital of Sourcestar, whose principal asset is the entire interest in the Pacific Choice Group to an independent third party. This disposal is subject to the approvals of The Stock Exchange of Hong Kong Limited and the shareholders.

### 有關於截至二零一零年十二月三十一日止年度內撥回就無形資產確認之減值虧損的範圍限制

誠如綜合財務報表附註18所載，於二零一零年十二月三十一日之綜合財務狀況表包括一項因撥回於截至二零零九年十二月三十一日止年度內就無形資產確認之減值虧損而產生之賬面值為50,000,000港元之無形資產（如綜合財務報表附註10及18所詳述）。該賬面值乃由董事根據於報告期末後就建議出售Sourcestar Profits Limited（「Sourcestar」）及其附屬公司Pacific Choice集團而收取之不可退還按金金額釐定。誠如綜合財務報表附註2所詳述，出售總代價超過50,000,000港元。於並無根據香港會計準則第36號編製之估值情況下，因此，吾等未能令吾等信納計入截至二零一零年十二月三十一日止年度之綜合全面收益表之減值虧損撥回50,000,000港元是否有重大錯誤陳述及任何額外撥回是否有必要及無形資產之公平值是否已根據香港會計師公會頒佈之香港會計準則第38號「無形資產」予以可靠計量。

### 持續經營

誠如綜合財務報表附註2所載，貴集團於二零一零年十二月三十一日之負債淨額為231,420,000港元。為改善貴集團之流動資金狀況，貴公司訂立一項有條件買賣協議以向一名獨立第三方出售Sourcestar（其主要資產為Pacific Choice集團之全部股權）之全部已發行股本。該出售須待香港聯合交易所有限公司及股東批准後，方可作實。

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The validity of the going concern assumption on which the consolidated financial statements are prepared is dependent on the success of the proposed disposal. The consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern and therefore do not include any adjustments relating to the realisation and classification of non-current assets that may be necessary if the Group is unable to continue as a going concern.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than at the amounts at which they are currently recorded in the consolidated balance sheet. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets as current assets.

### DISCLAIMER OF OPINION

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### OTHER MATTER

The consolidated financial statements of the Company for the Group year ended 31 December 2009 were audited by another auditor, who expressed a disclaimer of opinion on those statements on 28 April 2010.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*

Hong Kong  
31 March 2011

編製綜合財務報表所依賴之持續經營假設之有效性乃取決於建議出售事項是否成功。綜合財務報表已基於假設 貴集團將繼續持續經營而編製，因此並無計入倘 貴集團未能繼續持續經營而可能屬必要之與變現及分類非流動資產有關之任何調整。

倘持續經營假設並不適當，則可能須作出調整以反映可能需變現資產（現時於綜合資產負債表記賬之金額除外）之情況。此外， 貴集團可能須為可能產生之進一步負債作出撥備，並將非流動資產重新分類為流動資產。

### 保留意見

由於「保留意見之基礎」各段所述之事項之重要性，故吾等未能獲得足夠適當之審核憑證以取得審核意見之基準。因此，吾等不會就綜合財務報表發表意見。於所有其他方面，吾等認為，綜合財務報表已根據香港公司條例之披露規定妥為編製。

### 其他事項

貴集團截至二零零九年十二月三十一日止年度之綜合財務報表已由另一核數師審核，並於二零一零年四月二十八日對該等報表發表保留意見。

**德勤•關黃陳方會計師行**  
*香港執業會計師*

香港  
二零一一年三月三十一日



# Consolidated Statement of Comprehensive Income

## 綜合全面損益表

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

			2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元 (Restated) (經重列)
<b>Continuing operations</b>	<b>持續經營業務</b>			
Revenue	收益	6	<b>26,524</b>	43,485
Cost of goods sold	已售貨品成本		<b>(22,370)</b>	(54,043)
Gross profit (loss)	毛利(毛損)		<b>4,154</b>	(10,558)
Other revenue	其他收入		<b>1</b>	138
Administrative expenses	行政開支		<b>(9,235)</b>	(15,239)
Selling and distribution costs	銷售及分銷費用		<b>(3)</b>	(620)
Gain on cancellation of promissory notes	註銷承兌票據收益		-	28,297
Gain on extension of maturity of promissory notes	延長承兌票據到期日之收益		<b>11,908</b>	-
Loss on early redemption of promissory notes	提早贖回承兌票據之虧損		-	(61,351)
Gain on disposal of subsidiaries other than those classified as discontinued operations	出售附屬公司(分類為終止經營業務之附屬公司除外)之收益	31	-	19,018
Finance costs	融資成本	8	<b>(36,445)</b>	(34,313)
Loss before taxation	除稅前虧損		<b>(29,620)</b>	(74,628)
Income tax credit	所得稅抵免	9	<b>4,049</b>	1,430
Loss for the year from continuing operations	來自持續經營業務之本年度虧損		<b>(25,571)</b>	(73,198)
<b>Discontinued operations</b>	<b>終止經營業務</b>			
Profit (loss) for the year from discontinued operations	來自終止經營業務之本年度溢利(虧損)	10	<b>50,000</b>	(512,472)
Profit (loss) for the year, attributable to owners of the Company	本公司擁有人應佔本年度溢利(虧損)	11	<b>24,429</b>	(585,670)

# Consolidated Statement of Comprehensive Income

## 綜合全面損益表

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

	Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元 (Restated) (經重列)
<b>Other comprehensive expense</b>	<b>其他全面開支</b>		
Fair value changes of available-for-sale investments	可供出售投資公平值變動	-	(2,030)
Exchange difference arising on translation	換算產生之匯兌差額	-	(1,487)
Reclassification adjustment for exchange differences released upon disposals	出售時解除之匯兌差額重新分類調整	-	(45,130)
Other comprehensive expense for the year	本年度其他全面開支	-	(48,647)
<b>Total comprehensive income (expense) for the year, attributable to owners of the Company</b>	<b>本公司擁有人應佔本年度全面收入(開支)總額</b>	<b>24,429</b>	<b>(634,317)</b>
<b>Earnings (loss) per share (HK cents)</b>	<b>每股盈利(虧損)(港仙)</b>		
From continuing and discontinued operations	來自持續經營業務及終止經營業務		
- Basic	- 基本	<b>3.48</b>	(83.71)
- Diluted	- 攤薄	<b>3.48</b>	(83.71)
			(restated) (經重列)
From continuing operations	來自持續經營業務		
- Basic	- 基本	<b>(3.64)</b>	(10.46)
- Diluted	- 攤薄	<b>(3.64)</b>	(10.46)

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2010 於二零一零年十二月三十一日

	Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>		
Available-for-sale investment	可供出售投資	15	–
Property, plant and equipment	物業、廠房及設備	16	–
Intangible asset	無形資產	18	–
Goodwill	商譽	19	–
		<b>50,017</b>	–
<b>Current assets</b>	<b>流動資產</b>		
Trade receivables	貿易應收款項	21	8,238
Prepayments	預付款項		89
Amount due from a related company	應收一間關連公司款項	35	7,171
Bank balances and cash	銀行結存及現金	22	25,544
		<b>22,200</b>	41,042
<b>Current liabilities</b>	<b>流動負債</b>		
Trade payables	貿易應付款項	23	127
Accruals	應計費用		967
Amount due to a related company	應付一間關連公司款項	35	163
Amount due to a shareholder	應付一名股東款項	35	3,000
		<b>1,792</b>	4,257
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>20,408</b>	36,785
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>70,425</b>	36,785
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Amount due to a shareholder	應付一名股東款項	35	18,430
Promissory notes	承兌票據	24	75,031
Convertible bonds	可換股債券	25	176,785
Deferred tax liabilities	遞延稅項負債	26	22,388
		<b>301,845</b>	292,634
		<b>(231,420)</b>	(255,849)
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	27	70,236
Reserves	儲備		(326,085)
		<b>(231,420)</b>	(255,849)

The consolidated financial statements on pages 42 to 146 were approved and authorised for issue by the Board of Directors on 31 March 2011 and are signed on its behalf by:

載於第42頁至第146頁之綜合財務報表於二零一一年三月三十一日獲董事會通過及授權刊發，並由下列董事代表簽署：

**Sun Ying Chung**

辛衍忠

Chairman and Managing Director  
主席兼董事總經理

**Chan Sung Wai**

陳崇煒

Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔											
		Share capital	Share premium	Capital redemption reserve	Special reserve	Capital reserve	Statutory reserves	Asset revaluation reserve	Investment revaluation reserve	Exchange reserves	Convertible bonds reserve	Accumulated losses	Total
		股本	股份溢價	資本贖回儲備	特別儲備	資本儲備	法定儲備	重估儲備	重估儲備	匯兌儲備	債券儲備	累計虧損	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		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	千港元	千港元	千港元
			(Note i) (附註i)		(Note ii) (附註ii)	(Note iii) (附註iii)	(Note iv) (附註iv)						
At 1 January 2009	於二零零九年一月一日	65,236	102,875	1,564	19,487	35,597	6,553	48,190	(436)	46,617	-	(72,413)	253,270
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	-	-	(585,670)	(585,670)
Other comprehensive expenses for the year	本年度其他全面開支	-	-	-	-	-	-	-	(2,030)	(46,617)	-	-	(48,647)
Total comprehensive expense for the year	本年度全面開支總額	-	-	-	-	-	-	-	(2,030)	(46,617)	-	(585,670)	(634,317)
Issue of ordinary shares	普通股發行	5,000	-	-	-	-	-	-	-	-	-	-	5,000
Share issue expenses	股份發行開支	-	(200)	-	-	-	-	-	-	-	-	-	(200)
Realised on disposal of subsidiaries previously classified as held for sale	變現出售先前分類為持作出售之附屬公司	-	-	-	(19,610)	(35,597)	(6,553)	(48,190)	2,466	-	-	167,484	-
Equity component of convertible bonds	可換股債券之權益部份	-	-	-	-	-	-	-	-	-	144,189	-	144,189
Deferred tax arising from issue of convertible bonds	發行可換股債券產生之遞延稅項	-	-	-	-	-	-	-	-	-	(23,791)	-	(23,791)
At 31 December 2009	於二零零九年十二月三十一日	70,236	102,675	1,564	(123)	-	-	-	-	-	120,398	(550,599)	(255,849)
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	-	-	-	-	-	-	-	-	-	-	24,429	24,429
At 31 December 2010	於二零一零年十二月三十一日	70,236	102,675	1,564	(123)	-	-	-	-	-	120,398	(526,170)	(231,420)

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

Notes:

- (i) The share premium account of the Group includes shares issued by the Company at premium. During the year ended 31 December 2009, the Company had issued 50,000,000 new shares pursuant to the subscription shares under general mandate at the subscription price of HK\$0.1 per subscription share. Legal and professional fee of approximately HK\$200,000 was incurred in relation to the issue of subscription shares.
- (ii) The special reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company's subsidiaries in exchange for the nominal value of the issued share capital of other subsidiaries pursuant to the Group's reorganisation.
- (iii) The capital reserve of the Group represents the reserve arising from the acquisition of a further interest in the share capital of a subsidiary at nil consideration pursuant to the Group's reorganisation and capitalisation of retained profits of a subsidiary in previous years.
- (iv) The statutory reserves of the Group represents reserve required by the relevant laws of the People's Republic of China (the "PRC") applicable to the Company's PRC subsidiaries and is appropriated at directors' discretion. The statutory reserves can be used to make up prior years' losses of the PRC subsidiaries, if any, and can be applied in conversion into capital after approval by PRC authorities.

附註：

- (i) 本集團之股份溢價賬包括本公司按溢價發行之股份。截至二零零九年十二月三十一日止年度，本公司已根據一般授權項下認購股份，按認購價每股認購股份0.1港元發行50,000,000股新股份。因發行認購股份而產生法律及專業費用約200,000港元。
- (ii) 本集團之特別儲備乃根據集團重組以本公司附屬公司之已發行股本換取其他附屬公司之已發行股本兩者面值間之差額。
- (iii) 本集團之資本儲備乃指根據集團重組以零代價收購一家附屬公司之進一步股本權益以及於過往年度將一家附屬公司之保留溢利資本化而產生之儲備。
- (iv) 本集團之法定儲備乃按適用於本公司中華人民共和國（「中國」）附屬公司之有關中國法例所規定而設立之儲備，董事可酌情使用。經中國有關部門批准後，法定儲備可用於填補中國附屬公司過往年度之虧損（如有）並可轉換為資本。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>Operating activities</b>	<b>經營業務</b>		
Profit (loss) before taxation:	除稅前溢利(虧損):		
Continuing operations	持續經營業務	<b>(29,620)</b>	(74,628)
Discontinued operations	終止經營業務	<b>50,000</b>	(512,472)
		<b>20,380</b>	(587,100)
Adjustments for:	按下列各項調整:		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>4</b>	13,307
Release of prepaid lease payments	撥回預付租賃款項	-	160
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	287
Gain on cancellation of promissory notes	註銷承兌票據之收益	-	(28,297)
Loss on early redemption of promissory notes	提早贖回承兌票據產生之虧損	-	61,351
Gain on extension of maturity of promissory notes	延長承兌票據到期日之收益	<b>(11,908)</b>	-
Loss on deconsolidation of a subsidiary	取消綜合一間附屬公司虧損	-	721
Impairment losses recognised in respect of goodwill and intangible asset	就商譽及無形資產確認之減值虧損	-	602,085
Gain on disposal of discontinued operations	出售終止經營業務之收益	-	(90,828)
Gain on disposal of subsidiaries other than those classified as discontinued operations	出售附屬公司(分類為終止經營業務之附屬公司除外)之收益	-	(19,018)
Fair value changes of derivative financial instruments	衍生金融工具之公平值變動	-	(564)
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認之減值虧損	<b>2,030</b>	2,156
Write down of obsolete and slow moving inventories	陳舊及滯銷存貨撇減	-	12
Reversal of impairment loss recognised in respect of intangible asset	就無形資產確認之減值虧損撥回	<b>(50,000)</b>	-
Interest income	利息收入	-	(16)
Finance costs	融資成本	<b>36,445</b>	35,104
Operating cash flows before movements in working capital	營運資金調撥前之經營現金流量	<b>(3,049)</b>	(10,640)

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Decrease in inventories	存貨減少	-	2,871
Decrease in trade receivables	貿易應收款項減少	283	17,439
(Increase) decrease in prepayments, deposits and other receivables	預付款項、按金及其他應 收款項(增加)減少	(330)	15,271
Increase (decrease) in trade payables	貿易應付款項增加 (減少)	1,069	(11,417)
Decrease in accruals	應計費用減少	(371)	(15,344)
(Decrease) increase in amount due to a related company	應付一間關連公司款項 (減少)增加	(163)	22,675
Cash (used in) generated from operations	(耗於)／來自經營業務之 現金	(2,561)	20,855
Hong Kong Profits Tax refunded	已退回香港利得稅	-	27
<b>Net cash (used in) generated from operating activities</b>	<b>(耗於)／來自經營業務之 現金淨額</b>	<b>(2,561)</b>	<b>20,882</b>
<b>Investing activities</b>	<b>投資業務</b>		
Purchase of property, plant and equipment	購買物業、廠房及設備	(21)	(2,544)
Repayment from (advance to) a related company	一間關連公司還款 (墊款)	7,171	(7,171)
Acquisition of subsidiaries, net	收購附屬公司所得款項 淨額	-	(884)
Derecognition of cash of subsidiaries deconsolidated	取消確認已取消綜合 附屬公司之現金	-	(4)
Interests received	已收利息	-	16
Proceeds from disposal of property, plant and equipment	出售物業、廠房及 設備所得款項	-	637
Disposal of subsidiaries other than those classified as discontinued operations, net	出售附屬公司(分類為終 止經營業務之附屬公司 除外)之淨額	-	16,933
Disposals of subsidiaries classified as discontinued operations, net	出售分類為終止經營業務 之附屬公司淨額	-	222,790
<b>Net cash generated from investing activities</b>	<b>來自投資業務之現金淨額</b>	<b>7,150</b>	<b>229,773</b>



# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>Financing activities</b>	<b>融資業務</b>		
(Repayment to) advance from a shareholder	(償還股東)股東墊款	<b>(14,277)</b>	5,930
Repayment of promissory notes	償還承兌票據	-	(250,000)
Interest paid on bank borrowings	銀行借貸已付利息	-	(649)
Payment for share issue expenses	股份發行開支付款	-	(200)
Interest paid on overdraft and other borrowings	已付透支及其他借貸利息	-	(100)
Interest paid on obligations under finance leases	融資租賃責任已付利息	-	(90)
Proceeds from issue of ordinary shares	發行普通股所得款項	-	5,000
<b>Net cash used in financing activities</b>	<b>耗於融資業務之 現金淨額</b>	<b>(14,277)</b>	(240,109)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>現金及現金等值項目 (減少)／增加淨額</b>	<b>(9,688)</b>	10,546
<b>Cash and cash equivalents at the beginning of the year</b>	<b>年初之現金及現金等值 項目</b>	<b>25,544</b>	16,477
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動之影響</b>	-	(1,479)
<b>Cash and cash equivalents at the end of the year, represented by bank balances and cash</b>	<b>年末之現金及現金等值 項目，指銀行結存及 現金</b>	<b>15,856</b>	25,544

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are Claredon House, 2 Church Street, Hamilton HM11, Bermuda and Suite 3404, 34th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong, respectively.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 38.

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

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group had net liabilities of HK\$231,420,000 as at 31 December 2010. The consolidated financial statements have been prepared on a going concern basis as the directors of the Company believe that the below proposed transaction would improve the Group's liquidity position.

### 1. 一般事項

本公司乃一間在百慕達註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點之地址分別為Claredon House, 2 Church Street, Hamilton HM11, Bermuda 及香港中環夏慤道12號美國銀行中心34樓3404室。

本公司為一間投資控股公司，其附屬公司之主要業務載於附註38。

綜合財務報表以港元（其與本公司之功能貨幣相同）呈列。

### 2. 綜合財務報表編製基準

於編製綜合財務報表時，鑑於本集團於二零一零年十二月三十一日之負債淨額為231,420,000港元，本公司董事已審慎考慮本集團之未來流動資金狀況。由於本公司董事相信採取下列建議交易可改善本集團之流動資金狀況，因此綜合財務報表乃按持續經營基準編製。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

On 25 January 2011, the Company entered into a conditional sale and purchase agreement for the disposal of the entire issued share capital of Sourcestar Profits Limited ("Sourcestar"), whose principal asset is the entire interest in the Pacific Choice Group (as defined in note 3), to an independent third party, Good Choice Development Ltd. (the "Disposal Agreement"). On the same date, a non-refundable deposit of HK\$50,000,000 has been received by the Group. The directors considered that the proposed disposal once executed, would also have the following major financial impacts to the Group:

- (i) a promissory note of HK\$200,000,000 maturing twelve months from the date of completion of the transaction would be issued by the buyer in favor of the Group upon completion of the proposed transaction;
- (ii) the net liabilities of Sourcestar and the Pacific Choice Group, amounting to HK\$27,032,000 as at 31 December 2010 would be derecognised from the consolidated financial statement of the Group; and
- (iii) any payment obligations for any outstanding amounts of the convertible bonds issued by the Company would be paid by the purchaser to the holders of the convertible bonds, or, as the case may be, such payment obligations would be discharged by the Company, as stipulated in the Disposal Agreement.

The above transaction constitutes a very substantial disposal under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and is subject to the approvals of the Stock Exchange and the shareholders.

### 2. 綜合財務報表編製基準 (續)

於二零一一年一月二十五日，本公司就向獨立第三方Good Choice Development Ltd.出售Sourcestar Profits Limited (「Sourcestar」) (其主要資產為Pacific Choice集團(定義見附註3)之全部股權)之全部已發行股本簽訂有條件買賣協議(「出售協議」)。同日，本集團已收取不可退還按金50,000,000港元。董事認為，建議出售一旦進行，亦會對本集團造成下列主要財務影響：

- (i) 自交易完成日起計12個月內到期之200,000,000港元承兌票據將由買方於建議交易完成後以本集團為受益人發行；
- (ii) Sourcestar及Pacific Choice集團於二零一零年十二月三十一日之負債淨額27,032,000港元將自本集團之綜合財務報表內取消確認；及
- (iii) 由本公司發行之可換股債券之任何尚未償還之金額之任何付款責任將由買方向可換股債券持有人支付(或視情況而定)，有關付款義務將由本公司解除(如出售協議所訂明)。

根據聯交所證券上市規則(「上市規則」)第十四章，上述交易已構成一項非常重大出售事項，並須取得聯交所及股東之批准，方可作實。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

The consolidated financial statements have been prepared on a going concern basis even though the Group is currently in the process of seeking for the necessary approvals for the executions of the Disposal Agreement as the directors of the Company are of the view that it is more probable than not that the Disposal Agreement would eventually be granted and the disposal be successfully implemented. If the above mentioned attempts fail, the Group does not rule out taking legal actions against the respective parties.

The Group has also been continuing to explore opportunities for investments in companies or projects with solid business platforms and prospects as part of its strategies for the long-term development.

However, should the Group be unable to complete the disposal as mentioned above, adjustments might have to be made to the carrying values of the Group's assets to state them at their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities to current assets and liabilities, respectively.

### 2. 綜合財務報表編製基準 (續)

儘管本集團現時正就實施出售協議尋求必要批准，惟本公司董事認為出售協議將有較大可能最終獲授出及出售事項將成功實施，故綜合財務報表已按持續經營基準編製。倘上文所述之嘗試失敗，則本集團不會排除會對相關訂約方採取法律行動。

本集團亦持續物色具有穩健業務平台及前景之公司或項目之投資機遇以作為其長期發展策略之一部分。

然而，倘本集團未能完成上文所述之出售事項，本集團資產之賬面值或須作出調整，以列示其可收回金額，為或會產生之任何進一步負債作出撥備，並將非流動資產及負債分別重新分類為流動資產及負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT EVENTS

During the current and prior years, the Group had the following significant events:

(i) **Acquisition of Pacific Choice Holdings Limited (“Pacific Choice”) and its subsidiaries (collectively referred to as the “Pacific Choice Group”)**

Pursuant to the announcement of the Company dated 15 January 2009, the Group completed the acquisition of the entire issued share capital of Pacific Choice and its shareholders' loans outstanding due to China Eagle Development Limited (“China Eagle”) and Fairtime International Limited (“Fairtime”) (collectively referred to as the “Vendors”) as at a total consideration of HK\$2,700,000,000. Included in the conditions precedent is the completion of the reorganization whereas certain patents and machineries beneficially owned by 台灣微型影像有限公司 Taiwan Micro Display Corp. (“TMDC”) be registered under or owned by the Pacific Choice Group. Despite certain closing conditions of the acquisition were not fulfilled in its entirety, they were waived by the Company thereof and the acquisition was therefore considered as completed on 15 January 2009. In the opinion of the directors, the Vendors and TMDC are considered as independent to the Group.

At the time of the acquisition, the Pacific Choice Group was in the course of setting up the manufacturing base in the People's Republic of China (the “PRC”) for the production of liquid crystal on silicon (“LCoS”) television.

### 3. 重大事件

於本年度及過往年度，本集團有以下重大事件：

(i) **收購Pacific Choice Holdings Limited (「Pacific Choice」) 及其附屬公司 (統稱「Pacific Choice 集團」)**

根據本公司日期為二零零九年一月十五日之公佈，本集團完成收購Pacific Choice之全部已發行股本及其結欠China Eagle Development Limited (「China Eagle」)及Fairtime International Limited (「Fairtime」) (統稱「該等賣方」)之未償還股東貸款，總代價為2,700,000,000港元。先決條件包括完成重組，據此，由台灣微型影像有限公司(「台灣微型影像」)實益擁有之若干專利及機器將以Pacific Choice集團名義註冊或由其擁有。儘管收購事項之若干成交條件尚未全面達成，而該等條件已就此獲本公司豁免，故收購事項被視為於二零零九年一月十五日完成。董事認為，該等賣方及台灣微型影像被視為獨立於本集團。

於進行收購事項時，Pacific Choice集團正於中華人民共和國(「中國」)設立生產基地，以生產硅液晶體(「LCoS」)電視。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT EVENTS (continued)

#### (i) Acquisition of Pacific Choice Holdings Limited (“Pacific Choice”) and its subsidiaries (collectively referred to as the “Pacific Choice Group”) (continued)

Under the acquisition agreement, the above mentioned consideration was settled by:

- (a) cash as to HK\$25,000,000;
- (b) promissory notes due in 2011 issued by Sourcestar to China Eagle, as to HK\$375,000,000 (“Promissory Notes”);
- (c) zero-coupon convertible bonds due in 2014 issued by the Company (“Tranche 1 Bonds”) to China Eagle as to HK\$67,800,000;
- (d) Tranche 1 Bonds to Fairtime as to HK\$45,000,000;
- (e) Tranche 1 Bonds to TMDC as to HK\$187,200,000; and
- (f) zero-coupon convertible bonds due in 2014 issued by the Company to China Eagle and Fairtime in their respective equity interest in Pacific Choice if the following condition is met:
  - (l) as to HK\$600,000,000 if the aggregate profits of Pacific Choice Group for the six months ended 30 June 2009 reached certain predetermined levels (“Tranche 2 Bonds”);

### 3. 重大事件 (續)

#### (i) 收購Pacific Choice Holdings Limited (「Pacific Choice」) 及其附屬公司 (統稱「Pacific Choice 集團」) (續)

根據收購協議，上述代價乃按以下方式償付：

- (a) 25,000,000港元以現金方式償付；
- (b) 375,000,000港元以Sourcestar向China Eagle發行於二零一一年到期之承兌票據(「承兌票據」)之方式償付；
- (c) 67,800,000港元以本公司向China Eagle發行於二零一四年到期之零息可換股債券(「第一批債券」)之方式償付；
- (d) 45,000,000港元以發行第一批債券予Fairtime之方式償付；
- (e) 187,200,000港元以發行第一批債券予台灣微型影像之方式償付；及
- (f) 倘下列條件獲達成，本公司按China Eagle及Fairtime各自於Pacific Choice之股權發行於二零一四年到期之零息可換股債券予彼等：
  - (l) 倘Pacific Choice集團於截至二零零九年六月三十日止六個月之總溢利達致若干預定水平，則600,000,000港元以上述方式(發行「第二批債券」)償付；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT EVENTS (continued)

#### (i) Acquisition of Pacific Choice Holdings Limited (“Pacific Choice”) and its subsidiaries (collectively referred to as the “Pacific Choice Group”) (continued)

(f) (continued)

- (II) as to HK\$600,000,000 if the aggregate profits of Pacific Choice Group for the year ended 31 December 2009 reached certain predetermined levels (“Tranche 3 Bonds”); and
- (III) as to HK\$800,000,000 if the aggregate profits of Pacific Choice Group for the eighteen months ended 30 June 2010 reached certain predetermined levels (“Tranche 4 Bonds”).

Details of the acquisition of Pacific Choice Group are set out in note 29.

Since certain of the closing conditions have not been fulfilled but waived by the Company thereof, all of the Tranche 1 Bonds are deposited with an escrow agent pursuant to an escrow agreement until all conditions, pursuant to a supplementary agreement signed among the Vendors, TMDC, and the Company, have been fulfilled. Such conditions, among others, including the release of the pledges created on certain machineries in favor of certain banks in Taiwan to be delivered to the Pacific Choice Group, and the establishment of the production plant in the PRC and in normal operations. In addition, as set out in note 24, the maturity of the Promissory Notes were extended to January 2012.

### 3. 重大事件 (續)

#### (i) 收購 Pacific Choice Holdings Limited (「Pacific Choice」) 及其附屬公司 (統稱「Pacific Choice 集團」) (續)

(f) (續)

- (II) 倘 Pacific Choice 集團於截至二零零九年十二月三十一日止年度之總溢利達致若干預定水平，則 600,000,000 港元以上述方式（發行（「第三批債券」））償付；及
- (III) 倘 Pacific Choice 集團於截至二零一零年六月三十日止十八個月之總溢利達致若干預定水平，則 800,000,000 港元以上述方式（發行（「第四批債券」））償付。

收購 Pacific Choice 集團之詳情載於附註 29。

由於若干成交條件未獲達成但已就此獲本公司豁免，因此，根據賣方、台灣微型影像與本公司簽訂之補充協議，所有第一批債券已根據託管協議由託管代理寄存，直至所有條件獲達成為止。有關條件（其中包括）包括解除就將交付予 Pacific Choice 集團之若干機器以若干台灣銀行為受益人而創立之抵押，及成立中國生產廠房並正常運作。此外，誠如附註 24 所載，承兌票據之到期日已延長至二零一二年一月。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT EVENTS (continued)

#### (ii) Deconsolidation of the PRC Subsidiary and recognition of available-for-sale investment and impairment loss of the Pacific Choice Remaining Group

Due mainly to the non-cooperation of the management of the Pacific Choice Group, the board of directors of the Company has been unable to obtain and access to the books and records of 聯合光電(蘇州)有限公司 United Opto-Electronics (Suzhou) Co., Ltd. (the "PRC Subsidiary"), a subsidiary of Pacific Choice, after 30 November 2009 and resolved that it no longer had the power to govern the financial and operating policies of the PRC Subsidiary, and accordingly the control over the PRC Subsidiary was lost on that date. The PRC Subsidiary has therefore been deconsolidated from the consolidated financial statements of the Company and recognised as available-for-sale investment from 1 December 2009 onwards. As the assets of the PRC Subsidiary and the planned operations thereof predominantly accounted for the reason of which the Company acquired the Pacific Choice Group, the loss of the control over the PRC Subsidiary effectively impaired any practical value of the entire Pacific Choice Group, if any, and therefore, the directors of the Company considered that the entities comprising the Pacific Choice Group other than the PRC Subsidiary (the "Pacific Choice Remaining Group") should be fully impaired at the same date.

### 3. 重大事件 (續)

#### (ii) 取消綜合中國附屬公司及確認可供出售投資及Pacific Choice餘下集團之減值虧損

主要由於Pacific Choice集團管理層並不合作，本公司董事會於二零零九年十一月三十日後無法獲取及查閱Pacific Choice之一間附屬公司聯合光電(蘇州)有限公司(「中國附屬公司」)之賬簿及記錄，並議決其不再有權力規管中國附屬公司之財務及營運政策，且因此已於該日失去對中國附屬公司之控制權。因此，自二零零九年十二月一日起，中國附屬公司已自本公司之綜合財務報表取消綜合入賬，並已確認為可供出售投資。由於中國附屬公司之資產及其計劃之營運乃本公司收購Pacific Choice集團之主要原因，故失去對中國附屬公司之控制權已實際上影響Pacific Choice集團之整體實用價值(如有)，因此，本公司董事認為Pacific Choice集團旗下各實體(中國附屬公司除外)(「Pacific Choice餘下集團」)應於同日悉數減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT EVENTS (continued)

#### (ii) Deconsolidation of the PRC Subsidiary and recognition of available-for-sale investment and impairment loss of the Pacific Choice Remaining Group (continued)

As set out in the consolidated statement of comprehensive income and notes 15 and 30 to the consolidated financial statements, the Group recorded a loss on deconsolidation of the PRC Subsidiary and an impairment loss of the Pacific Choice Remaining Group of HK\$721,000 and HK\$602,085,000 respectively for the year ended 31 December 2009, based on the unaudited consolidated statement of financial position of the Pacific Choice Group as at 30 November 2009 and its unaudited statement of comprehensive income for the period from 15 January 2009 (date of acquisition) to 30 November 2009 (date of deconsolidation), which are the latest management accounts available to the directors of the Company.

As all of the Group's operations in production of LCoS television were carried out by the Pacific Choice Group, the operating segment of LCoS television was accordingly classified as discontinued operations during the year ended 31 December 2009.

Details of the deconsolidation of the PRC Subsidiary and recognition as available-for-sale investment and the impairment loss of the Pacific Choice Remaining Group are stated in notes 30 and 15.

### 3. 重大事件 (續)

#### (ii) 取消綜合中國附屬公司及確認可供出售投資及Pacific Choice餘下集團之減值虧損 (續)

誠如綜合全面收益表及綜合財務報表附註15及30所載，根據Pacific Choice集團於二零零九年十一月三十日之未經審核綜合財務狀況表及其自二零零九年一月十五日(收購日期)起至二零零九年十一月三十日(取消綜合日期)止期間之未經審核全面收益表(即本公司董事可取得之最近期管理賬目)，本集團於截至二零零九年十二月三十一日止年度錄得取消綜合中國附屬公司之虧損及Pacific Choice餘下集團之減值虧損分別為721,000港元及602,085,000港元。

由於本集團生產LCoS電視業務全部由Pacific Choice集團進行，因此，於截至二零零九年十二月三十一日止年度，LCoS電視經營分部被分類為終止經營業務。

取消綜合中國附屬公司及確認可供出售投資及Pacific Choice餘下集團之減值虧損詳情會於附註30及15描述。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT EVENTS (continued)

#### (iii) Progress of disposal of Pacific Choice Group

As the original production plan has not been realised and certain terms/undertakings of the acquisition agreement to be performed on the part of the Vendors and TMDC have not been performed, despite the acquisition of Pacific Choice Group has been completed in January 2009, and continual requests by the Group's management seeking the Pacific Choice Group's assistance and fulfillment of the agreed terms, the Group on 5 March 2010 issued a demand letter to the Vendors and the warrantors requesting them to provide satisfactory explanations and to suggest remedial actions. No reply has been received from the Vendors or the warrantors.

The Company held a board meeting on 20 April 2010 and resolved that the Company would first negotiate with the Vendors and the warrantors for a proposal to sell the Pacific Choice Group back to the Vendors. Subject to the terms of the proposed disposal to be agreed, Tranche 1 Bonds and promissory notes issued to the Vendors and TMDC as part of the consideration of the acquisition may be required to be cancelled. Further details are set out in the Company's circular dated 23 April 2010.

As set out in note 2, the Company entered into the Disposal Agreement with an independent third party for the disposal of the Pacific Choice Group. The proposed disposal, which is subject to the approval from shareholders, has not been completed up to the date of this report.

### 3. 重大事件 (續)

#### (iii) 出售Pacific Choice集團之進展

由於原生產計劃並無落實及將由賣方及台灣微型影像履行之收購協議之若干條款／承諾尚未履行，儘管收購Pacific Choice集團已於二零零九年一月完成，以及儘管本集團之管理層不斷要求尋求Pacific Choice集團之協助及履行協定條款，本集團遂於二零一零年三月五日向賣方及擔保人發出請求函，要求彼等提供令人滿意之解釋並提出補救措施。惟並未收到賣方或擔保人之任何回覆。

本公司於二零一零年四月二十日舉行董事會會議並議決本公司將首先與賣方及擔保人協商向賣方售回Pacific Choice集團之建議。受將予協定之建議出售之條款所規限，發行予賣方及台灣微型影像作為收購事項部份代價之第一批債券及承兌票據可能須予以註銷。進一步詳情載於本公司日期為二零一零年四月二十三日之通函。

誠如附註2所載，本公司與獨立第三方就出售Pacific Choice集團訂立出售協議。建議出售須待取得股東批准後，方可作實。直至本報告日期，建議出售尚未完成。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT EVENTS (continued)

#### (iv) Discontinued operations of sales of electronic products

On 26 February 2009, the Group completed its disposals of the 100% interests in each of Xinyu Electronics Limited, Joyham Jade Limited, Sabic Electronic Limited and Habermann Limited (collectively referred to as the "Electronic Products Disposal Group"), all of which were engaged in the business of sales of electronic products, at an aggregate consideration of HK\$250,000,000. The details are set out in note 10.

As all of the Group's operations in the sales of electronic products were carried out by the Electronic Products Disposal Group, the operating segment of electronic products was accordingly classified as discontinued operations during the year ended 31 December 2009.

#### (v) Disposal of other subsidiaries

The Group also disposed of its interests in Tachibana Limited and China Ample Investments Limited, both of which were not classified as discontinued operations, during the year ended 31 December 2009, as set out in note 31.

### 3. 重大事件 (續)

#### (iv) 終止銷售電子產品之經營業務

於二零零九年二月二十六日，本集團完成出售新域電子有限公司、Joyham Jade Limited、Sabic Electronic Limited及Habermann Limited（統稱為「電子產品出售集團」，彼等均從事銷售電子產品業務）各自之全部權益，總代價為250,000,000港元。詳情載於附註10。

由於本集團銷售電子產品業務全部由電子產品出售集團進行，因此，於截至二零零九年十二月三十一日止年度，電子產品經營分部被分類為終止經營業務。

#### (v) 出售其他附屬公司

誠如附註31所載，於截至二零零九年十二月三十一日止年度，本集團亦出售其於Tachibana Limited及China Ample Investments Limited之權益，該兩家公司均未被分類為終止經營業務。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

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

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

HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK-Int 5	Presentation of Financial Statements – Classification by the Borrowers of a Term Loan that Contains a Repayment on Demand Clause

### 4. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團採納以下由香港會計師公會（「香港會計師公會」）頒佈之新訂及經修訂準則、修訂及詮釋（「新訂及經修訂香港財務報告準則」）。

香港會計準則 第27號（二零零八年經修訂）	綜合及獨立財務報表
香港會計準則 第39號（修訂本）	合資格對沖項目
香港財務報告準則 （修訂本）	香港財務報告準則第5號 之修訂，作為二零零八年香港財務報告準則 之改進部份
香港財務報告準則 （修訂本）	二零零九年香港財務報 告準則之改進
香港財務報告準則 第2號（修訂本）	集團以現金結算股份付 款交易
香港財務報告準則 第3號（經修訂）	業務合併
香港（國際財務報告 詮釋委員會） – 詮釋第17號	向擁有人分配非現金資 產
香港 – 詮釋第5號	財務報表呈報 – 借款人 對包含可隨時要求償 還條款之定期貸款之 分類

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

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

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

The Group applies HKFRS 3 (Revised 2008) “Business Combinations” prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) “Consolidated and Separate Financial Statements” in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current year in which HKFRS 3 (Revised 2008) and HKAS 27 (Revised 2008) applicable, the application of HKFRS 3 (Revised 2008), HKAS 27 (Revised 2008) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised 2008), HKAS 27 (Revised 2008) and the consequential amendments to the other HKFRSs are applicable.

#### 4. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」） (續)

除下文所述者外，採納新訂及經修訂香港財務報告準則對本集團本會計期間或過往會計期間之綜合財務報表並無造成重大影響。

本集團預期採用香港財務報告準則第3號（二零零八年經修訂）「業務合併」來處理收購日期為於二零一零年一月一日或其後開始之業務合併之會計事宜。香港會計準則第27號（經修訂）「綜合及獨立財務報表」中有關就於取得控制權後於一間附屬公司之擁有權變動及失去一間附屬公司控制權之會計處理之規定亦由本集團於二零一零年一月一日或之後預期應用。

由於本年度並無香港財務報告準則第3號（二零零八年經修訂）及香港會計準則第27號（二零零八年經修訂）適用之交易，故應用香港財務報告準則第3號（二零零八年經修訂）、香港會計準則第27號（二零零八年經修訂）及其他香港財務報告準則之相應修訂對本集團本會計期間或過往會計期間之綜合財務報表並無任何影響。

本集團於未來期間之業績可能受香港財務報告準則第3號（二零零八年經修訂）、香港會計準則第27號（二零零八年經修訂）及其他香港財務報告準則之相應修訂適用之未來交易所影響。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

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

#### New and revised Standards and Interpretations issued but not yet effective

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

HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets <sup>1</sup>
HKAS 24 (Revised 2009)	Related Party Disclosures <sup>2</sup>
HKAS 32 (Amendments)	Classification of Rights Issues <sup>3</sup>
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 <sup>4</sup>
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters <sup>5</sup>
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters <sup>6</sup>
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets <sup>6</sup>
HKFRS 9 (Revised 2010)	Financial Instruments <sup>7</sup>
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement <sup>2</sup>
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments <sup>5</sup>

### 4. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」） (續)

#### 已頒佈但尚未生效之新訂及經修訂準則及詮釋

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂準則、修訂或詮釋。

香港會計準則 第12號（修訂本）	遞延稅項：收回相關資產 <sup>1</sup>
香港會計準則第24號 （二零零九年經修訂）	關連人士披露 <sup>2</sup>
香港會計準則 第32號（修訂本）	供股之分類 <sup>3</sup>
香港財務報告準則 （修訂本）	二零一零年頒佈之香港財務報告準則之改進 <sup>4</sup>
香港財務報告準則 第1號（修訂本）	香港財務報告準則第7號對首次採納者披露比較數字之有限豁免 <sup>5</sup>
香港財務報告準則 第1號（修訂本）	嚴重高通脹及剔除首次採納者之固定日期 <sup>6</sup>
香港財務報告準則 第7號（修訂本）	披露－轉讓金融資產 <sup>6</sup>
香港財務報告準則第9號 （二零一零年經修訂）	金融工具 <sup>7</sup>
香港（國際財務報告詮釋委員會） －詮釋第14號 （修訂本）	最低資金要求之預付款項 <sup>2</sup>
香港（國際財務報告詮釋委員會） －詮釋第19號	以股本工具抵銷金融負債 <sup>5</sup>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

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

#### New and revised Standards and Interpretations issued but not yet effective (continued)

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

HKFRS 9 “Financial Instruments” issued in November 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 (Revised 2010) adds the requirements for the financial liabilities and for derecognition. Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.

### 4. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 已頒佈但尚未生效之新訂及經修訂準則及詮釋（續）

- <sup>1</sup> 於二零一二年一月一日或其後開始之年度期間生效
- <sup>2</sup> 於二零一一年一月一日或其後開始之年度期間生效
- <sup>3</sup> 於二零一零年二月一日或其後開始之年度期間生效
- <sup>4</sup> 於二零一零年七月一日及二零一一年一月一日（如適用）或其後開始之年度期間生效
- <sup>5</sup> 於二零一零年七月一日或其後開始之年度期間生效
- <sup>6</sup> 於二零一一年七月一日或其後開始之年度期間生效
- <sup>7</sup> 於二零一三年一月一日或其後開始之年度期間生效

於二零零九年十一月頒佈之香港財務報告準則第9號「金融工具」對金融資產之分類及計量引入新規定。香港財務報告準則第9號（二零一零年經修訂）加入有關金融負債及取消確認之規定。根據香港財務報告準則第9號，所有屬香港會計準則第39號「金融工具：確認及計量」範疇內之已確認金融資產，其後均按攤銷成本或公平值計量。尤其是，按商業模式持有而目的為收取合約現金流之債務投資，以及僅為支付本金額及未償還本金額之利息之合約現金流之債務投資，一般均於其後會計期間結束時按攤銷成本計量。所有其他債務投資及股本投資均於其後會計期間結束時按公平值計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

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

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

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

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of HKFRS 9 is not expected to have significant impact on amounts reported in respect of the Group's financial assets and liabilities based on the Group's financial instruments as at 31 December 2010.

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

#### 4. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」） (續)

就金融負債而言，主要變動乃與指定為按公平值計入損益之金融負債有關。尤其是，根據香港財務報告準則第9號，就指定為按公平值計入損益之金融負債而言，因金融負債之信貸風險有變而導致其公平值變動之款額，乃於其他全面收益呈列，除非於其他全面收益呈報該負債信貸風險變動之影響，會產生或增加損益之會計錯配，則作別論。因金融負債之信貸風險而導致其公平值變動其後不會重新分類至損益。過往，根據香港會計準則第39號，指定為按公平值計入損益之金融負債之全部公平值變動款額均於損益中確認。

香港財務報告準則第9號於二零一三年一月一日或其後開始之年度期間生效，並可提早應用。

董事預期，香港財務報告準則第9號將於本集團二零一三年一月一日開始之年度期間之綜合財務報表中採納，並預期應用香港財務報告準則第9號不會對就本集團金融資產及負債根據本集團於二零一零年十二月三十一日之金融工具所呈報之款額構成重大影響。

本公司董事預期，應用其他新訂及經修訂準則、修訂或詮釋不會對本集團之業績及財務狀況構成重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

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

##### Restatements

The Directors have re-evaluated the circumstances that led to the recognition by the Group of the loss on deconsolidation of the Pacific Choice Group in 2009, and have determined that while it was appropriate to deconsolidate the PRC operating subsidiary on the basis of loss of control, the Group did retain control over the intermediate companies incorporated in the British Virgin Islands, including Sheenway Limited, which holds the patents.

The restatement has no effect on the consolidated statement of financial position as all relevant balances at 31 December 2009 had been written down to zero. In the notes to the consolidated statement of financial position these write downs have been re-designated as impairment losses.

In the consolidated statement of comprehensive income the presentation of the related impairments previously included in the loss on deconsolidation of subsidiaries have been included in the loss for the year from discontinued operations as set out below.

#### 4. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」） (續)

##### 重列

董事已對導致確認本集團於二零零九年取消綜合Pacific Choice集團時之虧損進行重新評估，並已釐定雖然按失去控制權之基準取消綜合中國經營附屬公司乃屬適當，惟本集團仍保留對於英屬處女群島註冊成立之中介公司（包括持有專利之Sheenway Limited）之控制權。

由於於二零零九年十二月三十一日之全部相關結餘已撇減至零，故重列對綜合財務狀況表並無影響。於綜合財務狀況表附註內之該等撇減已重新歸類為減值虧損。

於綜合全面損益表呈列先前計入取消綜合附屬公司虧損之相關減值已計入如下文所載之來自終止經營業務本年度虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

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

#### Change in presentation on discontinued operations

In the current year, the directors of the Company have determined to discontinue the LCoS television business, accordingly the consolidated statement of comprehensive income has been reclassifying to reflect the discontinued operations. Prior year figures have been re-presented accordingly.

The effect of changes in presentation for the prior year by line items presented in the consolidated statement of comprehensive income is as follows:

### 4. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 呈列終止經營業務之變動

於本年度，本公司之董事已決定終止經營LCoS電視業務，因此，綜合全面損益表已重新分類以反映終止經營業務。過往年度之數字已作出相應重列。

於綜合全面損益表所呈列項目過往年度之呈列方式變動之影響如下：

		Year ended 31 December 2009 截至二零零九年 十二月三十一日 止年度 HK\$'000 千港元
Decrease in administrative expenses	行政開支減少	(1,944)
Decrease in gain on disposal of discontinued operations	出售終止經營業務收益減少	90,828
Decrease in loss on deconsolidation of subsidiaries	取消綜合附屬公司虧損減少	(602,806)
Increase in loss for the year from discontinued operations	來自終止經營業務本年度虧損增加	513,922
Change in loss for the year	本年度虧損變動	—

No consolidated statement of financial position as at 1 January 2009 is presented as the reclassifications disclosed above have no effect on the financial position of the Group presented in the consolidated statement of financial position for all financial reporting periods.

並無呈列於二零零九年一月一日之綜合財務狀況表，因上文披露之重新分類概無對所有財務報告期間之綜合財務狀況表所呈列之本集團財務狀況造成影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies set out below.

#### Basis of consolidation

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

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

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

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

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

### 5. 主要會計政策

綜合財務報表乃按照香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表載有上市規則及香港公司條例規定的適用披露。

綜合財務報表乃以歷史成本為基礎編製。歷史成本一般根據貨品交換所指的代價之公平值計算。

主要會計政策載列如下。

#### 綜合基準

綜合財務報表載有本公司及受本公司所控制的實體（其附屬公司）的財務報表。當本公司擁有權力監管一間實體的財務及營運政策，從而可於業務中獲取利益時，便取得控制權。

年內所收購或出售的附屬公司的業績，由實際收購日期起或直至實際出售日期止（如適用）於綜合全面損益表中列賬。

倘有需要時，會對附屬公司的財務報表作出調整，以使附屬公司的會計政策與本集團其他成員公司所用者相符一致。

所有集團內公司間交易、結餘、收入及開支已於綜合賬目時抵銷。

於附屬公司之非控股權益與本集團於其中的權益分開呈列。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Business combinations

##### *Business combinations that took place prior to 1 January 2010*

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that met the relevant conditions for recognition were generally recognised at their fair values at the acquisition date.

Goodwill arising on acquisition was recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the recognised amounts of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment, the Group's interest in the recognised amounts of the acquiree's identifiable assets, liabilities and contingent liabilities exceeded the cost of the acquisition, the excess was recognised immediately in profit or loss.

The minority interest in the acquiree was initially measured at the minority interest's proportion share of the recognised amounts of the assets, liabilities and contingent liabilities recognised.

Contingent consideration was recognised, if and only if, the contingent consideration was probable and could be measured reliably. Subsequent adjustments to contingent liabilities of the acquiree.

### 5. 主要會計政策 (續)

#### 業務合併

##### 於二零一零年一月一日前發生的業務合併

收購業務乃按購買法列賬。收購成本乃以本集團為取得被收購方的控制權而已給予的資產、已產生或承擔的負債及已發行的股權工具於交易當日的公平值總和，加上業務合併直接應佔的任何成本計量。被收購方符合相關確認條件的可識別資產、負債及或有負債一般於收購日期按其公平值確認。

收購所產生的商譽（即業務合併成本超出本集團於已確認之可識別資產、負債及或有負債的金額中所佔權益的部分）乃確認為資產，並初步按成本計量。倘於重估後，本集團所佔被收購方已確認可識別資產、負債及或有負債的權益高於收購成本，則該超出部分即時於損益賬確認。

被收購方之少數股東權益初步按少數股東權益所佔已確認資產、負債及或有負債的已確認金額比例計量。

或然代價僅會於有可能發生及能可靠計量之情況下方可確認。隨後對被收購方的或然負債作出調整。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Business combinations (continued)

##### Business combinations that took place prior to 1 January 2010 (continued)

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units ("CGU"), or groups of CGU, that are expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

### 5. 主要會計政策 (續)

#### 業務合併 (續)

##### 於二零一零年一月一日前發生的業務合併 (續)

以分階段形式進行之業務合併按每階段分別入賬。商譽於每階段分別確定。任何新增收購均不會影響以往已確認之商譽。

就減值測試而言，本集團向預期將自合併產生之協同效益中受惠之每個現金產生單位（「現金產生單位」）或現金產生單位組合分配商譽。

本集團會每年及於現金產生單位之商譽有任何減值跡象時就獲分配商譽之單位進行或更頻繁地進行減值測試。倘現金產生單位之可收回金額少於其賬面金額，則本集團首先會分配減值虧損以減少該單位獲分配之任何商譽之賬面金額，再根據該單位之各項資產之賬面金額按比例分配至該單位之其他資產。任何商譽減值虧損直接於損益確認。就商譽確認之減值虧損於之後期間不得撥回。

出售有關現金產生單位時，計算出售之損益金額時會計入商譽之可供分派金額。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Revenue recognition

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

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

#### Property, plant and equipment

Property, plant and equipment, including land and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than properties under construction less their residual value over their estimated useful lives, using either the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 5. 主要會計政策 (續)

#### 收入確認

收入按所收取或應收取代價的公平值計量，相等於在正常業務過程中就所出售貨品及提供之服務而應收取的金額（經扣除折扣）。

銷售貨品的收入在有關貨品付運及所有權已轉讓時確認。

#### 物業、廠房及設備

物業、廠房及設備（包括持有用作生產或供應貨品或服務，或作行政用途之土地及樓宇）按成本減其後累計折舊及累計減值虧損列賬。

除在建物業外，物業、廠房及設備按其估計可使用年期，經扣除其估計剩餘價值後以直線法確認折舊以撇銷成本。估計可使用年期、剩餘價值及折舊方法均於各報告期末作檢討，任何估計變動所產生的影響按往後適用基準入賬。

物業、廠房及設備的項目於出售或預期日後繼續使用資產時不再產生經濟利益時終止確認。因物業、廠房及設備的項目的出售或報廢乃按出售所得款項與有關資產賬面值的差額計算而釐定，並於損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leasing

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

#### *The Group as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

#### Intangible assets

##### *Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible other than goodwill assets below).

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

### 5. 主要會計政策 (續)

#### 租賃

租約條款列明將所有權的絕大部分風險及回報轉移予承租人的租約分類為融資租約。所有其他租約則被分類為經營租約。

#### *本集團作為承租人*

經營租約付款以直線法按租約年期確認為開支。

#### 無形資產

##### *業務合併收購之無形資產*

業務合併所收購之無形資產與商譽分開確認及初步按該等資產於收購日期之公平值確認。

於初步確認後，有限定可使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。有限定可使用年期之無形資產按其估計可使用年期以直線法予以攤銷。而無有限定可使用年期之無形資產則按成本減任何其後累計減值虧損（見下文有關有形及無形資產（商譽除外）減值虧損之會計政策）列賬。

無形資產於出售或預期其用途或出售不會帶來任何未來經濟利益時終止確認。終止確認無形資產時產生的收益及虧損乃以出售所得款項淨額與該資產賬面值的差額計算，並於該資產終止確認時在損益賬內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### *Financial assets*

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

### 5. 主要會計政策 (續)

#### 金融工具

金融資產及金融負債乃於某集團實體成為工具合同條文的訂約方時在綜合財務狀況表內確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(透過損益以公平值列賬的金融資產及金融負債除外)直接應佔的交易成本乃於初步確認時,計入金融資產或金融負債的公平值內或自當中扣除(如適用)。收購透過損益以公平值列賬的金融資產或金融負債直接產生的交易成本即時於損益中確認。

#### 金融資產

本集團的金融資產被分類為貸款及應收款項以及可供出售金融資產。以常規方式購買或出售金融資產以交易日期基準確認及終止確認。以常規方式購買或出售是指要求在相關市場中之規則或慣例約定之時間內交付資產之金融資產買賣。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

###### Effective interest method

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

Income is recognised on an effective interest basis for debt instruments.

###### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each end of the reporting period subsequent to initial recognition, loans and receivables (including trade receivables, amount due from a related company and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

###### Available-for-sale financial assets

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

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each end of the reporting period subsequent to initial recognition (see accounting policy on impairment loss on financial assets below).

### 5. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

###### 實際利率法

實際利率法乃計算金融資產的攤銷成本及按有關期間攤分利息收入的方法。實際利率乃於最初確認時將估計日後現金收入（包括所有費用、已付或已收構成整體實際利率一部份的積分、交易成本及其他溢價或折讓）按金融資產的預期使用年期或（倘合適）較短期間準確折現至賬面淨值的利率。

就債務工具而言，收入按實際利率基準確認。

###### 貸款及應收款項

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款之非衍生金融資產。於初次確認後各報告期末，貸款及應收款項（包括貿易應收款項、應收一間關連公司款項以及銀行結存及現金）採用實際利率法攤銷成本，減任何已識別減值虧損列賬。

###### 可供出售金融資產

可供出售金融資產為指定或未有劃分為按公平值計入損益的金融資產、貸款及應收款項或持有至到期投資的非衍生工具。

在活躍市場並無報價及其公平值未能可靠計量之可供出售股本投資，以及與該等無報價股本工具有關並須於結算時交付之衍生工具而言，於初步確認後之各報告期末，乃按成本減任何已識別減值虧損計量（參見下文有關金融資產減值之會計政策）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

##### Impairment of financial assets

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

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

For loans and receivables, objective evidence of impairment could include:

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

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

### 5. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 金融資產的減值

於報告期末評定金融資產是否有減值跡象。當有客觀證據顯示金融資產的估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時，即對該金融資產確認減值。

就可供出售股本投資而言，該投資之公平值大幅或持久低於成本被視為減值之客觀證據。

對於貸款及應收款項而言，減值的客觀證據可包括：

- 發行人或對手方出現重大財政困難；
- 未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

就若干類別金融資產（例如應收貿易款項）而言，不會單獨評估作出減值的資產會於其後匯集一併評估減值。貿易應收款項及應收票據組合出現減值的客觀證據包括本集團過往收款記錄、組合內超出平均信貸期的延遲付款數量有所增加、國家或地區經濟狀況出現明顯變動（與應收款項未能償還的情況吻合）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

##### Impairment of financial assets (continued)

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

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

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

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income.

### 5. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 金融資產的減值 (續)

對於按攤銷成本列賬的金融資產而言，減值虧損乃當有客觀證據證明資產減值時於損益中確認，並按該資產的賬面值與按原先實際利率折讓之估計未來現金流量之現值間的差額計量。

所有金融資產的減值虧損會直接於金融資產的賬面值中作出扣減，而金融資產的賬面值會透過撥備賬作出扣減。撥備賬內的賬面值變動會於損益中確認。當應收按揭貸款項被視為不可收回時，其將於撥備賬內撇銷。之前已撇銷的款項如其後收回，將計入損益內。

對於按攤銷成本計值的金融資產而言，倘減值虧損金額於隨後期間有所減少，而有關減少在客觀上與確認減值虧損後發生的事件有關，則先前已確認的減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日的賬面值不得超過未確認減值時之已攤銷成本。

可供出售股本投資之減值虧損將不會於以後期間撥回損益中。任何減值虧損後之公平值上升於其他全面收入中直接確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

##### Effective interest method

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

Interest expense is recognised on an effective interest basis.

##### Convertible bonds issued by the Company

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

### 5. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融負債及股本

集團實體發行的金融負債及股本工具乃根據合約安排的性質與金融負債及股本工具的定義分類。

股本工具乃證明本集團於扣減所有負債後的資產中擁有剩餘權益之任何合約。

##### 實際利率法

實際利率法乃計算金融負債的攤銷成本及按有關期間攤分利息支出的方法。實際利率乃將估計日後現金付款按金融負債的預期年限，或（倘合適）較短期間準確折現的利率。

利息支出按實際利率基準確認。

##### 本公司所發行之可換股債券

本公司所發行之可換股債券同時包括負債及轉換期權部分，於初步確認時分別歸類為其各自之項目。倘轉換期權將透過以固定金額之現金或其他金融資產換取固定數目之本公司股本工具結算，則分類為股本工具。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Financial liabilities and equity (continued)

##### Convertible bonds issued by the Company (continued)

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

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

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

### 5. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融負債及股本 (續)

##### 本公司所發行之可換股債券 (續)

於初步確認時，負債部分之公平值乃按類似之非可換股債務之現行市場利率釐定。發行可換股貸款票據之所得款項總額與指定至負債部分（即可讓持有人將債券轉換為權益之轉換期權）之公平值之差額列入權益（可換股債券儲備）。

於往後期間，可換股債券之負債部分採用實際利率法按攤銷成本列賬。權益部分，即可將負債部分兌換為本公司普通股之期權，將保留於可換股債券儲備內，直至附有期權獲行使為止（在此情況下，可換股債券權益儲備之結餘將轉撥至股份溢價）。倘期權於到期日尚未獲行使，可換股債券儲備之結餘將轉撥至累計虧損。兌換期權或期權到期時將不會於損益確認任何盈虧。

與發行可換股債券有關之交易成本，按所得款項總額之分配比例撥往負債及權益部分。與權益部分有關之交易成本直接於股本內扣除。有關負債部分之交易成本計入負債部分之賬面值，並於可換股債券期間採用實際利率法攤銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial liabilities and equity (continued)

##### Other financial liabilities

Financial liabilities of the Group including trade payables, amount due to a related company and a shareholder and promissory notes are subsequently measured at amortised cost, using the effective interest method.

##### Equity instruments

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

#### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

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

### 5. 主要會計政策 (續)

#### 金融工具 (續)

#### 金融負債及股本 (續)

##### 其他金融負債

本集團之金融負債包括貿易應付款項、應付一間關連公司及一名股東款項及承兌票據，其後乃以實際利率法按攤銷成本計量。

##### 股本工具

本公司發行的股本工具乃按已收所得款項（扣除直接發行成本）記賬。

#### 終止確認

當從資產獲取現金流量的權利屆滿時，或當金融資產被轉讓，而本集團已將絕大部分的金融資產擁有權的風險及回報轉讓時，金融資產便會被終止確認。

當金融資產悉數終止確認時，資產的賬面值與已收及應收代價款項之間的差額，以及已直接於權益中確認的累計盈虧將於損益中確認。

當有關合約內所列明的責任獲解除、取消或屆滿時，金融負債便會終止確認。終止確認的金融負債的賬面值與已付及應付代價之間的差額於損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the translation reserve.

### 5. 主要會計政策 (續)

#### 外幣

在編製各個別集團實體的財務報表時，以實體功能貨幣以外貨幣（外幣）進行的交易按各項功能貨幣（即實體經營所在的主要經濟環境的貨幣）於交易日通用的匯率記錄。於報告期末，以外幣列值的貨幣項目以該日通用的匯率重新換算。按以外幣計值的公平值入賬的非貨幣項目按公平值釐定日期通用的匯率重新換算。以外幣歷史成本計算的非貨幣項目不會重新換算。

結算及重新換算貨幣項目時產生的匯兌差額會於產生期間在損益確認。

為呈報綜合財務報表，本集團海外業務的資產及負債乃按報告期末的通用匯率換算為本集團的呈列貨幣（即港元），而其收支項目按年內平均匯率換算，除非期內匯率大幅波動，則於此情況下，將採用交易日期之匯率換算。匯兌差額（如有）於其他全面收入中確認，並於權益（匯兌儲備）中累積。有關換算差額於該項海外業務出售期間重新歸類至損益內。

於二零零五年一月一日或之後，於收購海外業務時產生之有關所收購可識別資產之商譽及公平值調整乃作為該海外經營業務之資產及負債處理，並按於報告期末之適用匯率進行換算。產生之匯兌差額乃於換算儲備內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the “MPF Scheme”) and a defined contribution provident fund under Occupational Retirement Scheme Ordinance (the “ORSO Scheme”) are charged as expenses when employees have rendered service entitling them to the contributions.

#### Taxation

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

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

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

### 5. 主要會計政策 (續)

#### 退休福利成本

向強制性公積金計劃(「強積金計劃」)及職業退休計劃條例項下定額供款公積金(「職業退休計劃」)之供款，於僱員提供服務而符合享有供款資格時列為開支。

#### 稅項

所得稅開支指現時應付的稅項及遞延稅項總和。

現時應付的稅項以年內的應納稅溢利為基礎。應納稅溢利有別於綜合全面收入報表所報的溢利，由於其不包括於其他年度應納稅或可扣稅的收入或開支項目，且亦不包括不應納稅或不可扣稅的項目。本集團目前的稅務責任乃採用報告期末已制定或大致上已制定的稅率計算。

遞延稅項就綜合財務報表內資產及負債的賬面值與用以計算應納稅溢利的相關稅基的暫時差額而確認。遞延稅項負債一般就所有應納稅暫時差額確認。倘有應納稅溢利以致可動用可扣稅暫時差額，遞延稅項資產一般就所有可扣稅暫時差額確認。倘暫時差額來自商譽或來自一項不會影響應納稅溢利或會計溢利的交易的其他資產及負債的初步確認(業務合併除外)，該等資產及負債不會予以確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation (continued)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

### 5. 主要會計政策 (續)

#### 稅項 (續)

遞延稅項負債乃按因於附屬公司之投資而產生的應課稅暫時差額而確認，惟若本集團可令暫時差額撥回及暫時差額有可能未必於可見將來撥回之情況除外。與該等投資有關的可扣稅暫時差額所產生的遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額的益處且預計於可見將來可以撥回時確認。

於各報告期末審閱遞延稅項資產的賬面值，及倘應納稅溢利不再足夠收回全部或部分資產，即減少遞延稅項資產的賬面值。

遞延稅項資產及負債乃根據於報告期末已實施或大致上已實施的稅率（及稅法），按預期於負債清償或資產變現期間適用的稅率計算。

遞延稅項負債與資產的計算，反映按照本集團於報告期末時預期收回或清償資產及負債賬面值的方式所產生稅務結果。遞延稅項於損益內確認，惟倘遞延稅項涉及於其他全面收入或直接在權益確認項目，則遞延稅項亦會於其他全面收入或直接於權益內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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

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

### 5. 主要會計政策 (續)

#### 除商譽外之有形及無形資產之減值虧損 (請參閱上文有關商譽之會計政策)

於報告期末，本集團審閱其有形及無形資產之賬面值以釐定是否有任何跡象顯示該等資產遭受減值虧損。倘有任何該等跡象存在，則估計該資產之可收回金額，以釐定減值虧損的程度（若有）。倘估計資產之可收回金額低於其賬面值，則資產賬面值減至其可收回金額。減值虧損即時確認為支出。

倘其後撥回減值虧損，則資產賬面值乃增至其經修訂估計可收回金額，惟增加後之賬面值不得超逾假設過往年度並無就資產確認減值虧損原應釐訂之賬面值。減值虧損撥回即時確認為收入。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 6. REVENUE

Revenue from continuing operations represents revenue arising from the sales of conductive silicon rubber keypads for the year. The operating division of electronic products were regarded as discontinued operations during the year ended 31 December 2009. An analysis of the Group's revenue for the year is as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Sales of conductive silicon rubber keypads	銷售導電硅橡膠按鍵	26,524	43,485
<b>Discontinued operations</b>	<b>終止經營業務</b>		
Sales of electronic products	銷售電子產品	-	90,787
		<b>26,524</b>	<b>134,272</b>

### 7. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker ("CODM"), for the purpose of resource allocation and assessment of segment performance focuses on types of goods sold.

The Group currently has only one operating segment, namely conductive silicon rubber keypads, which engages in the business of trading of conductive silicon rubber keypads.

The operating segment of electronic products was discontinued during the year ended 31 December 2009 following the disposals of the Electronic Products Disposal Group, which carried out all of the Group's operations of sales of electronic products. In the current year the directors have determined to discontinue the LCoS television business and accordingly the LCoS television segment also constitutes a discontinued operation of the Group. For HKFRS 8 reporting purposes, each of these two operations were separate operating segments of the Group in 2009.

### 6. 收益

持續經營業務之收益指於本年度銷售導電硅橡膠按鍵產生之收益。於截至二零零九年十二月三十一日止年度，電子產品之經營分部被視作終止經營業務。本集團於本年度之收益分析如下：

### 7. 分部資料

就資源分配及分部表現評估而言，向為主要經營決策者（「主要經營決策者」）之本公司董事會呈報之資料集中於已售貨品類別。

本集團現時僅設有一個經營分部，即導電硅橡膠按鍵，該分部從事導電硅橡膠按鍵貿易業務。

於出售電子產品出售集團（其進行本集團所有銷售電子產品營運）後，電子產品之經營分部已於截至二零零九年十二月三十一日止年度終止。本年度，董事已決議終止LCoS電視業務，故LCoS電視分部亦構成本集團之終止經營業務。就香港財務報告準則第8號報告而言，該兩項營運各自構成本集團於二零零九年之獨立經營分部。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 7. SEGMENT INFORMATION (continued)

#### Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment:

For the year ended 31 December 2010

		Continuing operations 持續經營業務	Discontinued operations 終止經營業務	Total
		Conductive Silicon Rubber keypads and segment total 導電硅橡膠 按鍵及 分部合計 HK\$'000 千港元	LCoS television and segment total LCoS 電視及 分部合計 HK\$'000 千港元	合計 HK\$'000 千港元
Revenue – External sales	收益—外部銷售	26,524	–	26,524
Segment results	分部業績	1,273	–	1,273
Unallocated income (expenses) items:	未分配收入(開支)項目:			
Central administration costs and directors' salaries	中央行政成本及董事薪金	(6,356)	–	(6,356)
Reversal of impairment loss recognised in respect of intangible asset	就無形資產確認之減值虧損撥回	–	50,000	50,000
Gain on extension of maturity of promissory notes	延長承兌票據到期日之收益	11,908	–	11,908
Finance costs	融資成本	(36,445)	–	(36,445)
(Loss) profit before taxation	除稅前(虧損)溢利	(29,620)	50,000	20,380

### 7. 分部資料(續)

#### 分部收益及業績

以下為本集團按經營分部劃分之收益及業績分析:

截至二零一零年十二月三十一日止年度

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 7. SEGMENT INFORMATION (continued)

#### Segment revenue and results (continued)

For the year ended 31 December 2009

		Continuing operations 持續經營業務			Discontinued operations 終止經營業務			Segment total	Total
		Conductive Silicon Rubber keypads 導電 硅橡膠按鍵 HK\$'000 千港元	Elimination	Segment total	LCoS television	Electronic products	Elimination		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
<b>Revenue</b>	<b>收益</b>								
External sales	外部銷售	43,485	-	43,485	-	90,787	90,787	134,272	
Inter-segment sales*	分部間銷售*	1,443	(1,443)	-	-	673	(673)	-	
		44,928	(1,443)	43,485	-	91,460	(673)	134,272	
<b>Segment results</b>	<b>分部業績</b>	<b>(20,931)</b>	<b>(770)</b>	<b>(21,701)</b>	<b>(1,944)</b>	<b>4,401</b>	<b>770</b>	<b>(18,474)</b>	
Unallocated income (expenses) items:	未分配收入(開支)項目:								
Unallocated income	未分配收入			124			209	333	
Central administration costs and directors' salaries	中央行政成本及董事薪金			(4,702)			(3,703)	(8,405)	
Gain on cancellation of promissory notes	註銷承兌票據之收益			28,297			-	28,297	
Loss on early redemption of promissory notes	提早贖回承兌票據之虧損			(61,351)			-	(61,351)	
Gain on disposal of subsidiaries other than those classified as discontinued operations	出售附屬公司(分類為終止經營業務之附屬公司除外)之收益			19,018			-	19,018	
Fair value changes on derivative financial instruments	衍生金融工具公平值變動			-			564	564	
Finance costs	融資成本			(34,313)			(791)	(35,104)	
				(74,628)			(494)	(75,122)	
Loss on deconsolidation of a subsidiary	取消綜合一間附屬公司之虧損			-			(721)	(721)	
Impairment loss recognised in respect of goodwill and intangible asset	就商譽及無形資產確認之減值虧損			-			(602,085)	(602,085)	
Gain on disposal of discontinued operations	出售終止經營業務之收益			-			90,828	90,828	
Loss before taxation	除稅前虧損			(74,628)			(512,472)	(587,100)	

\* Inter-segment sales are charged at prevailing market rates.

Segment profit (loss) represents profit (loss) earned (incurred) by each segment without absorption of unallocated income (expense) items, details of which are set out above. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

### 7. 分部資料(續)

#### 分部收益及業績(續)

截至二零零九年十二月三十一日止年度

\* 分部間銷售按現行市價計算收入。

分部溢利(虧損)指各分部所賺取(產生)之溢利(虧損),並無合併未分配收入(開支)項目,詳情載於上文。這為呈報至主要營運決策者之措施,以進行分配資源及評估表現。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 7. SEGMENT INFORMATION (continued)

#### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

### 7. 分部資料 (續)

#### 分部資產及負債

以下為本集團按經營分部劃分之資產及負債之分析：

		2010 二零一零年			2009 二零零九年
		Continuing operations	Discontinued operations	Total	Continuing operations and total
		持續經營業務	終止經營業務	合計	持續經營業務及合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>Segment Assets</b>	<b>分部資產</b>				
Conductive silicon rubber keypads segment	導電硅橡膠按鍵分部	5,925	-	5,925	15,409
LCoS television	LCoS電視	-	50,000	50,000	-
Total segment assets	總分部資產	5,925	50,000	55,925	15,409
Bank balances and cash	銀行結餘及現金	15,856	-	15,856	25,544
Other unallocated assets	其他未分配資產	436	-	436	89
Consolidated assets	綜合資產	22,217	50,000	72,217	41,042
<b>Segment Liabilities</b>	<b>分部負債</b>				
Conductive silicon rubber keypads segment and total segment liabilities	導電硅橡膠按鍵分部及總分部負債	1,196	-	1,196	132
Unallocated liabilities	未分配負債	302,441	-	302,441	296,759
Consolidated liabilities	綜合負債	303,637	-	303,637	296,891

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 7. SEGMENT INFORMATION (continued)

#### Segment assets and liabilities (continued)

No analysis for the Group's assets and liabilities attributable to discontinued operations has been presented since all of such operations have been disposed/deconsolidated/ impaired of as at 31 December 2009. As at 31 December 2010, the assets attributable to LCoS television represents the assets whose impairment loss reversed during the year then ended.

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

- all assets are allocated to operating segments other than property, plant and equipment, prepayments and bank balances and cash; and
- all liabilities are allocated to operating segments other than accruals, amounts due to a related company and a shareholder, promissory notes, convertible bonds and deferred tax liabilities.

### 7. 分部資料 (續)

#### 分部資產及負債 (續)

由於有關業務於二零零九年十二月三十一日已全數出售／取消綜合／減值，故概無呈列終止經營業務應佔本集團之資產及負債之分析。於二零一零年十二月三十一日，LCoS電視應佔之資產指於截至該日止年度內撥回減值虧損之資產。

就監察分部表現及在各分部間分配資源而言：

- 除物業、廠房及設備、預付款項及銀行結存及現金外，所有資產已分配至經營分部；及
- 除應計費用、應付一間關連公司及一名股東款項、承兌票據、可換股債券及遞延稅項負債外，所有負債已分配至經營分部。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 7. SEGMENT INFORMATION (continued)

#### Other segment information

For the year ended 31 December 2010

### 7. 分部資料 (續)

#### 其他分部資料

截至二零一零年十二月三十一日止年度

	Continuing operations			Discontinued operations	
	持續經營業務			終止經營業務	
	Conductive silicon rubber keypads and segment total	Unallocated	Segment total	LCoS television and segment total	Consolidated
	導電硅橡膠按鍵及分部合計	未分配	分部合計	LCoS電視及分部合計	綜合
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Amounts included in the measure of segment results:	計量分部業績所包括之款項:				
Impairment loss recognised on trade receivables	於貿易應收款項確認之減值虧損	2,030	-	2,030	-
Amounts regularly provided to the CODM but not included in the measure of segment results or segment assets:	定期提供予主要營運決策者但在計量分部業績或分部資產時並無計及之款項:				
Reversal of impairment loss recognised in respect of intangible asset	就無形資產確認之減值虧損撥回	-	-	-	50,000
Gain on extension of maturity of promissory notes	承兌票據到期日延期之收益	-	11,908	11,908	-
Additions to non-current assets	添置非流動資產	-	21	21	-
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	-	4	4	-
Finance costs	融資成本	-	36,445	36,445	-

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 7. SEGMENT INFORMATION (continued)

#### Other segment information (continued)

For the year ended 31 December 2009

	Continuing operations 持續經營業務			Discontinued operations 終止經營業務				Total 合計
	Conductive silicon rubber keypads 導電 硅橡膠按鍵 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元	LCoS television LCoS電視 HK\$'000 千港元	Electronic products 電子產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元	
Amounts included in the measure of segment results or segment assets:	計量分部業績或分部資產所包括之款項：							
Additions to non-current assets (note)	添置非流動資產(附註)							
Depreciation of property, plant and equipment	1,237	1,307	2,544	1,268	-	-	1,268	3,812
Release of prepaid lease payments	8,980	-	8,980	414	3,504	409	4,327	13,307
Impairment loss recognised on trade receivables	98	-	98	-	62	-	62	160
Written down of obsolete and slow moving inventories	614	-	614	-	1,542	-	1,542	2,156
	12	-	12	-	-	-	-	12
Amounts regularly provided to the CODM but not included in the measure of segment results or segment assets:	定期提供予主要營運決策者但在計量分部業績或分部資產時並無計及之款項：							
Gain on cancellation of promissory notes	註銷承兌票據之收益							
Loss on early redemption of promissory notes	-	28,297	28,297	-	-	-	-	28,297
Gain on disposal of subsidiaries other than those classified as discontinued operations	-	61,351	61,351	-	-	-	-	61,351
Loss on deconsolidation of a subsidiary	-	19,018	19,018	-	-	-	-	19,018
Impairment loss recognised in respect of goodwill and intangible asset	-	-	-	721	-	-	721	721
Gain on disposal of discontinued operations	-	-	-	602,805	-	-	602,805	602,805
Fair value charges of derivative financial instruments	-	-	-	-	90,828	-	90,828	90,828
	-	-	-	-	564	-	564	564

Note: Non-current assets exclude financial instruments.

附註：非流動資產不包括金融工具。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 7. SEGMENT INFORMATION (continued)

#### Information about major customers

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

Customer A <sup>1</sup>	客戶A <sup>1</sup>
Customer B <sup>1</sup>	客戶B <sup>1</sup>
Customer C <sup>1</sup>	客戶C <sup>1</sup>
Customer D <sup>1</sup>	客戶D <sup>1</sup>

<sup>1</sup> Revenue from conductive silicon rubber keypads

<sup>2</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group for the relevant year.

No individual customer had accounted for more than 10% of the consolidated revenue for the year ended 31 December 2009.

### 7. 分部資料 (續)

#### 有關主要客戶之資料

於相應年度，對本集團銷售總額的收益貢獻超過10%的客戶如下：

#### Year ended 31 December 截至十二月三十一日止年度

<b>2010</b>	2009
二零一零年	二零零九年
<b>HK\$'000</b>	HK\$'000
千港元	千港元

<b>7,937</b>	不適用 N/A <sup>2</sup>
<b>5,180</b>	不適用 N/A <sup>2</sup>
<b>3,234</b>	不適用 N/A <sup>2</sup>
<b>2,858</b>	不適用 N/A <sup>2</sup>
<b>19,209</b>	

<sup>1</sup> 來自導電硅橡膠按鍵之收益

<sup>2</sup> 於相關年度，相應收益對本集團總收益貢獻未超過10%。

截至二零零九年十二月三十一日止年度，概無個別客戶佔綜合收益10%以上。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 7. SEGMENT INFORMATION (continued)

#### Geographical information

The Group's operations are mainly located in Hong Kong and the PRC.

The following table provides an analysis of the Group's revenue by geographical location of customers, irrespective of the origin of the goods and information about its non-current assets by geographical location of the assets.

### 7. 分部資料 (續)

#### 地區資料

本集團之經營主要位於香港及中國。

下表按客戶所在地區分析本集團之收益(並無計及貨物來源)及按資產所在地區分析其非流動資產之資料。

		Revenue from external customers from continuing and discontinued operations 來自持續經營業務及終止經營業務之外部客戶收益 Year ended 31 December 截至十二月三十一日止年度	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Sales of conductive silicon rubber keypads	銷售導電硅橡膠按鍵		
Hong Kong	香港	7,691	4,436
PRC	中國	18,833	39,044
Europe	歐洲	-	5
		<b>26,524</b>	43,485
Sales of electronic products	銷售電子產品		
Hong Kong	香港	-	58,981
PRC	中國	-	454
Europe	歐洲	-	12,127
Japan	日本	-	8,220
Other Asian countries	其他亞洲國家	-	9,209
America	美國	-	672
Others	其他地區	-	1,124
		-	90,787
		<b>26,524</b>	134,272

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 7. SEGMENT INFORMATION (continued)

#### Geographical information (continued)

		Non-current assets 非流動資產	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Hong Kong	香港	50,017	—

### 8. FINANCE COSTS

### 8. 融資成本

	Continuing operations 持續經營業務		Discontinued operations 終止經營業務		Consolidated 綜合	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interests on:	以下各項之利息：					
Bank loans wholly repayable within five years	須於五年內悉數償還之 銀行貸款					
	—	—	—	649	—	649
Bank overdrafts	—	48	—	52	—	100
Obligations under finance leases	—	—	—	90	—	90
Effective interests on:	以下各項之實際利息：					
Convertible bonds	24,604	20,974	—	—	24,604	20,974
Promissory notes	11,841	13,291	—	—	11,841	13,291
	36,445	34,313	—	791	36,445	35,104

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 9. INCOME TAX CREDIT

### 9. 所得稅抵免

	Continuing operations 持續經營業務		Discontinued operations 終止經營業務		Consolidated 綜合	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
The (credit) charge comprises:	(抵免)支出包括:					
Hong Kong Profits Tax	香港利得稅					
- overprovision in prior years	-	(34)	-	-	-	(34)
PRC Enterprise Income Tax ("EIT")	中國企業所得稅 ([企業所得稅])					
- underprovision in prior years	-	7	-	-	-	7
	-	(27)	-	-	-	(27)
Deferred tax (note 26)	遞延稅項(附註26)					
- Current year	(4,049)	(1,403)	-	-	(4,049)	(1,403)
	(4,049)	(1,430)	-	-	(4,049)	(1,430)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group has no assessable profits in Hong Kong for both years.

香港利得稅乃以兩個年度之估計應課稅溢利之16.5%計算。由於本集團於兩個年度於香港並無錄得應課稅溢利，因此並無於綜合財務報表內作出香港利得稅撥備。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the year ended 31 December 2009. No provision for PRC income tax had been made in the consolidated financial statements for the year ended 31 December 2009 as all of the PRC subsidiaries had no assessable profits for the year then ended. Subsequent to the disposals and deconsolidation of subsidiaries during the year ended 31 December 2009 and up to the date of this report, the Group had no operations in the PRC.

根據中國企業所得稅法([企業所得稅法])及企業所得稅法實施細則，中國附屬公司截至二零零九年十二月三十一日止年度之稅率為25%。由於所有中國附屬公司截至二零零九年十二月三十一日止年度並無錄得應課稅溢利，故並無於截至該日止年度之綜合財務報表內就中國所得稅作出撥備。於截至二零零九年十二月三十一日止年度出售及取消綜合附屬公司後及截至本報告日期，本集團於中國並無業務。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 9. INCOME TAX CREDIT (continued)

The income tax credit for the year can be reconciled to the profit (loss) per the consolidated statement of comprehensive income as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit (loss) before taxation:	除稅前溢利(虧損):		
Continuing operations	持續經營業務	(29,620)	(74,628)
Discontinued operations	終止經營業務	50,000	(512,472)
		<b>20,380</b>	(587,100)
Tax at domestic tax rate of 16.5% (2009: 25%)	按國內稅率16.5% (二零零九年: 25%) 計算之稅項	3,363	(146,775)
Tax effect of expenses not deductible for tax purposes	不可扣稅支出之稅務影響	1,177	173,025
Tax effect of income not taxable for tax purposes	毋須繳稅收入之稅務影響	(8,263)	(34,536)
Effect of tax losses not recognised	未確認稅項虧損之影響	3	7,434
Utilisation of tax losses previously not recognised	動用之前尚未確認之稅項虧損	(329)	(551)
Overprovision in respect of prior years	過往年度超額撥備	-	(27)
Tax credit for the year	年度稅項抵免	<b>(4,049)</b>	(1,430)

The domestic tax rate (representing Hong Kong Profits Tax rate for the year ended 31 December 2010 and PRC EIT rate for the year ended 31 December 2009) in the jurisdiction where the operations of the Group is substantively based is used.

### 9. 所得稅抵免 (續)

於本年度內，所得稅抵免與綜合全面收益表內溢利(虧損)對賬如下：

實質上使用根據本集團經營活動所在司法權區之國內稅率(即截至二零一零年十二月三十一日止年度之香港利得稅稅率及截至二零零九年十二月三十一日止年度之中國企業所得稅稅率)。

### 10. DISCONTINUED OPERATIONS

Year ended 31 December 2009

As explained in note 7, the operating segments of sales of electronic products and LCoS television were classified as discontinued operations during the year ended 31 December 2009.

### 10. 終止經營業務

截至二零零九年十二月三十一日止年度

誠如附註7所述，截至二零零九年十二月三十一日止年度，出售電子產品及LCoS電視之經營分部分類為終止經營業務。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 10. DISCONTINUED OPERATIONS

(continued)

The net assets of the discontinued operations at the relevant dates of disposal of the Electronic Products Disposal Group and date of deconsolidation of the PRC Subsidiary and impairment of the Pacific Choice Remaining Group, other than the subsidiaries disposed of as set out in note 31, were as follows:

### 10. 終止經營業務 (續)

於出售電子產品出售集團之相關日期及取消綜合中國附屬公司日期之終止經營業務之資產淨值及Pacific Choice餘下集團(附註31所載之已售附屬公司除外)減值如下:

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度			
		Pacific Choice Group Pacific Choice 集團			Total
	Electronic Products Disposal Group 電子產品出售集團	PRC Subsidiary 中國附屬公司	Pacific Choice Remaining Group Pacific Choice 餘下集團		Total
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		HK\$'000 千港元
Net assets disposed of:	所出售之資產淨值:				
Investment properties	投資物業	77,402	-	-	77,402
Property, plant and equipment	物業、廠房及設備	137,354	854	-	138,208
Prepaid lease payments	預付租金	14,304	-	-	14,304
Intangible assets	無形資產	-	-	668,000	668,000
Goodwill	商譽	-	-	77,685	77,685
Inventories	存貨	68,164	2,730	-	70,894
Trade receivables	貿易應收款項	53,990	-	-	53,990
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	2,606	620	-	3,226
Bank balances and cash	銀行結存及現金	27,210	4	-	27,214
Trade payables	貿易應付款項	(71,341)	-	-	(71,341)
Accruals and other payables	應計費用及其他應付款項	(21,705)	(3,487)	-	(25,192)
Derivative financial instruments	衍生金融工具	(204)	-	-	(204)
Tax payable	應付稅項	(21,980)	-	-	(21,980)
Bank borrowings	銀行借貸	(54,170)	-	-	(54,170)
Obligation under finance lease	融資租賃責任	(650)	-	-	(650)
Deferred tax liabilities	遞延稅項負債	(17,352)	-	(143,600)	(160,952)
		193,628	721	602,085	796,434
Exchange reserve realised	已變現匯兌儲備	(34,456)	-	-	(34,456)
Gain on disposal	出售收益	90,828	-	-	90,828
Loss on deconsolidation of a subsidiary	取消綜合一間附屬公司之虧損	-	(721)	-	(721)
Impairment loss recognised in respect of goodwill and intangible asset	就商譽及無形資產確認之減值虧損	-	-	(602,085)	(602,085)
Total consideration	代價總額	250,000	-	-	250,000

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 10. DISCONTINUED OPERATIONS

(continued)

### 10. 終止經營業務 (續)

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度			
		Pacific Choice Group Pacific Choice 集團			Total
		Electronic Products Disposal Group 電子產品 出售集團 HK\$'000 千港元	PRC Subsidiary 中國 附屬公司 HK\$'000 千港元	Pacific Choice Remaining Group Pacific Choice 餘下集團 HK\$'000 千港元	合計 千港元
Satisfied by:	以下列方式支付：				
Cash	現金	250,000	–	–	250,000
Net cash inflow (outflow) arising on disposal:	出售產生之現金流入 (流出)淨額：				
Cash consideration	現金代價	250,000	–	–	250,000
Bank balances and cash disposed of	出售之銀行結存及現金	(27,210)	–	–	(27,210)
		222,790	–	–	222,790
Net cash outflow arising on deconsolidation:	取消綜合產生之現金流出淨額：				
Bank balances and cash derecognised	取消確認之銀行結存及現金	–	(4)	–	(4)
Net cash inflows (outflows) from the discontinued operations:	終止經營業務產生之現金流入 (流出)淨額：				
Net cash inflows from operating activities	來自經營業務之現金流入淨額	15,744	–	–	15,744
Net cash outflows from investing activities	來自投資業務之現金流出淨額	(306)	–	–	(306)
Net cash outflows from financing activities	來自融資業務之現金流出淨額	(1,471)	–	–	(1,471)
		13,967	–	–	13,967

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 10. DISCONTINUED OPERATIONS

(continued)

The results, and the gain on disposal, loss on deconsolidation and impairment loss of the discontinued operations for the period from 1 January 2009, or date of acquisition, if later, to the relevant dates of disposals/deconsolidation/impairment, which have been included in the consolidated statement of comprehensive income were as follows:

**From 1 January 2009, or date of acquisition, if later, to date of disposal/deconsolidation/impairment**

### 10. 終止經營業務 (續)

於二零零九年一月一日或收購日期(倘較後)至出售/取消綜合/減值之相關日期止期間之業績及出售終止經營業務之收益及取消綜合終止經營業務之虧損及其減值虧損(已計入綜合全面收益表)如下:

**自二零零九年一月一日或收購日期(倘較後)至出售/取消綜合/減值之日期**

		Pacific Choice Group Pacific Choice 集團			
		Electronic Products Disposal Group 電子產品 出售集團 HK\$'000 千港元	PRC Subsidiary 中國 附屬公司 HK\$'000 千港元	Pacific Choice Remaining Group 餘下集團 Pacific Choice HK\$'000 千港元	Total 合計 HK\$'000 千港元
Revenue	收入	90,787	-	-	90,787
Cost of goods sold	售貨成本	(78,072)	-	-	(78,072)
Other income	其他收入	209	-	-	209
Administrative expenses	行政開支	(10,302)	(1,944)	-	(12,246)
Distribution costs	分銷費用	(945)	-	-	(945)
Fair value changes on derivative financial instruments	衍生金融工具之 公平值變動	564	-	-	564
Finance costs	融資成本	(791)	-	-	(791)
Profit (loss) of discontinued operations for the period	終止經營業務之本期間 溢利(虧損)	1,450	(1,944)	-	(494)
Gain on disposal	出售收益	90,828	-	-	90,828
Loss on deconsolidation	取消綜合虧損	-	(721)	-	(721)
Impairment loss recognised in respect of goodwill and intangible asset	就商譽及無形資產確認 之減值虧損	-	-	(602,085)	(602,085)
		92,278	(2,665)	(602,085)	(512,472)



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 10. DISCONTINUED OPERATIONS

*(continued)*

#### *Year ended 31 December 2010*

As set out in note 18, impairment loss recognised in respect of the intangible asset of the Pacific Choice Remaining Group during the year ended 31 December 2009 was reversed during the year in profit or loss amounting to HK\$50,000,000, and included in the profit for the year from discontinued operations.

### 10. 終止經營業務 (續)

#### **截至二零一零年十二月三十一日止年度**

如附註18所載，截至二零零九年十二月三十一日止度，就Pacific Choice餘下集團無形資產確認之減值虧損已於本年度內在損益中撥回，金額為50,000,000港元，並已計入本年度來自終止經營業務之溢利內。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 11. PROFIT (LOSS) FOR THE YEAR

### 11. 本年度溢利(虧損)

		Continuing operations		Discontinued operations		Consolidated	
		持續經營業務		終止經營業務		綜合	
		2010	2009	2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Profit (loss) for the year has been arrived at after charging (crediting):	本年度溢利(虧損)經扣除(計入)下列項目後達致:						
Directors' remuneration (note 12)	董事酬金(附註12)	750	789	-	-	750	789
Other staff costs	其他員工成本						
- Salaries and other benefits	- 薪金及其他福利	495	18,012	-	15,214	495	33,226
- Retirement benefits scheme contribution	- 退休福利計劃供款	24	455	-	(204)	24	251
		519	18,467	-	15,010	519	33,477
Total staff costs	員工成本總額	1,269	19,256	-	15,010	1,269	34,266
Auditors' remuneration	核數師酬金	780	530	-	197	780	727
Depreciation of property, plant and equipment	物業、廠房及設備折舊						
- Owned assets	- 自置資產	4	8,980	-	3,882	4	12,862
- Assets held under finance leases	- 根據融資租賃持有之資產	-	-	-	445	-	445
Release of prepaid lease payments	解除預付租賃付款	-	98	-	62	-	160
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認之減值虧損	2,030	614	-	1,542	2,030	2,156
Cost of inventories recognised as expense	確認為開支之存貨成本	22,370	54,043	-	78,072	22,370	132,115
Written down of obsolete and slow moving inventories	陳舊及滯銷存貨撇減	-	12	-	-	-	12
Rental expenses	租金開支	492	1,556	-	55	492	1,611
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	287	-	-	-	287
Fair value gain of derivative financial instruments	衍生金融工具公平值收益	-	-	-	(564)	-	(564)
Exchange loss	外匯虧損	-	-	-	446	-	446
Exchange gain	外匯收益	-	(299)	-	-	-	(299)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 12. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES

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

#### (a) Directors' remuneration

For the year ended 31 December 2010

	Notes 附註	Fee 袍金 HK\$'000 千港元	Other emoluments 其他酬金		Total 合計 HK\$'000 千港元
			Salaries and other benefits 薪金及 其他福利 HK\$'000 千港元	Retirement benefits scheme contributions 退休福利 計劃供款 HK\$'000 千港元	
Executive directors:	執行董事:				
Mr. Sun Ying Chung	辛衍忠先生 (a)	-	-	-	-
Mr. Chan Sung Wai	陳崇煒先生 (a)	-	-	-	-
Mr. Wong King Lam, Joseph	黃景霖先生 (b)	325	-	12	337
		325	-	12	337
Non-executive directors:	非執行董事:				
Mr. Lee Kwok Leung	李國樑先生	120	-	-	120
Mr. Yang Yiu Chong, Ronald Jeffrey	楊耀宗先生	120	-	-	120
		240	-	-	240
Independent non-executive directors:	獨立非執行董事:				
Mr. Lum Pak Sum	林栢森先生 (c)	60	-	-	60
Mr. Law Chun Choi	羅進財先生 (d)	42	-	-	42
Mr. Mak Ka Wing, Patrick	麥家榮先生 (d)	42	-	-	42
Mr. Ho Lic Ki	何力驥先生 (e)	13	-	-	13
Mr. Chan Siu Wing, Raymond	陳兆榮先生 (f)	16	-	-	16
		173	-	-	173
Total emoluments	薪酬總額	738	-	12	750

### 12. 董事薪酬及最高薪僱員

已付或應付予十位(二零零九年:十四位)董事每位的酬金如下:

#### (a) 董事薪酬

截至二零一零年十二月三十一日止年度

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 12. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES (continued)

#### (a) Directors' remuneration (continued)

For the year ended 31 December 2009

	Notes 附註	Fee 袍金 HK\$'000 千港元	Other emoluments 其他酬金		Total 合計 HK\$'000 千港元
			Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Retirement benefits scheme contributions 退休福利計劃供款 HK\$'000 千港元	
<b>Executive directors: 執行董事:</b>					
Mr. Sun Ying Chung	(a)	–	–	–	–
Mr. Chan Sung Wai	(a)	–	–	–	–
Mr. Wong King Lam, Joseph	(b)	72	–	–	72
Mr. Tong Shek Lun	(g)	–	302	15	317
Mr. Chim Kim Lun, Ricky	(h)	–	–	–	–
Mr. Cheng Kwok Hing, Andy	(i)	–	–	–	–
		72	302	15	389
<b>Non-executive directors: 非執行董事:</b>					
Mr. Lee Kwok Leung		120	–	–	120
Mr. Yang Yiu Chong, Ronald Jeffrey		120	–	–	120
		240	–	–	240
<b>Independent non-executive directors: 獨立非執行董事:</b>					
Mr. Lum Pak Sum	(c)	40	–	–	40
Mr. Wan Hon Keung	(j)	48	–	–	48
Mr. Tse Yuk Kong	(k)	4	–	–	4
Mr. Chan Siu Wing, Raymond	(f)	45	–	–	45
Mr. Sun Yaoquan	(l)	10	–	–	10
Mr. Goh Gen Cheung	(m)	13	–	–	13
		160	–	–	160
<b>Total emoluments 薪酬總額</b>		<b>472</b>	<b>302</b>	<b>15</b>	<b>789</b>

### 12. 董事薪酬及最高薪僱員 (續)

#### (a) 董事薪酬 (續)

截至二零零九年十二月三十一日止年度

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 12. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES (continued)

#### (a) Directors' remuneration (continued)

Notes:

- (a) Mr. Sun Ying Chung and Mr. Chan Sung Wai were appointed on 16 April 2009.
- (b) Mr. Wong King Lam, Joseph was appointed on 12 October 2009.
- (c) Mr. Lum Pak Sum was appointed on 28 April 2009.
- (d) Mr. Law Chun Choi and Mr. Mak Ka Wing, Patrick were appointed on 22 April 2010.
- (e) Mr. Ho Lic Ki was appointed on 14 January 2010 and resigned on 9 April 2010.
- (f) Mr. Chan Siu Wing, Raymond was appointed on 2 April 2009 and resigned on 7 April 2010.
- (g) Mr. Tong Shek Lun resigned on 2 March 2009.
- (h) Mr. Chim Kim Lun, Ricky resigned on 16 April 2009.
- (i) Mr. Cheng Kwok Hing, Andy resigned on 22 April 2009.
- (j) Mr. Wan Hon Keung resigned on 31 December 2009.
- (k) Mr. Tse Yuk Kong was appointed on 2 March 2009 and resigned on 28 April 2009.
- (l) Mr. Sun Yaoquan resigned on 1 February 2009.
- (m) Mr. Goh Gen Cheung resigned on 9 February 2009.

No emoluments have been paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office and no directors have waived any emoluments in both years.

### 12. 董事薪酬及最高薪僱員 (續)

#### (a) 董事薪酬 (續)

附註:

- (a) 辛衍忠先生及陳崇煒先生於二零零九年四月十六日獲委任。
- (b) 黃景霖先生於二零零九年十月十二日獲委任。
- (c) 林栢森先生於二零零九年四月二十八日獲委任。
- (d) 羅進財先生及麥家榮先生於二零一零年四月二十二日獲委任。
- (e) 何力驥先生於二零一零年一月十四日獲委任並已於二零一零年四月九日辭任。
- (f) 陳兆榮先生於二零零九年四月二日獲委任並已於二零一零年四月七日辭任。
- (g) 唐錫麟先生於二零零九年三月二日辭任。
- (h) 詹劍崙先生於二零零九年四月十六日辭任。
- (i) 鄭國興先生於二零零九年四月二十二日辭任。
- (j) 溫漢強先生於二零零九年十二月三十一日辭任。
- (k) 謝旭江先生於二零零九年三月二日獲委任並已於二零零九年四月二十八日辭任。
- (l) 孫耀全先生於二零零九年二月一日辭任。
- (m) 葛根祥先生於二零零九年二月九日辭任。

於該兩個年度，本集團概無給予董事酬金作為彼等加入或於加入本集團時之獎金或離職補償，且概無董事放棄任何薪酬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 12. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES (continued)

#### (b) Five highest paid employees

Of the five individuals with the highest emoluments in the Group, three (2009: nil) were directors of the Company whose emoluments are included in the disclosure above. The emoluments of the remaining two (2009: five) individuals were as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salaries and other benefits	薪金其他福利	398	1,272
Retirement benefits	退休福利	19	49
		<b>417</b>	1,321

The emoluments of the two (2009: five) highest paid employees were within the following band of nil to HK\$1,000,000 during the year.

### 13. DIVIDENDS

No dividend has been paid or declared during each of the year ended 31 December 2009 and 2010. The directors do not recommend the payment of a final dividend for 2010 (2009: nil).

### 12. 董事薪酬及最高薪僱員 (續)

#### (b) 五位最高薪僱員

在本集團五位最高薪人士中，三位(二零零九年：無)為本公司董事，彼等之酬金披露於上文。餘下兩位(二零零九年：五位)人士之酬金如下：

年內，兩位(二零零九年：五位)最高薪僱員之酬金介乎以下零至1,000,000港元之範圍。

### 13. 股息

截至二零零九年及二零一零年十二月三十一日止各年內並無派付或宣派任何股息。董事並不建議派付二零一零年之末期股息(二零零九年：無)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 14. EARNINGS (LOSS) PER SHARE

#### (a) For continuing and discontinued operations

The calculation of the basic and diluted earnings (loss) per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

### 14. 每股盈利（虧損）

#### (a) 就持續經營業務及終止經營業務而言

本公司擁有人應佔持續經營業務及終止經營業務之每股基本及攤薄盈利（虧損）乃按下列數據計算：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<i>Profit (loss)</i>	<i>溢利（虧損）</i>		
Profit (loss) for the purpose of basic earnings (loss) per share	就計算每股基本盈利（虧損）之溢利（虧損）	<b>24,429</b>	(585,670)
Effects of dilutive potential ordinary shares:	潛在攤薄普通股之影響：		
Interest on convertible bonds (net of tax)	可換股債券利息（扣除稅項）	<b>20,544</b>	17,514
Profit (loss) for the purpose of diluted earnings (loss) per share	就計算每股攤薄盈利（虧損）之溢利（虧損）	<b>44,973</b>	(568,156)
		2010 二零一零年	2009 二零零九年
<i>Number of shares</i>	<i>股份數目</i>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings (loss) per share (in thousands)	就計算每股基本及攤薄盈利（虧損）之普通股加權平均數（以千計算）	<b>702,356</b>	699,616



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 14. EARNINGS (LOSS) PER SHARE

(continued)

#### (b) From continuing operations

The calculation of the basic and diluted earnings (loss) per share from continuing operations attributable to the owners of the Company is based on the following data:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元 (restated) (經重列)
<i>Loss</i>	<i>虧損</i>		
Loss for the purpose of basic loss per share	就計算每股基本虧損之虧損	<b>(25,571)</b>	(73,198)
Effects of dilutive potential ordinary shares:	潛在攤薄普通股之影響：		
Interest on convertible bonds (net of tax)	可換股債券利息 (扣除稅項)	<b>20,544</b>	17,514
Loss for the purpose of diluted loss per share	就計算每股攤薄虧損之虧損	<b>(5,027)</b>	(55,684)

The computation of diluted earnings (loss) per share from continuing and discontinued operations does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in decrease in loss per share from continuing operations for the year ended 31 December 2010 and 2009.

The denominators used are the same as those detailed above for both basic and diluted loss per share.

### 14. 每股盈利(虧損) (續)

#### (b) 來自持續經營業務

本公司擁有人應佔持續經營業務之每股基本及攤薄盈利(虧損)乃按下列數據計算：

由於本公司尚未行使可換股債券會導致截至二零一零年及二零零九年十二月三十一日止年度來自持續經營業務之每股虧損減少，故此，於計算來自持續經營業務及終止經營業務之每股攤薄盈利(虧損)時並無假設轉換該等債券。

所用分母與上文所述就計算每股基本及攤薄虧損所用者相同。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 14. EARNINGS (LOSS) PER SHARE

*(continued)*

#### (c) From discontinued operations (restated)

Basic and diluted earnings per share from the discontinued operations is HK7.12 cents per share (2009: basic and diluted loss per share of HK73.25 cents per share), based on profit for the year from the discontinued operations attributable to the owners of the Company of HK\$50,000,000 (2009: loss of HK\$512,472,000) and the denominators detailed above for basic earnings (loss) per share.

### 15. AVAILABLE-FOR-SALE INVESTMENT

As set out in notes 3 and 30, the Group lost the control over the PRC Subsidiary and it had been deconsolidated from the consolidated financial statements of the Company on 1 December 2009. The PRC Subsidiary has therefore been recognised by the Company as an available-for-sale investment since then.

### 14. 每股盈利（虧損）（續）

#### (c) 來自終止經營業務（經重列）

來自終止經營業務之每股基本及攤薄盈利為每股7.12港仙（二零零九年：每股基本及攤薄虧損73.25港仙），乃根據本公司擁有人應佔來自終止經營業務年度溢利50,000,000港元（二零零九年：虧損512,472,000港元）及上述每股基本盈利（虧損）之分母計算。

### 15. 可供出售投資

誠如附註3及30所載，本集團已失去於中國附屬公司之控制權而其已於二零零九年十二月一日自本公司之綜合財務報表內取消綜合入賬。因此，中國附屬公司自此已被本公司確認為可供出售投資。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 16. PROPERTY, PLANT AND EQUIPMENT AND PREPAID LEASE PAYMENTS

### 16. 物業、廠房及設備以及預付租金

#### (a) Property, plant and equipment

#### (a) 物業、廠房及設備

		Buildings	Leasehold improvements	Plant machinery and moulds	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	物業裝修	機器及模具	傢俬、裝置及辦公室設備	汽車	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
<b>COST</b>	<b>成本</b>						
At 1 January 2009	於二零零九年一月一日	23,709	6,890	50,224	14,218	1,116	96,157
Additions	添置	-	159	1,057	21	1,307	2,544
Acquisition of subsidiaries	收購附屬公司	-	1,268	-	-	-	1,268
Deconsolidation of a subsidiary	取消綜合一間附屬公司	-	(854)	-	-	-	(854)
Disposal of subsidiaries	出售附屬公司	(23,709)	(7,453)	(49,816)	(14,143)	(2,423)	(97,544)
Disposals	出售	-	(10)	(1,465)	(96)	-	(1,571)
At 31 December 2009	於二零零九年十二月三十一日	-	-	-	-	-	-
Additions	添置	-	-	-	21	-	21
At 31 December 2010	於二零一零年十二月三十一日	-	-	-	21	-	21
<b>DEPRECIATION</b>	<b>折舊</b>						
At 1 January 2009	於二零零九年一月一日	-	935	28,190	12,673	683	42,481
Provided for the year	本年度撥備	641	2,199	5,273	1,025	665	9,803
Eliminated on disposals	出售抵銷	-	-	(544)	(94)	-	(638)
Disposal of subsidiaries	出售附屬公司	(641)	(3,134)	(32,919)	(13,604)	(1,348)	(51,646)
At 31 December 2009	於二零零九年十二月三十一日	-	-	-	-	-	-
Provided for the year	本年度撥備	-	-	-	4	-	4
At 31 December 2010	於二零一零年十二月三十一日	-	-	-	4	-	4
<b>CARRYING VALUES</b>	<b>賬面值</b>						
<b>At 31 December 2010</b>	<b>於二零一零年十二月三十一日</b>	-	-	-	17	-	17
At 31 December 2009	於二零零九年十二月三十一日	-	-	-	-	-	-

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 16. PROPERTY, PLANT AND EQUIPMENT AND PREPAID LEASE PAYMENTS (continued)

#### (a) Property, plant and equipment (continued)

The above items of property, plant and equipment are depreciated on a straight-line basis, after taking into account of their residual values, at the following rates per annum:

Buildings	Over 50 years or the lease terms of the relevant land, if shorter
Leasehold improvements	25%
Plant, machinery and moulds	12.5% – 25%
Furniture, fixtures and office equipment	25%
Motor vehicles	25%

#### (b) Prepaid lease payments

The entire balance of prepaid lease payments of the Group have been disposed of together with the subsidiaries classified as discontinued operations set out in note 10 and other subsidiaries set out in note 31 during the year ended 31 December 2009.

### 17. CLUB DEBENTURE

The entire amount represented the entrance fee paid to a golf club held on long-term basis which has been disposed together with the subsidiaries as set out in note 31 during the year ended 31 December 2009.

### 16. 物業、廠房及設備及預付租金 (續)

#### (a) 物業、廠房及設備 (續)

上述物業、廠房及設備項目經計及其殘值後，每年按以下比率以直線法折舊：

樓宇	逾50年或相關土地租期兩者之較短者
租賃物業裝修	25%
廠房、機器及模具	12.5% – 25%
傢俬、裝置及辦公室設備	25%
汽車	25%

#### (b) 預付租金

截至二零零九年十二月三十一日止年度，本集團預付租金付款之全部餘額與分類為終止經營業務之附屬公司（如附註10所載）及其他附屬公司（如附註31所載）一起出售。

### 17. 會所債券

整個金額乃向一間高爾夫球會支付之入會費，按長期基準持有，該債券已於截至二零零九年十二月三十一日止年度內與附屬公司一起出售（載於附註31）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 18. INTANGIBLE ASSET

### 18. 無形資產

		Patents 專利 HK\$'000 千港元
<b>CARRYING VALUE</b>	<b>賬面值</b>	
At 1 January 2009	於二零零九年一月一日	–
Acquired on acquisition of subsidiaries (note 29)	因收購附屬公司而購入(附註29)	668,000
Impairment loss recognised in profit or loss (note 10)	於損益中確認之減值虧損(附註10)	(668,000)
At 31 December 2009	於二零零九年十二月三十一日	–
Reversal of impairment loss recognised in profit or loss	於損益中確認之減值虧損撥回	50,000
<b>At 31 December 2010</b>	<b>於二零一零年十二月三十一日</b>	<b>50,000</b>

On 15 January 2009, the Group acquired the Pacific Choice Group as set out in note 29, the fair value of the intangible asset was valued at approximately HK\$668,000,000 by Messrs. B.I. Appraisals Limited ("B.I. Appraisal"), independent qualified professional valuers, at that date based on discounted cash flow method.

於二零零九年一月十五日，本集團收購Pacific Choice集團(如附註29所載)，獨立合資格專業估值師保柏國際評估有限公司(「保柏國際評估」)於該日對無形資產之公平值根據貼現現金流量法進行估值約668,000,000港元。

The intangible asset comprises of patents and/or patents application in the PRC, Taiwan and the United States relating to micro-display elements and manufacturing of LCoS televisions and related components.

無形資產包括中國、台灣及美國有關微型顯示器元件及生產LCoS電視及相關部件之專利及／或專利應用。

The cost of the Group's intangible asset was to be amortised on a straight-line basis over the estimated remaining useful life of ten years. No amortisation is made for the year ended 31 December 2009 since the LCoS television business has not yet commenced before it is fully impaired during the year ended 31 December 2009 as set out in notes 3, 10 and 30.

本集團無形資產成本將按直線法於估計十年間之剩餘可使用年期攤銷。由於LCoS電視業務於截至二零零九年十二月三十一日止年度全數減值前尚未展開(如附註3、10及30所載)，故並無於截至二零零九年十二月三十一日止年度作出攤銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 18. INTANGIBLE ASSET (continued)

As set out in note 2, the Company entered into the Disposal Agreement with an independent third party pursuant to which the Group would dispose of the entire interest in Sourcestar and the Pacific Choice Group and a non-refundable deposit amounting HK\$50,000,000 has been received subsequent to the end of the reporting period. The directors determined that since the principal asset of the Pacific Choice Group was the patents used in the manufacturing of LCoS television and related components, the non-refundable deposit serves as a clear evidence of an increase in net realisable value of the Group's intangible asset and the impairment loss recognised during the year ended 31 December 2009 is therefore reversed by such amount of HK\$50,000,000. In the opinion of the directors, the carrying amount of the intangible asset will be recovered principally through the proposed disposal as set out in note 2.

### 18. 無形資產 (續)

如附註2所載，本集團與一名獨立第三方訂立出售協議，據此，本集團將出售Sourcestar及Pacific Choice集團之全部權益，而於報告期末後已收取為數50,000,000港元之不予退還按金。董事確定，由於Pacific Choice集團之主要資產為生產LCoS電視及相關部件所使用之專利，故不予退還按金為本集團無形資產之可變現淨值增加之明確證據，而截至二零零九年十二月三十一日止年度之已確認減值虧損因而被以有關金額50,000,000港元撥回。董事認為，無形資產之賬面值將主要透過建議出售（如附註2所載）收回。

### 19. GOODWILL

### 19. 商譽

		HK\$'000 千港元
<b>CARRYING AMOUNT</b>	<b>賬面值</b>	
At 1 January 2009	於二零零九年一月一日	-
Acquired on acquisition of subsidiaries (note 29)	因收購附屬公司而購入（附註29）	77,685
Impairment loss recognised in profit or loss (note 10)	於損益中確認之減值虧損（附註10）	(77,685)
<b>At 31 December 2009 and 2010</b>	<b>於二零零九年及二零一零年 十二月三十一日</b>	<b>-</b>

As set out in note 29, the entire balance of goodwill of the Group was arising on acquisition of the LCoS television business through acquisition of the Pacific Choice Group. For the purpose of impairment testing, goodwill and intangible assets of the Group as set out in note 18 are allocated to the cash-generating unit of LCoS television which is expected to benefit from the above-mentioned goodwill and intangible assets. The fair values of goodwill and intangible assets were valued by B.I. Appraisal at the date of acquisition of the relevant business and have been fully impaired during the year ended 31 December 2009.

如附註29所載，本集團商譽之全部結存乃因於透過收購Pacific Choice集團而收購LCoS電視業務產生。就減值測試而言，本集團之商譽及無形資產（如附註18所載）會分配至預期自上述商譽及無形資產受惠之LCoS電視之現金產生單位。保柏國際評估對商譽及無形資產之公平值於收購相關業務日期進行估值，而有關公平值於截至二零零九年十二月三十一日止年度全數減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 20. INVENTORIES

The entire balance of inventories of the Group have been disposed of together with the subsidiaries not classified as discontinued operations set out in note 31 during the year ended 31 December 2009.

Movement in the write down of obsolete and slow moving inventories is summarised as follows:

		HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	1,932
Write down of obsolete and slow moving inventories	陳舊及滯銷存貨撇減	12
Disposal of subsidiaries	出售附屬公司	(1,944)
At 31 December 2009 and 2010	於二零零九年及二零一零年十二月三十一日	-

### 20. 存貨

截至二零零九年十二月三十一日止年度，本集團存貨之全部餘額已與未分類為終止經營業務之附屬公司（如附註31所載）一起出售。

陳舊及滯銷存貨撇減之變動概述如下：

### 21. TRADE RECEIVABLES

The Group generally allows an average credit period of 30 days to its trade customers. An aged analysis of trade receivables, net of provision for impairment loss recognised in respect of trade receivables, based on the invoice date, is as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
0 – 60 days	0至60日	4,883	5,366
61 – 90 days	61至90日	1,042	1,699
Over 90 days	超過90日	-	1,173
		<b>5,925</b>	8,238

### 21. 貿易應收款項

本集團一般給予其貿易客戶平均30日之信貸期。扣除就貿易應收款項確認之減值虧損撥備後之貿易應收款項按發票日期進行之賬齡分析如下：

The Group closely monitors the granting of credit and periodically reviews the recoverability of each trade debt. Majority of the trade receivables that are neither past due nor impaired have no default payment history.

本集團密切監測信貸提供及定期審閱各貿易債項收回比率。大部份貿易應收款項均未過期或未減值，並沒有拖欠款項記錄。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 21. TRADE RECEIVABLES (continued)

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK\$1,042,000 (2009: HK\$2,872,000) which were past due as at the reporting date and for which the Group has not provided for impairment loss because management is of the opinion the fundamental credit quality of these customers has not deteriorated. The Group does not hold any collateral over these balances. The average age of these receivables is approximately 90 days (2009: 90 days) for the year. Aging of trade receivables, based on the payment due date, which is past due but not impaired, is as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
0 – 30 days	0至30日	1,042	1,699
Over 30 days	超過30日	–	1,173
		<b>1,042</b>	2,872

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically.

Movement in the provision for impairment loss recognised in respect of trade receivables is as follows:

### 21. 貿易應收款項 (續)

本集團之貿易應收款項結存包括總賬面值1,042,000港元(二零零九年:2,872,000港元)之債項,有關款項於報告日期已逾期,惟本集團並無就其計提減值虧損,因管理層認為,該等客戶之基本信用質素並無轉差。本集團並無就該等結存持有任何抵押品。該等應收款項於年內之平均賬齡約為90日(二零零九年:90日)。已逾期但並無減值之貿易應收款項按到期付款日之賬齡分析如下:

於接納任何新客戶前,本集團先評估潛在客戶之信用質素,並釐定客戶之信貸限額。客戶之限額會定期檢討。

貿易應收款項之已確認減值虧損撥備變動如下:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Balance at beginning of the year	於年初之結存	1,288	1,915
Impairment loss recognised during the year	年內已確認減值虧損	2,030	2,156
Amounts written off as uncollectible	不可收回而撇銷之金額	(442)	(70)
Reversal of impairment losses	減值虧損撥回	(1)	–
Disposal of subsidiaries	出售附屬公司	–	(2,713)
		<b>2,875</b>	1,288

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 21. TRADE RECEIVABLES (continued)

In determining the recoverability of a trade receivable, the Group considers any change in credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. Provision for impairment loss recognised during the year ended 31 December 2009 in respect of trade receivables are individually impaired which have either been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

The Group's trade receivables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
USD	美元	2,444	706
RMB	人民幣	-	364
		<b>2,444</b>	1,070

### 22. BANK BALANCES AND CASH

Bank balances comprise short-term bank deposits with original maturity less than three months carry interest at 0.01% (2009: 0.01%) per annum. The Group's bank balances that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
USD	美元	278	829

### 21. 貿易應收款項 (續)

在確定貿易應收款項之可收回性時，本集團會考慮自起初授予信貸當日起計至報告期末內貿易應收款項之任何信貸質素變動。於截至二零零九年十二月三十一日止年度，就貿易應收款項確認之減值虧損撥備乃個別減值，均為被置放清盤或出現嚴重財政困難。本集團並無就該等結餘持有任何抵押品。

以相關集團實體之功能貨幣以外之貨幣計值之本集團貿易應收款項載列如下：

### 22. 銀行結存及現金

銀行結存包括原到期日少於三個月之短期銀行存款，按年利率0.01%（二零零九年：0.01%）計息。以相關集團實體之功能貨幣以外之貨幣計值之本集團銀行結餘載列如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 23. TRADE PAYABLES

### 23. 貿易應付款項

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade payables	貿易應付款項	<b>1,196</b>	127

An aged analysis of trade payables, based on invoice date, is as follows:

貿易應付款項按發票日期進行之賬齡分析如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
0 – 60 days	0至60日	<b>1,192</b>	–
61 – 90 days	61至90日	<b>4</b>	–
Over 90 days	超過90日	–	127
		<b>1,196</b>	127

The Group's trade payables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

以相關集團實體之功能貨幣以外之貨幣計值之本集團貿易應付款項載列如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
USD	美元	–	68

The average credit period for payment of purchase is 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

採購付款之平均信貸期為60天。本集團已制訂財務風險管理政策，以確保所有應付款項均於信貸期內結算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 24. PROMISSORY NOTES

As set out in note 3, on 15 January 2009, the Group issued promissory notes of HK\$375,000,000 at zero coupon rate as part of the consideration for acquiring the entire issued share capital of Pacific Choice Group. The effective interest rate was 16% at the date of grant.

On 16 February 2009, the Group and the bearer of the promissory notes agreed that upon an early repayment of HK\$250,000,000, 10% of the principal amount of the promissory notes (i.e. HK\$37,500,000) would be cancelled in favour to the Group. The repayment has been made on 19 February 2009.

On 26 April 2010, the Group and the bearer of the promissory notes has agreed to extend the maturity date from 14 January 2011 to 14 January 2012. A gain on extension of maturity of promissory note of approximately HK\$11,908,000 is recognised in profit or loss.

The movements of the promissory note are as follows:

### 24. 承兌票據

如附註3所載，於二零零九年一月十五日，本集團發行按零票息率發行375,000,000港元之承兌票據，以收購Pacific Choice集團之全部已發行股本。於授出日期之實際利率為16%。

於二零零九年二月十六日，本集團及承兌票據持票人已同意，倘出現提早償還250,000,000港元，則承兌票據本金額之10%（即37,500,000港元）將被註銷，歸本集團所有。償還已於二零零九年二月十九日進行。

於二零一零年四月二十六日，本集團及承兌票據持有人已同意將到期日由二零一一年一月十四日延長至二零一二年一月十四日。延長承兌票據到期日之收益約11,908,000港元於損益內確認。

承兌票據之變動如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Carrying amount at the beginning of the year	年初之賬面值	75,031	-
At initial recognition	初始確認時	-	278,686
Early redemption (notes i and iv)	提早贖回（附註i及iv）	-	(188,649)
Cancellation in respect of early redemption (notes ii and iv)	就提早贖回而註銷（附註ii及iv）	-	(28,297)
Extension of maturity (notes iii and iv)	延長屆滿期（附註iii及iv）	(11,908)	-
Interest charged (note 8)	扣除之利息（附註8）	11,841	13,291
At 31 December 2010	於二零一零年十二月三十一日	74,964	75,031

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 24. PROMISSORY NOTES (continued)

Notes:

- (i) Loss on early redemption of promissory notes during the year ended 31 December 2009 was derived from the difference between the principal amount redeemed of HK\$250,000,000 and the carrying amount of HK\$188,649,000 at the date of redemption.
- (ii) Gain on cancellation of promissory notes during the year ended 31 December 2009 was derived from cancellation of the carrying amount at the date of cancellation.
- (iii) Gain on extension of the maturity of the promissory notes during the year ended 31 December 2010 was derived from the change in carrying amount of the promissory notes at the date of extension.
- (iv) At each of the dates of early redemption and extension of maturity of the promissory notes, the then carrying amounts were recalculated by computing the present value of estimated future cash flows using the original effective interest rate.

### 24. 承兌票據 (續)

附註：

- (i) 於截至二零零九年十二月三十一日止年度內提早贖回承兌票據虧損，乃由於贖回之本金250,000,000港元與贖回日期之賬面值188,649,000港元之差額所產生。
- (ii) 註銷於截至二零零九年十二月三十一日止年度內之承兌票據收益乃由於註銷日期註銷賬面值所產生。
- (iii) 延長於截至二零一零年十二月三十一日止年度內之承兌票據到期日收益乃由於延長日期賬面值變動所產生。
- (iv) 於承兌票據之各提早贖回日期與延長到期日，當時之賬面值按估算當前估計未來現金流使用原實際利率重新計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 25. CONVERTIBLE BONDS

#### Zero-coupon Tranche 1 Bonds due 2014

As set out in note 3, on 15 January 2009, the Company issued the Tranche 1 Bonds due on 14 January 2014 with a principal amount of HK\$300,000,000, which is interest free, as part of the consideration for acquisition of the Pacific Choice Group. The Tranche 1 Bonds are convertible into fully paid ordinary shares with a conversion price of HK\$0.4 per share, subject to adjustments.

Upon full conversion of the Tranche 1 Bonds at the conversion price of HK\$0.4 per ordinary share of the Company, subject to adjustments, a total of 750,000,000 new ordinary shares, as at 31 December 2009 and 2010, would be issued by the Company upon the exercise of the conversion rights attached to the Tranche 1 Bonds. The Company shall redeem any convertible bonds which remain outstanding on the maturity date at its principal amount.

None of the Tranche 1 Bonds were converted from the date of issue to the end of the reporting period.

### 25. 可換股債券

#### 於二零一四年到期之第一批零息債券

如附註3所載，於二零零九年一月十五日，本公司發行於二零一四年一月十四日到期本金額300,000,000港元之第一批債券，乃不計利息並作為收購Pacific Choice集團之部份代價。第一批債券按換股價每股0.4港元（可予調整）轉換為本公司之繳足普通股。

在按換股價悉數轉換本公司每股普通股0.4港元（可予調整）之第一批債券時，於二零零九年及二零一零年十二月三十一日，本公司於行使附於第一批債券之轉換權後將發行合共750,000,000股新普通股。本公司須按本金贖回於到期日尚未行使之任何可換股債券。

自發行日期至本報告期間末，第一批債券概無獲轉換。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 25. CONVERTIBLE BONDS (continued)

#### Zero-coupon Tranche 1 Bonds due 2014

(continued)

The convertible bonds contain liability and equity components. The effective interest rate of the liability component is 14% per annum. The equity component is presented under the equity heading of “convertible bonds reserve”.

The fair value of the liability component of the convertible bonds at the issue date was valued by an independent valuer determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan.

The movement of the liability component of the convertible bonds for the year is set out below:

### 25. 可換股債券 (續)

#### 於二零一四年到期之第一批零息債券 (續)

可換股債券包含負債及權益部份。負債部份之實際年利率為14%。權益部份以權益項下之「可換股債券儲備」呈列。

可換股債券負債部份於發行日期之公平值由獨立估值師依據同等非可換股貸款按現行市場利率貼現之估計未來現金流出之現值而釐定。

可換股債券負債部份於本年度內之變動載列如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Carrying amount at the beginning of the year	年初賬面值	176,785	-
Issue of Tranche 1 Bonds	發行第一批債券	-	155,811
Interest charge (note 8)	扣除之利息 (附註8)	24,604	20,974
Carrying amount at the end of the year	年末賬面值	201,389	176,785



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 26. DEFERRED TAX LIABILITIES

The major deferred tax liabilities recognised by the Group and movements thereon during the current and prior years are as follows:

### 26. 遞延稅項負債

本集團確認之主要遞延稅項負債及其於本年度及過往年度內之變動詳情如下：

		Revaluation of properties 物業重估 HK\$'000 千港元	Intangible assets 無形資產 HK\$'000 千港元	Promissory notes 承兌票據 HK\$'000 千港元	Convertible bonds 可換股債券 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	3,182	-	-	-	3,182
Charge (credit) to profit or loss	扣除(計入)損益					
- Issue of promissory notes	- 發行承兌票據	-	-	15,892	-	15,892
- Derecognised in relation to early redemption of promissory notes	- 就提早贖回承兌票據而取消確認	-	-	(10,123)	-	(10,123)
- Derecognised in relation to cancellation of promissory notes	- 就註銷承兌票據而取消確認	-	-	(1,518)	-	(1,518)
- Release upon amortisation of promissory notes and convertible bonds under effective interest method	- 就根據實際利率法攤銷承兌票據及轉換可換股債券後撥回	-	-	(2,193)	(3,461)	(5,654)
		-	-	2,058	(3,461)	(1,403)
Charge to equity - Issue of convertible bonds	在股本扣除 - 發行可換股債券	-	-	-	23,791	23,791
		-	-	2,058	20,330	22,388
Disposal of subsidiaries (note 31)	出售附屬公司(附註31)	(3,182)	-	-	-	(3,182)
Acquired on acquisition of subsidiaries	於收購附屬公司時取得	-	143,600	-	-	143,600
Impairment loss recognised in profit or loss (note 10)	於損益中確認之減值虧損(附註10)	-	(143,600)	-	-	(143,600)
At 31 December 2009	於二零零九年十二月三十一日	-	-	2,058	20,330	22,388
Charge (credit) to profit or loss	扣除(計入)損益					
- Recognised in relation to extension of the maturity of the promissory notes	- 就延長承兌票據到期日而確認	-	-	1,964	-	1,964
- Release upon amortisation of promissory notes and convertible bonds under effective interest method	- 就根據實際利率法攤銷承兌票據及轉換可換股債券後撥回	-	-	(1,954)	(4,059)	(6,013)
		-	-	10	(4,059)	(4,049)
At 31 December 2010	於二零一零年十二月三十一日	-	-	2,068	16,271	18,339

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 26. DEFERRED TAX LIABILITIES (continued)

As at 31 December 2010, the Group has unused tax losses of approximately HK\$10,175,000 (2009: HK\$12,149,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008. Deferred taxation has not been provided for in the consolidated financial statements during the year ended 31 December 2009 since all of the PRC subsidiaries of the Company were loss-making. Subsequent to the disposals and deconsolidation of subsidiaries during the year ended 31 December 2009 and up to the date of this report, the Group had no operations in the PRC.

### 26. 遞延稅項負債 (續)

於二零一零年十二月三十一日，本集團可用以抵銷日後溢利之未動用稅項虧損約為10,175,000港元（二零零九年：12,149,000港元）。由於未能預計日後溢利，故並無確認遞延稅項資產。有關虧損可無限期結轉。

根據中國企業所得稅法，自二零零八年一月一日起，須就中國附屬公司所賺取之溢利而宣派之股息徵收預扣稅。由於本公司位於中國的全部附屬公司均出現虧損，故並未就截至二零零九年十二月三十一日止年度內於綜合財務報表作出撥備。於截至二零零九年十二月三十一日止年度出售及取消綜合附屬公司後及直至本報告日期，本集團於中國概無進行營運。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 27. SHARE CAPITAL

### 27. 股本

		Number of shares 股份數目 '000 千股	Nominal value 賬面值 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		
Authorised:	法定：		
At 1 January 2009, 31 December 2009 and 2010	於二零零九年一月一日、 二零零九年及二零一零年 十二月三十一日	2,000,000	200,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2009	於二零零九年一月一日	652,356	65,236
Issue of shares (note)	發行股份(附註)	50,000	5,000
At 31 December 2009 and 2010	於二零零九年及二零一零年 十二月三十一日	702,356	70,236

Note: Pursuant to a subscription agreement entered into on 20 January 2009, the Company issued a total of 50,000,000 ordinary shares of HK\$0.1 per share to two independent individual investors at a subscription price of HK\$0.1 per share. The net proceeds of approximately HK\$4,800,000 has been used for broadening the shareholder base and strengthening its capital base and the financial position for the Group's future business developments.

附註：根據於二零零九年一月二十日訂立之認購協議，本公司按認購價每股0.1港元向兩名獨立個人投資者發行合共50,000,000股每股面值0.1港元之普通股。有關所得款項淨額約為4,800,000港元，已被用作擴闊股東基礎及為本集團日後業務發展加強資本基礎及財務狀況。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 28. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted on 29 May 2002 under which the Board of the Directors may grant options to eligible participants, including employees and directors, of the Company and any of its subsidiaries to subscribe for shares of the Company. The Scheme is valid and effective for a period of 10 years commencing from the adoption date after which no further options may be issued.

The number of shares, which may be issued upon exercise of all outstanding options granted under the Scheme and other schemes adopted by the Group, is not permitted to exceed 30% of the shares of the Company in issue at any point in time. The total number of shares in respect of which options may be granted under the Scheme and other schemes adopted by the Group in aggregate is not permitted to exceed 10% of the shares of the Company in issue at the adoption date. The total number of shares in respect of which options may be granted to any individual is not permitted to exceed 1% of the shares of the Company in issue at any 12-month period.

Consideration of HK\$1 is payable by the grantee on the acceptance of option granted. Option may be exercised from the date of acceptance of the offer of such option to the earlier of the date on which such option lapses and 10 years from the offer date of that option. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing prices of the shares on the Stock Exchange on the date of the grant of the options, the average of the closing prices of the shares for the five trading days immediately preceding the date of the grant of the options and the nominal value of the shares.

No share options have been granted under the Scheme since its adoption.

### 28. 認購股權計劃

本公司於二零零二年五月二十九日採納其認購股權計劃（「該計劃」），據此，董事會可向合資格參與者（包括本公司及其任何附屬公司之僱員及董事）授出可認購本公司股份之認購股權。該計劃乃由採納日期起計十年內有效，其後將不得再發行任何認購股權。

行使根據該計劃及本集團採納之其他計劃授出之所有尚未行使認購股權而可能發行之股份數目，不得超過任何時間本公司已發行股份之30%。根據該計劃及本集團採納之其他計劃可能授出之認購股權之有關股份總數不得超過採納日期本公司已發行股份之10%。於任何十二個月期間，可能向任何人士授出之認購股權之有關股份總數不得超過本公司已發行股份之1%。

承授人接納獲授之認購股權時須支付代價1港元。認購股權可由接納該等認購股權建議日期起至該認購股權失效日期及認購股權建議日期起滿十年當日（以較早者為準）止期間行使。行使價由本公司董事釐定，並將不低於認購股權授出日期股份於聯交所之收市價、緊接認購股權授出日期前五個交易日股份於聯交所之平均收市價或股份面值之較高者。

自認購股權計劃獲採納以來概無根據該計劃授出任何認購股權。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 29. ACQUISITION OF SUBSIDIARIES

#### For the year ended 31 December 2009

As set out in note 3, on 15 January 2009, the Group acquired the entire issued share capital of Pacific Choice for a maximum total consideration of HK\$2,700,000,000. The principal activities of the Pacific Choice Group, upon setting up of the manufacturing base in the PRC, are the design, installation and manufacturing of high definition projection televisions and related accessories in the PRC.

The consideration consisted of (i) cash in the amount of approximately HK\$25,000,000 and (ii) promissory notes issued by the Group in the amount of HK\$375,000,000 and (iii) convertible bonds of the Company in the amount of approximately HK\$2,300,000,000, of which the amount of HK\$2,000,000,000 would only be issued if the profits of the Pacific Choice Group during the eighteen months ended 30 June 2010 reached certain predetermined levels ("Targeted Profit Levels").

In the opinion of the directors, the Targeted Profit Levels were not reached, none of the contingently issuable convertible bonds have been issued during the year ended 31 December 2009 and 2010.

### 29. 收購附屬公司

#### 截至二零零九年十二月三十一日止年度

誠如附註3所載，於二零零九年一月十五日，本集團以最高代價總額2,700,000,000港元收購Pacific Choice之全部已發行股本。Pacific Choice集團於中國成立製造基地後，主要於中國從事高清投影電視及相關配件之設計、安裝及生產業務。

代價包括(i)約25,000,000港元之現金；(ii)本集團發行為數375,000,000港元之承兌票據及(iii)約2,300,000,000港元之本公司可換股債券，其中2,000,000,000港元僅可於截至二零一零年六月三十日止十八個月期間內Pacific Choice集團之溢利達至若干預先釐定水平（「目標溢利水平」）後方可發行。

董事認為，目標溢利水平並未達致，故於截至二零零九年及二零一零年十二月三十一日止年度內概無發行或然可發行之可換股債券。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 29. ACQUISITION OF SUBSIDIARIES

(continued)

#### For the year ended 31 December 2009

(continued)

The net assets acquired in the transactions, and the goodwill arising, are as follows:

### 29. 收購附屬公司 (續)

#### 截至二零零九年十二月三十一日止年度 (續)

交易中所收購之資產淨值及所產生之商譽如下:

		2009 二零零九年		
		Carrying amount before combination 合併前之 賬面值 HK\$'000 千港元	Fair value adjustments 公平值調整 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Net assets acquired:	所收購之資產淨值:			
Intangible assets	無形資產	93,600	574,400	668,000
Property, plant and equipment	物業、廠房及設備	1,268	–	1,268
Inventories	存貨	2,730	–	2,730
Prepayments, deposits and other receivables	預付款項、按金及其他應 收款項	1,974	–	1,974
Amounts due from shareholders	應收股東款項	24,985	–	24,985
Bank balances and cash	銀行結存及現金	46	–	46
Accruals and other payables	應計費用及其他應付款項	(3,487)	–	(3,487)
Deferred tax liabilities	遞延稅項負債	–	(143,600)	(143,600)
		121,116	430,800	551,916
Waiver of shareholders' loans	放棄股東貸款			(24,985)
Goodwill	商譽			77,685
Total consideration	代價總額			604,616
Satisfied by:	以下列方式支付:			
Cash paid during the year ended 31 December 2008	截至二零零八年 十二月三十一日止 年度內已付現金			25,000
Promissory notes (note 24)	承兌票據(附註24)			278,686
Convertible bonds (note 25)	可換股債券(附註25)			300,000
Cost of acquisition	收購事項成本			930
				604,616
Net cash (outflows) inflows arising on acquisition:	收購事項產生之現金(流出) 流入淨額:			
Cost of acquisition	收購事項成本			(930)
Bank balances and cash acquired	所收購銀行結存及現金			46
				(884)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 29. ACQUISITION OF SUBSIDIARIES

*(continued)*

#### For the year ended 31 December 2009

*(continued)*

As set out in note 3, on the date acquisition, the Company issued Tranche 1 Bonds of HK\$300,000,000 as part of the consideration. All certificates for the entire Tranche 1 Bonds were held under escrow until the fulfillment of all conditions as set out in the relevant acquisition agreements. At 31 December 2009 and 2010, all certificates of Tranche 1 Bonds were still held under escrow.

The fair values of the convertible bonds and promissory notes issued have been arrived at on the basis of a valuation carried out on the completion date of the acquisition of the Pacific Choice Group by B.I. Appraisals, independent qualified professional valuers not connected with the Group. The valuation was arrived at by reference to discounted cash flow method.

Goodwill arose in the business combination because the acquisition included the revenue growth and future market development of Pacific Choice Group. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

### 29. 收購附屬公司 (續)

#### 截至二零零九年十二月三十一日止年度 (續)

誠如附註3所載，於收購日期，本公司已發行300,000,000港元第一批債券作為部分代價。整批第一批債券之所有證書乃以託管方式持有，直至有關收購協議所載之所有條件已獲達成為止。於二零零九年及二零一零年十二月三十一日，第一批債券之所有證書仍以託管方式持有。

已發行可換股債券及承兌票據之公平值乃根據與本集團概無關連之獨立合資格專業估值師保柏國際評估有限公司於收購Pacific Choice集團完成當日作出之估值釐定。有關估值乃參考貼現現金流量法而作出。

業務合併產生商譽乃由於是項收購包括Pacific Choice集團之收益增長及未來市場發展。該等利益並無與商譽分開確認，蓋因其中產生之未來經濟利益未能可靠計量。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 29. ACQUISITION OF SUBSIDIARIES

*(continued)*

#### For the year ended 31 December 2009

*(continued)*

Upon the completion of acquisition of Pacific Choice Group, certain machineries has not been released from pledges created previously and the transfer of the ownership of the relevant machineries has not been completed.

The Vendors procures the transfer of the ownership of the relevant machineries to be completed within twelve months from the date of completion of acquisition. Once the transfer of the ownership of the relevant machineries is completed, the fair values of those machineries would be recorded in property, plant and equipment, and the amount of goodwill arose from the acquisition of Pacific Choice Group would also be adjusted. In the event that the transfer of the ownership of the relevant machineries do not take place within twelve months from the date of completion of acquisition, the consideration for the acquisition would be adjusted. For details, please refer to the Company's announcement dated 15 January 2009. During the year ended 31 December 2010 and up to the date of this report, the transfer of ownership has not been taken place. However, the Company is exploring any other possible alternatives with the Vendors and TMDC on such transfer and the consideration for the acquisition has not been adjusted.

### 29. 收購附屬公司 (續)

#### 截至二零零九年十二月三十一日止年度 (續)

於完成收購Pacific Choice集團後，若干機器尚未從先前增設之抵押解除而有關機器擁有權之轉讓尚未完成。

賣方須於收購事項完成日期起計十二個月內促使完成有關機器擁有權之轉讓。有關機器之擁有權一經轉讓完成，該等機器之公平值將計入「物業、廠房及設備」項下，而收購Pacific Choice集團所產生之商譽金額亦將作出調整。倘有關機器之擁有權未能於收購事項完成日期起計十二個月內轉讓，則收購事項之代價將予以調整。有關詳情請參閱本公司日期為二零零九年一月十五日之公佈。於截至二零一零年十二月三十一日止年度內至本報告日期止，並無進行所有權轉讓。然而，本公司正就該轉讓與賣方及台灣微型影像探討任何其他可能替代方案，而收購代價仍未作出調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 29. ACQUISITION OF SUBSIDIARIES

(continued)

#### For the year ended 31 December 2009

(continued)

During the year ended 31 December 2009, the subsidiaries acquired contributed a loss of approximately HK\$1,944,000 to the Group's loss for the year between the date of acquisition and 30 November 2009 when the PRC Subsidiary was deconsolidated from the consolidated financial statements of the Group.

If the acquisition had been completed on 1 January 2009, total revenue of the Group for the year ended 31 December 2009 would remain to be HK\$134,272,000 and the Group would have recorded a loss for that year of HK\$585,828,000. This pro forma information is for illustration purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2009, nor is it intended to be a projection of future results.

### 30. DECONSOLIDATION OF A SUBSIDIARY

#### For the year ended 31 December 2009

As set out in note 3, the directors of the Company have resolved that the PRC Subsidiary shall be treated as having been de-consolidated from the consolidated financial statements of the Group with effect from 1 December 2009. Net loss on deconsolidation of the PRC Subsidiary was calculated based on derecognition of the net assets of the PRC Subsidiary and recognised in profit or loss for the year ended 31 December 2009. Since the assets of the PRC Subsidiary and the planned operations thereof predominantly accounted for the reason of which the Company acquired the Pacific Choice Group, the loss of the control over the PRC Subsidiary effectively impaired any practical value of the entire Pacific Choice Group, if any, and therefore, the directors of the Company considered that the Pacific Choice Remaining Group should also be fully impaired and recognised in profit or loss for the year ended 31 December 2009.

Details of the net assets of the PRC Subsidiary as at 30 November 2009 are set out in note 10.

### 29. 收購附屬公司 (續)

#### 截至二零零九年十二月三十一日止年度 (續)

於截至二零零九年十二月三十一日止年度，所收購之附屬公司當中國附屬公司取消綜合入本集團之綜合財務報表時，於收購日期至二零零九年十一月三十日對本集團之虧損增加虧損約1,944,000港元。

倘收購事項於二零零九年一月一日完成，則本集團於截至二零零九年十二月三十一日止年度之收益總額將仍為134,272,000港元而本集團應已錄得本年度虧損585,828,000港元。該備考資料僅作說明之用，未必預示倘收購事項於二零零九年一月一日完成而本集團可能實際取得之收益及經營業績，亦並非作為未來業績預測。

### 30. 取消綜合附屬公司

#### 截至二零零九年十二月三十一日止年度

誠如附註3所載，本公司董事已議決中國附屬公司將被作為已從本集團之綜合財務報表中取消綜合處理，自二零零九年十二月一日起生效。取消綜合中國附屬公司之虧損淨額乃根據取消確認中國附屬公司之資產淨值計算，並於截至二零零九年十二月三十一日止年度之損益中確認。由於中國附屬公司之資產及其計劃之經營業務主要因就本公司收購Pacific Choice集團入賬，故失去中國附屬公司之控制權實際上減少整個Pacific Choice集團之任何實際價值（如有），因此，本公司董事認為，Pacific Choice餘下集團亦應全數減值並於截至二零零九年十二月三十一日止年度之損益中確認。

有關中國附屬公司於二零零九年十一月三十日之資產淨值詳情載於附註10。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 31. DISPOSAL OF SUBSIDIARIES

### 31. 出售附屬公司

#### For the year ended 31 December 2009

#### 截至二零零九年十二月三十一日止年度

As set out in note 3, during the year ended 31 December 2009, the Group disposed of the interest of certain subsidiaries other than those classified as discontinued operations and de-consolidated as set out in notes 10 and 30 respectively, were as follows:

誠如附註3所載，於截至二零零九年十二月三十一日止年度，本集團出售若干附屬公司之權益（該等分類為終止經營業務及取消綜合入賬者（分別載於附註10及30）除外）如下：

		2009 二零零九年 HK\$'000 千港元
<b>Net assets disposed of:</b>	<b>所出售之資產淨值：</b>	
Property, plant and equipment	物業、廠房及設備	45,898
Prepaid lease payments	預付租金	3,526
Inventories	存貨	4,191
Available-for-sale investments	可供出售投資	6,211
Club debenture	會所債券	600
Trade receivables	貿易應收款項	2,003
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	541
Bank balances and cash	銀行結存及現金	3,067
Trade payables	貿易應付款項	(10,595)
Accruals and other payables	應計費用及其他應付款項	(15,949)
Amounts due to related companies	應付關連公司款項	(24,635)
Tax payable	應付稅項	(20)
Deferred tax liabilities	遞延稅項負債	(3,182)
		11,656
Exchange reserve realised	已變現匯兌儲備	(10,674)
Gain on disposal	出售之收益	19,018
		20,000
<b>Total consideration</b>	<b>代價總額</b>	<b>20,000</b>
<b>Satisfied by:</b>	<b>以下列方式支付：</b>	
Cash	現金	20,000
<b>Net cash inflow (outflow) arising on disposal:</b>	<b>出售產生之現金流入（流出）淨額：</b>	
Cash consideration received	已收現金代價	20,000
Bank balance and cash disposed	已出售之銀行結存及現金	(3,067)
		16,933

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 31. DISPOSAL OF SUBSIDIARIES *(continued)*

For the period from 1 January 2009 to the respective dates of disposals, the revenue contributed by the disposed subsidiaries above was approximately HK\$14,626,000 and loss contributed by these subsidiaries was approximately HK\$22,810,000 recognised in the Group's loss for the year ended 31 December 2009.

### 32. RETIREMENT BENEFITS SCHEMES

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Scheme Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

The retirement benefits scheme contributions charged to the consolidated statement of comprehensive income represent contributions payable to the schemes by the Group at rates specified in the rules of the schemes. Where there are employees who leave the ORSO Scheme prior to vesting fully in the contributions, the amounts of the forfeited contributions will be used to reduce future contributions payable by the Group.

### 31. 出售附屬公司 (續)

自二零零九年一月一日起計至出售之各自日期止期間，上述已出售附屬公司所貢獻之收益為約14,626,000港元而該等附屬公司所帶來之虧損為約22,810,000港元（已於本集團截至二零零九年十二月三十一日止年度之虧損內確認）。

### 32. 退休福利計劃

本集團同時參與根據職業退休計劃條例登記之定額供款計劃（「職業退休計劃」）及按於二零零零年十二月生效之強制性公積金條例設立之強制性公積金計劃（「強積金計劃」）。該等計劃之資產與本集團之資產分開處理，交由信託人控制。在設立強積金計劃前已為職業退休計劃成員之僱員可選擇留在職業退休計劃或轉往強積金計劃，然而，所有於二零零零年十二月一日或之後加入本集團之新僱員必須加入強積金計劃。

於綜合全面收益表扣除之退休福利計劃供款乃本集團按計劃規則指定之供款率向計劃支付之供款。倘僱員於悉數歸屬享有供款前退出職業退休計劃，則沒收供款額將用於減少本集團將來應付之供款。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 32. RETIREMENT BENEFITS SCHEMES

*(continued)*

The subsidiaries of the Company in the PRC are required to make contributions to state-managed retirement benefits scheme operated by the PRC government based on a certain percentage of the monthly payroll costs of the PRC employees.

During the year, the retirement benefits scheme contributions are approximately HK\$36,000 (2009: HK\$266,000). The Group did not have any forfeited contributions available to offset future employers' contributions to the ORSO Scheme.

### 33. CAPITAL COMMITMENTS

Pursuant to the announcement of the Company dated 17 January 2011, on 22 September 2010, the Group entered into a conditional sale and purchase agreement with an independent third party pursuant to which the Group would acquire certain chromium mines in the Republic of Madagascar by the issue of convertible bonds in a maximum aggregate consideration of US\$3,520,000,000 (equivalent to approximately HK\$27,280,000,000) by the Company. As at the date of this report, the acquisition is subject to the approvals by the Stock Exchange and shareholders of the Company and the transaction has not yet completed.

### 32. 退休福利計劃 (續)

本公司於中國之附屬公司須按中國僱員月薪之一定百分比向一項由中國政府經營之國家管理退休福利計劃作出供款。

於年內，退休福利計劃之供款約為36,000港元（二零零九年：266,000港元）。本集團並無任何已沒收供款可供抵銷職業退休計劃之未來僱主供款。

### 33. 資本承擔

根據本公司日期為二零一一年一月十七日及二零一零年九月二十二日之公佈，本集團與一名獨立第三方訂立一份有條件買賣協議，據此，本集團將透過本公司發行最多合共代價3,520,000,000美元（相當於約27,280,000,000港元）之可換股債券收購馬達加斯加共和國之若干鉻礦。於本報告日期，收購須待聯交所及本公司股東批准後，方可作實，而是項交易仍尚未完成。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 34. INFORMATION OF THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 34. 本公司財務狀況表資料

Information of the statement of financial position of the Company as at 31 December 2010:

本公司於二零一零年十二月三十一日之財務狀況表資料：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>Current assets</b>	<b>流動資產</b>		
Prepayments	預付款項	419	89
Amounts due from subsidiaries	應收附屬公司款項	9,950	-
Bank balances and cash	銀行結存及現金	11,474	24,120
		<b>21,843</b>	24,209
<b>Current liabilities</b>	<b>流動負債</b>		
Accruals	應計費用	596	962
Amounts due to subsidiaries	應付附屬公司款項	175,756	169,334
Amount due to a shareholder	應付一名股東款項	-	3,000
		<b>176,352</b>	173,296
<b>Net current liabilities</b>	<b>流動負債淨額</b>	<b>(154,509)</b>	(149,087)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>(154,509)</b>	(149,087)
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Convertible bonds	可換股債券	201,389	176,785
Deferred tax liabilities	遞延稅項負債	16,271	20,330
		<b>217,660</b>	197,115
		<b>(372,169)</b>	(346,202)
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股東	70,236	70,236
Reserves	儲備	(442,405)	(416,438)
		<b>(372,169)</b>	(346,202)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 34. INFORMATION OF THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

### 34. 本公司財務狀況表資料 (續)

#### Reserves

#### 儲備

		Share premium	Contributed Surplus	Capital redemption reserve	Convertible bonds reserve	Accumulated losses	Total
		股份溢價	繳入盈餘	資本贖回儲備	可換股債券儲備	累積虧損	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		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	102,875	68,510	1,564	-	(133,397)	39,552
Loss and total comprehensive expense for the year	虧損及本年度全面開支總額	-	-	-	-	(576,188)	(576,188)
Share issue expenses	股份發行開支	(200)	-	-	-	-	(200)
Equity component of convertible bonds	可換股債券權益部份	-	-	-	144,189	-	144,189
Deferred tax arising from issue of convertible bonds	發行可換股債券所產生的遞延稅項	-	-	-	(23,791)	-	(23,791)
At 31 December 2009	於二零零九年十二月三十一日	102,675	68,510	1,564	120,398	(709,585)	(416,438)
Loss and total comprehensive expense for the year	虧損及本年度全面開支總額	-	-	-	-	(25,967)	(25,967)
At 31 December 2010	於二零一零年十二月三十一日	102,675	68,510	1,564	120,398	(735,552)	(442,405)



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 35. RELATED PARTY DISCLOSURES

### 35. 關連人士披露

#### (i) Transactions with related parties

During the current and prior years, the Group entered into the following transactions with related parties:

#### (i) 與關連人士之交易

於本年度及過往年度，本集團與關連人士訂立以下交易：

Name of related party 關連人士名稱	Nature of transaction 交易性質	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
T & S Industrial Company Limited ("T&S") (After 30 December 2009, notes a and b) 泰盛電子實業有限公司 ("泰盛") (於二零零九年 十二月三十日之後，附註a及b)	Administration fee paid by the Group 本集團支付之管理費	700	2
Dongguan Shatian Tehsheng Silicon Rubber Product Co., Ltd ("Tehsheng") (After 30 December 2009, notes a and b) 東莞沙田德盛硅橡膠製品有限公司 ("德盛") (於二零零九年 十二月三十日之後，附註a及b)	Purchases by the Group 本集團採購	22,370	-
Dongguan Human Taida Electronics Co Ltd ("Dongguan Human") (After 26 February 2009, notes a and b) 東莞虎門泰達電子有限公司 ("東莞虎門") (於二零零九年 二月二十六日之後，附註a及b)	Purchases by the Group 本集團採購 Purchases from the Group 自本集團採購 Rental expense paid by the Group 本集團支付的租金開支	- - -	6,196 214 1,591
Man Lee Management Limited ("Man Lee") (note c) 萬利管理有限公司("萬利") (附註c)	Administration fee paid by the Group 本集團支付之管理費	899	163

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 35. RELATED PARTY DISCLOSURES

(continued)

#### (i) Transactions with related parties

(continued)

Notes:

- (a) Being the dates on which T&S, Tehsheng and Dongguan Human ceased to be subsidiaries of the Group following the completion of the disposals by the Group.
- (b) T&S, Tehsheng and Dongguan Human are former subsidiaries of the Company and are beneficially held by a former shareholder of the Company.
- (c) Man Lee is beneficially held by a shareholder of the Company.

#### (ii) Balances with related parties

##### (a) Particulars of amount due from a related party

### 35. 關連人士披露 (續)

#### (i) 與關連人士之交易 (續)

附註：

- (a) 泰盛、德盛及東莞虎門於本集團完成出售後不再為本集團附屬公司之日期。
- (b) 泰盛、德盛及東莞虎門為本公司前附屬公司並由本公司前任股東實益持有。
- (c) 萬利由本公司一位股東實益持有。

#### (ii) 與關連人士之結餘

##### (a) 應收一名關連人士之款項詳情

		Maximum amounts outstanding for the year ended 31 December 截止十二月三十一日止年度 最高尚未償還款項			
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
A former subsidiary beneficially held by a former shareholder of the Company	本公司前任股東實益持有之前附屬公司	-	7,171	7,171	7,171

The amount as at 31 December 2009 was unsecured, interest-free and has been repaid in full during the year.

於二零零九年十二月三十一日，該款項為無抵押、免息及於年內悉數償還。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 35. RELATED PARTY DISCLOSURES

(continued)

#### (ii) Balances with related parties (continued)

##### (b) Particulars of amounts due to related parties

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
A company beneficially held by a shareholder of the Company, included in current liabilities (note a)	本公司一位股東實益持有之公司(計入流動負債)(附註a)	-	163
A shareholder of the Company, included in	本公司一位股東,計入		
- current liabilities (note b)	- 流動負債(附註b)	-	3,000
- non-current liabilities (note c)	- 非流動負債(附註c)	7,153	18,430
		<b>7,153</b>	<b>21,593</b>

Notes:

- (a) The entire amount as at 31 December 2009 represented trade payable to the related party and was unsecured, interest-free and repayable on demand and aged less than 60 days. The entire amount has been settled during the year.
- (b) The amount as at 31 December 2009 was unsecured, interest-free and repayable on demand. The entire amount has been settled during the year.
- (c) The amount is unsecured, interest free and has no fixed terms of repayment. The shareholder has agreed not to demand for repayment for twelve months from the end of the reporting period. Accordingly, the amount is classified as non-current.

### 35. 關連人士披露 (續)

#### (ii) 與關連人士之結餘 (續)

##### (b) 應付關連人士之款項詳情

附註:

- (a) 於二零零九年十二月三十一日,全部款項均為應付予關連人士之貿易應付款項,並為無抵押、免息及須應要求償還以及賬齡少於60日。全部款項已於年內償付。
- (b) 於二零零九年十二月三十一日,該款項為無抵押、免息及須應要求償還。全部款項已於年內償付。
- (c) 該款項為無抵押、免息及並無固定還款期。股東已同意不會於報告期末起計十二個月要求償還。因此,該款項分類為非流動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 35. RELATED PARTY DISCLOSURES

(continued)

#### (iii) Key management compensation

The remuneration of the key management of the Group during the year was as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Short-term benefits	短期福利	836	1,965
Retirement benefits scheme contributions	退休福利計劃供款	17	58
		<b>853</b>	2,023

The remuneration of director and other members of key management is determined by the board of directors having regard to the performance of individual and market trends.

### 35. 關連人士披露 (續)

#### (iii) 主要管理人員薪酬

年內本集團主要管理人員薪酬如下：

董事及其他主要管理人員成員之薪酬由董事會經參考個人表現及市場趨勢釐定。

### 36. CAPITAL RISK MANAGEMENT

The Group manages its capital by prudent financial management and investment criteria so as to strike for strong financial positions while maximising the return to owners of the Company through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the promissory notes and convertible bonds disclosed in notes 24 and 25 respectively, and equity attributable to equity holders of the Company, comprising issued share capital and various reserves less accumulated losses.

### 36. 資本風險管理

本集團透過審慎財務管理及投資標準管理其資本以達致穩健之財務狀況，同時透過優化債務及股本結餘，為本公司擁有人提供最佳回報。

本集團之資本架構包括債務（包括分別於附註24及25披露之承兌票據及可換股債券）及本公司權益持有人應佔權益（包括已發行股本及各項儲備減累計虧損）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 36. CAPITAL RISK MANAGEMENT

(continued)

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

### 36. 資本風險管理 (續)

管理層定期審閱資本架構。作為是次審閱的一部分，本公司管理層考慮與各類資本有關的資本成本及風險。本集團將按管理層之推薦建議透過派付股息、發行新股或股份購回以及新增債務或贖回現有債務，以平衡其整體資本架構。

### 37. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

### 37. 金融工具

#### (a) 金融工具類別

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值項目)	21,781	40,953
<b>Financial liabilities</b>	<b>金融負債</b>		
At amortised cost	以攤銷成本計算	284,702	273,536

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 37. FINANCIAL INSTRUMENTS (continued)

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

The Group's major financial instruments include trade receivables, bank balances and cash, trade payables, amount due to a shareholder, liability component of the convertible bonds and promissory note. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no change to the policies on how to mitigate these risks.

##### Market risk

##### Currency risk

The Group operates in Hong Kong with most of the transactions are denominated and settled in Hong Kong dollars or United States dollars.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

		Assets 資產	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
USD	美元	2,722	1,467

### 37. 金融工具 (續)

#### (b) 財務風險管理目標及政策

本集團之主要金融工具包括貿易應收款項、銀行結存及現金、貿易應付款項、應付一名股東款項、可換股債券之負債部分及承兌票據。有關該等金融工具之詳情已於相關附註披露。與該等金融工具有關之風險包括市場風險(貨幣風險)、信貸風險及流動資金風險。下文載列如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時及有效地採取適當措施。有關如何降低該等風險之政策概無作出變動。

##### 市場風險

##### 外匯風險

本集團於香港經營業務，主要交易以港幣或美元列值及結算。

於報告期末，本集團以外幣列示之貨幣資產之賬面值如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 37. FINANCIAL INSTRUMENTS (continued)

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

##### *Market risk (continued)*

##### **Currency risk (continued)**

Sensitivity analysis

No sensitivity analysis has been presented as the directors consider that the Group's exposure to USD is insignificant on the grounds that Hong Kong dollars is pegged to USD.

##### **Credit risk**

As at 31 December 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

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

### 37. 金融工具 (續)

#### (b) 財務風險管理目標及政策 (續)

##### *市場風險 (續)*

##### **外匯風險 (續)**

敏感度分析

由於董事認為港元與美元掛鈎，對美元之外幣風險並不重大，故並無呈列敏感度分析。

##### **信貸風險**

於二零一零年十二月三十一日，因交易對方未能履行責任而可為本集團帶來財務虧損之本集團最大信貸風險，乃來自綜合財務狀況表所列各項已確認金融資產之賬面值。

為減低信貸風險，本集團管理層已委任一支團隊，負責釐定信貸限額、信貸批核及其他監察程序，以確保就可收回逾期債務採取跟進措施。此外，本集團會於各報告期末審閱各個別貿易及其他債務之可收回金額，以確保就無法收回金額確認足夠減值虧損。就此，本公司管理層認為，本集團之信貸風險已大大降低。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 37. FINANCIAL INSTRUMENTS (continued)

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

##### *Credit risk (continued)*

The Group's concentration of credit risk by geographical locations for the year ended 31 December 2010 is mainly in the PRC, which accounted for approximately 78% of the total trade receivables as at 31 December 2010. For the year ended 31 December 2009, the concentration of credit risk by geographical location is mainly in Hong Kong, which accounted for approximately 72% of the total trade receivable as at 31 December 2009.

The Group has concentration of credit risk as approximately 20% (2009: 40%) and approximately 79% (2009: 72%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively, all of which are engaged in the business of conductive silicon rubber keypads. The concentration of credit risk by geographical location is mainly in Hong Kong (2009: the PRC). The directors have assessed the credit quality of these debtors and have continuously assessed the recoverability of such amounts. The directors consider these debtors are of good credit quality.

### 37. 金融工具 (續)

#### (b) 財務風險管理目標及政策 (續)

##### *信貸風險 (續)*

就地區而言，本集團截至二零一零年十二月三十一日之信貸風險主要集中於中國，佔於二零一零年十二月三十一日之貿易應收款項總額約78%。截至二零零九年十二月三十一日止年度，就地區而言，本集團之信貸風險主要集中於香港，佔於二零零九年十二月三十一日之貿易應收款項總額約72%。

由於應收本集團最大客戶及五大客戶（均從事導電硅橡膠按鍵業務）款項分別佔貿易應收款項總額約20%（二零零九年：40%）及約79%（二零零九年：72%），故本集團有集中信貸風險。就地區而言，本集團之信貸風險主要集中於香港（二零零九年：中國）。董事已評估該等應收款項之信貸質素，並持續評估該等金額之可收回性。董事認為，該等應收款項具有良好之信貸素質。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 37. FINANCIAL INSTRUMENTS (continued)

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

##### *Credit risk (continued)*

The Group also had concentration of credit risk as at 31 December 2009 for the amount due from a related company which is due from a single entity. As the Group has close business relationship with the related party, the management considered the credit risk is minimal. The full amount due from the related party has been fully settled during the year ended 31 December 2010.

In addition, the Group has concentration of credit risk on liquid funds which are deposited with several banks with good reputation. Other than the above, the Group does not have any other significant concentration of credit risk.

##### *Liquidity risk*

The Group exposed to significant liquidity risk at the end of the reporting period. The net liabilities of the Group as at 31 December 2010 was approximately HK\$231,420,000 (2009: HK\$255,849,000). In view of this, the directors of the Company has given careful consideration to the future liquidity of the Group and have been taking steps to improve the liquidity of the Group and details of which are set out in note 2.

The following table details the Group's contractual maturity for its financial liabilities based on the agreed repayment terms. The table for non-derivative financial liabilities has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

### 37. 金融工具 (續)

#### (b) 財務風險管理目標及政策 (續)

##### *信貸風險 (續)*

於二零零九年十二月三十一日，本集團亦擁有集中之信貸風險，此乃由於應收一間關連公司款項乃自單一實體。由於本集團已終止與該關連公司之業務關係，管理層認為，信貸風險甚微。應收關連公司之全部款項於截至二零一零年十二月三十一日止年度悉數償還。

此外，本集團之流動資金信貸風險集中，該等資金存放於信譽良好之多家銀行內。除上文所述者外，本集團並無任何其他重大之信貸風險集中。

##### *流動資金風險*

本集團於報告期末面對重大之流動資金風險。本集團於二零一零年十二月三十一日之負債淨額約為231,420,000港元（二零零九年：255,849,000港元）。鑒此，本公司董事對本集團之未來流動資金作出謹慎考量，並採取措施改善本集團之流動資金，詳情載於附註2。

下表乃根據協定付款條款刊載本集團金融負債之合約到期日詳情。就非衍生金融負債而言，該表乃根據本集團被要求支付款項最早日期之金融負債之未貼現現金流編製。該表已包括利息及本金現金流。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 37. FINANCIAL INSTRUMENTS (continued)

### 37. 金融工具 (續)

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

#### (b) 財務風險管理目標及政策 (續)

##### Liquidity risk (continued)

##### 流動資金風險 (續)

##### Liquidity and interest risk table

##### 流動資金及利息風險表

		Weighted average effective interest rate	Less than 1 month	Over 1 year	Total undiscounted cash flows	Carrying amount at 31 December
		加權平均 實際利率	少於1個月 HK\$'000 千港元	超過1年 HK\$'000 千港元	未貼現 現金流總額 HK\$'000 千港元	十二月 三十一日 賬面值 HK\$'000 千港元
		%				
<b>2010</b>	<b>二零一零年</b>					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Trade payables	貿易應付款項	–	1,196	–	1,196	1,196
Amount due to a shareholder	應付一名股東款項	–	–	7,153	7,153	7,153
Convertible bonds	可換股債券					
– liability component (note)	– 負債部份 (附註)	14	–	300,000	300,000	201,389
Promissory notes	承兌票據	16	–	87,500	87,500	74,964
			1,196	394,653	395,849	284,702
<b>2009</b>	<b>二零零九年</b>					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Trade payables	貿易應付款項	–	127	–	127	127
Amount due to a shareholder	應付一名股東款項	–	3,000	18,430	21,430	21,430
Amount due to a related company	應付一間關連公司款項	–	163	–	163	163
Convertible bonds	可換股債券					
– liability component (note)	– 負債部份 (附註)	14	–	300,000	300,000	176,785
Promissory notes	承兌票據	16	–	87,500	87,500	75,031
			3,290	405,930	409,220	273,536

Note: This is categorised based on contractual term of redemption at maturity on the assumption that there are no redemption or conversion of the convertible bonds.

附註：此乃根據假設並無贖回或轉換可換股債券而於到期日贖回之合約條款分類。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 37. FINANCIAL INSTRUMENTS (continued)

#### (c) Fair values of financial instruments

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

- the fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

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

### 37. 金融工具 (續)

#### (c) 金融工具公平值

本集團之金融資產及金融負債之公平值之釐定方法如下：

- 金融資產及金融負債之公平值乃根據一般接納的定價模式以貼現現金分析釐定；及
- 衍生工具之公平值乃以報價計算。倘未取得有關價格，則非期權衍生工具以工具年期之適用收益曲線進行貼現現金流分析，而期權衍生工具則以期權定價模式進行貼現現金流分析。

董事認為綜合財務報表中以攤銷成本入賬之金融資產及金融負債之賬面值與其公平值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 38. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2010 and 2009 are as follows:

### 38. 附屬公司詳情

於二零一零年及二零零九年十二月三十一日，本公司之附屬公司詳情如下：

Name of company 公司名稱	Place of incorporation or registration/ operation 註冊成立或 登記/營業地點	Nominal value of issued and fully paid ordinary share capital/ paid up registered capital 已發行及繳足普通股股本/ 實繳註冊資本面值	Proportion ownership interest held by the Company 本公司持有之 擁有權權益比率				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	
			%	%	%	%	
Champion Keypad Manufacturing Limited 卓盈按鍵製造有限公司	Hong Kong 香港	HK\$1,000 Ordinary shares 普通股1,000港元	-	-	100	100	Trading in conductive silicon rubber products 買賣導電硅橡膠產品
Gold Concept Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary shares 普通股1美元	100	-	-	-	Management service 管理服務
Great Perfect Investments Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary shares 普通股1美元	100	-	-	-	Management service 管理服務
Hong Shing Industrial Limited 康盛實業有限公司	Hong Kong 香港	HK\$10,000 Ordinary shares 普通股10,000港元	-	-	100	100	Trading in conductive silicon rubber products 買賣導電硅橡膠產品
Long Trinity Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary shares 普通股1美元	100	-	-	-	Inactive 暫無業務
Max Dynasty Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary shares 普通股1美元	100	-	-	-	Investment holding 投資控股

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 38. PARTICULARS OF SUBSIDIARIES

(continued)

### 38. 附屬公司詳情 (續)

Name of company 公司名稱	Place of incorporation or registration/ operation 註冊成立或 登記/營業地點	Nominal value of issued and fully paid ordinary share capital/ paid up registered capital 已發行及繳足 普通股股本/ 實繳註冊資本面值	Proportion ownership interest held by the Company 本公司持有之 擁有權益比率				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2010 二零一零年 %	2009 二零零九年 %	2010 二零一零年 %	2009 二零零九年 %	
Million Well Creation Limited 百隆創建有限公司	Hong Kong 香港	HK\$1 Ordinary shares 普通股1港元	-	-	100	100	Management service 管理服務
On Shing Holdings Company Limited 安盛控股有限公司	British Virgin Islands 英屬處女群島	US\$10,000 Ordinary shares 普通股10,000美元	-	-	100	100	Investment holding 投資控股
Redditch Enterprises Limited	British Virgin Islands 英屬處女群島	US\$10,001 Ordinary shares 普通股10,001美元	100	100	-	-	Investment holding 投資控股
Sourcestar Profits Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary shares 普通股1美元	100	100	-	-	Investment holding 投資控股

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

上表呈列董事認為對本集團業績或資產有重大影響之本集團附屬公司。董事認為，詳列其他附屬公司的資料會導致篇幅過於冗長。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 39. EVENTS AFTER THE REPORTING PERIOD

#### (i) Disposal of Pacific Choice Group

As set out in notes 2 and 3, the Company entered into the Disposal Agreement on 25 January 2011 for the disposal of the Pacific Choice Group. Up to the date of this report, the disposal has not been completed.

#### (ii) Acquisition of mines

As set out in note 33, the Company entered into a conditional sale and purchase agreement on 22 September 2010 for the acquisition of certain mines. Up to the date of this report, the acquisition has not been completed.

### 39. 報告期後事項

#### (i) 出售Pacific Choice集團

誠如附註2及3所載，本公司就出售Pacific Choice集團而於二零一一年一月二十五日訂立出售協議。截止本報告日期，出售尚未完成。

#### (ii) 收購礦山

誠如附註33所載，本公司就收購若干礦山而於二零一零年九月二十二日訂立有條件買賣協議。截止本報告日期，收購尚未完成。



# Financial Summary

## 財務總表

### RESULTS

### 業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	2010 二零一零年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue (including continuing and discontinued operations)	收益(包括持續及終止經營業務)	705,859	735,114	645,083	134,272	<b>26,524</b>
Profit (loss) before taxation	除稅前溢利(虧損)	4,500	(62,826)	(163,299)	(587,100)	<b>20,380</b>
Taxation	稅項	(2,069)	(1,924)	(6,429)	1,430	<b>4,049</b>
Profit (loss) for the year, attributable to owners of the Company	本年度本公司擁有人應佔溢利(虧損)	2,431	(64,750)	(169,728)	(585,670)	<b>24,429</b>

### ASSETS AND LIABILITIES

### 資產及負債

		As at 31 December 於十二月三十一日				
		2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	2010 二零一零年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Total assets	總資產	667,458	669,470	515,897	41,042	<b>72,217</b>
Total liabilities	總負債	(250,971)	(294,439)	(262,627)	(296,891)	<b>(303,637)</b>
		416,487	375,031	253,270	(255,849)	<b>(231,420)</b>
Equity attributable to owners of the Company	本公司擁有人應佔權益	416,487	375,031	253,270	(255,849)	<b>(231,420)</b>



**KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED**  
泰 盛 實 業 集 團 有 限 公 司