CMMB VISION

CMMB Vision Holdings Limited

中國移動多媒體廣播控股有限公司

(Formerly known as Global Flex Holdings Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 471)

2010
ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. WONG Chau Chi *(Chairman)*

Non-executive Directors

Dr. Hui LIU *(Vice-chairman)*
Mr. CHOU Tsan-Hsiung
Mr. YANG Yi
Dr. LI Jun

Independent Non-executive Directors

Mr. WANG Wei-Lin
Mr. YU Kam Kee Lawrence BBS, MBE, JP
Mr. Shan LI

MEMBERS OF AUDIT COMMITTEE

Mr. Shan LI *(Chairman)*
Mr. CHOU Tsan-Hsiung
Mr. YU Kam Kee Lawrence BBS, MBE, JP

MEMBERS OF REMUNERATION COMMITTEE

Mr. WANG Wei-Lin *(Chairman)*
Mr. CHOU Tsan-Hsiung
Mr. YU Kam Kee Lawrence BBS, MBE, JP
Mr. Shan LI

COMPANY SECRETARY

Mr. CHEUNG Kai Cheong Willie FCCA, CPA

AUTHORISED REPRESENTATIVES

Mr. WONG Chau Chi
Mr. CHEUNG Kai Cheong Willie

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISOR AS TO HONG KONG LAW

Orrick, Herrington & Sutcliffe

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

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

PRINCIPAL OFFICE IN HONG KONG

1701-1702, 17/F, The Hong Kong Club Building
3A Chater Road, Central
Hong Kong
Tel: +852 3690 2589
Fax: +852 3690 2489
Email: info@cmmbvision.com
Website: www.cmmbvision.com

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street, P.O. Box 705
George Town, Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

Stock Code: 471

Chairman's Statement

Dear Shareholders:

On behalf of the board (the "Board") of directors (the "Directors") of CMMB Vision Holdings Limited (formerly known as Global Flex Holdings Limited) (the "Company", together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Company for the year ended 31 December 2010 ("2010 Annual Report").

BUSINESS REVIEW

The Company's principal activity is investment holdings whilst its subsidiaries are mainly engaged in manufacturing and trading of printed circuit boards.

For the financial year ended 31 December 2010, the Group recorded a turnover of approximately US$13.7 million (2009: approximately US$4.6 million), representing an increase of 197.8% compared to the financial year ended 31 December 2009. The Group's loss for the year was approximately US$21.5 million (2009: approximately US$43.6 million), loss per share was approximately US0.8 cents (2009: approximately US2.4 cents).

FUTURE PROSPECTS

The Group is currently transforming from a printed circuit board maker to a mobile multimedia technology and service provider through a series of restructuring, divestments and acquisitions, which are in their final phases in making the Group a dedicated operator in delivering mobile and wireless video and Internet data services.

The Group is developing to be a leading next generation mobile multimedia service provider. It addresses the rapidly growing demand for mobile and wireless video and internet content downloads with a very low cost and efficient solution based on the China-developed CMMB multicast technology. Consumers with untethered CMMB-enabled devices such as handsets, netbooks, MP4s, dongles, GPS, and LED panels can receive virtually unlimited and instant mobile video and Internet downloads anytime anywhere deliverable through a ubiquitous terrestrial and satellite network.

Developed by the State Administration of Radio, Film, and Television ("SARFT") of the People's Republic of China ("PRC") with collaboration from the United States of America, CMMB is one of the most advanced digital broadcasting (multicast) technologies invented in the 21 Century that enables mobile television ("TV") delivery and data delivery through Internet by the Internet Protocol ("IP data"). It is Orthogonal frequency-division multiplexing ("OFDM") based, and can readily interact with other OFDM technologies such as third generation mobile technology 3G, fourth generation mobile technology ("4G") based on Institute of Electrical and Electronics Engineers standards 802.16(e) ("WiMax") and 4G Long Term Evolution ("4G LTE"). The key feature of CMMB is that it can deliver streaming live mobile video and push-IP data in a massive quantity and instant speed simultaneously to an unlimited number of mobile users anytime anywhere at very low cost. CMMB has been widely deployed over 330 Chinese cities with the support of world's largest mobile network and supply-chain ecosystem.

The Group's main business will apply the CMMB technology to address the growing bottleneck caused by video and Internet data content distribution, which can no longer be accommodated by the conventional unicast – based mobile communication technologies. In China, its goal is to become a leading CMMB service provider. Globally, its goal is to promote and develop CMMB by deploying and operating CMMB-based networks and services in different countries and create a global multimedia franchise.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my gratitude to the business partners, customers and employees of the Group and the shareholders ("Shareholders") of the Company for their supports. On behalf of the Directors, I would like to express of my sincerity to the Group's staffs for their dedication and contribution to the Group during this difficult financial year.

For and on behalf of the Board

Wong Chau Chi
Chairman
Hong Kong, 30 March 2011

Management Discussion and Analysis

INDUSTRY REVIEW

Printed circuit boards, including flexible printed circuit boards ("FPC") and rigid printed circuit boards ("PCB"), are one of the fundamental components found in most electronic products such as mobile phones, digital cameras, computer products and consumer electronics products.

More and more FPC and PCB facilities are being established in China and FPC and PCB solution providers in China are becoming more competitive in the world.

BUSINESS/OPERATION REVIEW

During the year under review, the Company's principal activity is investment holdings whilst its subsidiaries are mainly engaged in manufacturing and trading of PCB.

The Group currently remains PCB solutions for the year under review. The turnover of the Group is approximately US$13.7 million (2009: approximately US$4.6 million), representing an increase of 197.8% compared to the year ended 31 December 2009. The Group undertook restructuring for the purpose of dealing with and settling its indebtedness and it has massively cut costs, reduced debts, streamlined operations and sought new investment opportunities during the year ended 31 December 2009. The operations for the PCB solutions are back to normal and continue to growth. In addition, the Group has discontinued the operations of FPC solution since September 2009.

Following the recent successful completion of its corporate restructuring, the Company has been pursuing opportunities arising from China's new policy in support of 3-Way Network Convergence (television, telecom and internet) and, in particular, has been focused on developing mobile television and interactive multimedia business based on the CMMB standards. The Company's goal is to develop into a mobile TV multimedia company, providing CMMB-based services, solutions, and innovations in China and in other markets around the world.

FINANCIAL REVIEW

For the financial year ended 31 December 2010, the Group recorded loss for the year of approximately US$21.5 million as compared to loss for the year approximately US$43.6 million for the year ended 31 December 2010, representing a decrease of approximately 50.7%. Loss per share was approximately US0.8 cents (2009: approximately US2.4 cents) and net liabilities per share of the Company was approximately US0.3 cents (2009: approximately US0.4 cents).

Turnover and gross loss margin

During the year, the turnover of the Group increased by approximately US$9.1 million (197.8%) and the overall gross loss margin decreased from approximately 102.2% for the year ended 31 December 2009 to approximately 77.4% for the year ended 31 December 2010. Under the restructuring of a major subsidiary during the year ended 31 December 2009, there were suspension of certain level of operations and discontinuation of manufacturing, assembling and trading of FPC. Following the recent restructuring, there were increase in turnover and improvement in gross loss margin of the Group.

Operating expenses

Distribution costs for the year ended 31 December 2010 increased by 75.5% to approximately US$330,000, as compared to that of approximately US$188,000 for the year ended 31 December 2009. The items comprising the distribution and selling expenses were in line with the level of turnover.

The administrative expenses for the year ended 31 December 2010 decreased by approximately 38.0% to approximately US$5.7 million as compared to that of approximately US$9.2 million for the year ended 31 December 2009. The decrease is mainly due to tightening of the control on the expenses incurred for administration.

Research and development costs for the year ended 31 December 2010 decreased by approximately 13.3% to approximately US$1.3 million as compared to that of approximately US$1.5 million for the year ended 31 December 2009. It mainly comprises the development costs for the business of CMMB.

Other expenses represent the share-based payments expense to the consultants by granting share options of the Company to the consultants during the year. It slight increased by 5.0% to approximately US$2.1 million for the year ended 31 December 2010, as compared to that of approximately US$2.0 million for the year ended 31 December 2009.

Impairment loss on trade and other receivables for the year ended 31 December 2010 increased by approximately 64.1% to approximately US$699,000, as compared to that of approximately US$426,000 for the year ended 31 December 2009. Impairment loss was made on certain trade and other receivables which are past due and their recoverability are in doubt.

Finance costs of the Group for the year ended 31 December 2010 slightly increased by 7.1% to approximately US$1.5 million, as compared to that of approximately US$1.4 million for the year ended 31 December 2009, no significant movements in bank borrowings during the year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had shareholders' deficits of approximately US$11.0 million as at 31 December 2010 and approximately US$8.3 million as at 31 December 2009. Current assets amounted to approximately US$9.5 million mainly comprising bank balances and cash of approximately US$4.0 million, inventories of approximately US$1.2 million and trade and other receivables of approximately US$3.8 million. Current liabilities amounted to approximately US$14.7 million mainly comprising trade and other payables of approximately US$14.5 million.

As at 31 December 2010, the Group's current ratio is 0.6 (2009: 0.9) and the gearing ratio (a ratio of total loans to total assets) is 64.7% (2009: 86.8%).

As at 31 December 2010, the Group's bank loan balance is approximately US$24.2 million, all loans are fixed rate borrowings which carried interest rate at 4.7% per annum and on demand in more than one year but not more than five years.

During the year, the Company entered into certain subscription agreements with the subscribers for the subscription of an aggregate 593,321,800 new shares ("Shares") of the Company for an aggregate consideration of HK$63,717,908 (equivalent to approximately US$8.2 million). Total net proceeds of all above subscriptions are approximately US$8.1 million, which were intended to be used as general working capital at initial. Subsequently, part of the net proceeds amounting to approximately US$1.1 million was used as a deposit to acquire 30% equity interests in Fuxue (Beijing) Media Co., Ltd（北京富學傳媒文化有限公司）and 30% equity interests in Deshen (Beijing) Interactive Media Co., Ltd（北京德神互動文化傳媒有限責任公司）, both operate the business regarding the CMMB; and the remaining part of the net proceeds amounting to approximately US$7.0 million was used for general working capital during the year under review.

FOREIGN CURRENCY EXCHANGE RISK

Most of the Group's assets, liabilities and transactions are denominated in US$ and Renminbi ("RMB"). The management believes that foreign exchange risk does not affect the Group since RMB has generally appreciated comparing with US$ and its sales and purchases in RMB substantially hedged the risks of transactions in foreign currency. The management will continue to monitor any further changes in RMB exchange rate and would proactively take measures to minimise any adverse impact by the fluctuations of exchange rates on the Group. The Group did not make any other hedging arrangement in the two years ended 31 December 2010.

SEGMENT INFORMATION

As at 31 December 2010, detail segment information of the Group is set out in note 8 to the consolidated financial statements in this annual report.

EMPLOYEE BENEFITS

For the year ended 31 December 2010, average number of employees of the Group was approximately 500 (2009: approximately 900). For the year ended 31 December 2010, the Group's staff costs (including Directors' fees and emoluments) amounted to approximately US$3.2 million (2009: approximately US$3.4 million). The remuneration policy of the Company is reviewed annually and is in line with the prevailing market practice. During the year under review, the Company has granted 31,250,000 share options to the Directors and employees of the Group under the share option scheme of the Company adopted on 5 July 2005.

The employees of the Company's subsidiaries in the PRC are members of a state-managed social welfare scheme operated by the local government of the PRC. Under the scheme, the Group provides retirement, medical, employment injury, unemployment and maternity benefits to its employees in the PRC in accordance with the relevant PRC rules and regulations. The Group is required to contribute a specified percentage of their payroll costs to the social welfare scheme to fund the benefits. The only obligation of the Group with respect to the social welfare scheme is to make the specified contributions. During the year under review, the Group contributed approximately US$123,000 (2009: approximately US$112,000) to the scheme.

MATERIAL ACQUISITIONS AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENT

For year ended 31 December 2010, the Group did not have any material acquisition or disposals of subsidiaries and associated companies. Save as disclosed in note 46 to the consolidated financial statements, there are no any other material acquisition or disposals of subsidiaries and associated companies in near future.

CHARGE ON ASSETS

As at 31 December 2010, the Group pledged its properties and prepaid lease payments amounted to approximately US$13.9 million and US$7.2 million respectively (2009: approximately US$18.6 million and US$7.2 million respectively) to secure its bank borrowings.

CONTINGENT LIABILITIES

As at 31 December 2010, neither the Group nor the Company has any significant contingent liabilities (2009: Nil).

PROSPECTS

The Group is currently transforming from a printed circuit board maker to a mobile multimedia technology and service provider through a series of restructuring, divestments and acquisitions, which are in their final phases in making the Group a dedicated operator in delivering mobile and wireless video and Internet data services.

The Group is developing to be a leading next generation mobile multimedia service provider. It addresses the rapidly growing demand for mobile and wireless video and internet content downloads with a very low cost and efficient solution based on the China-developed CMMB multicast technology. Consumers with untethered CMMB-enabled devices such as handsets, netbooks, MP4s, dongles, GPS, and LED panels can receive virtually unlimited and instant mobile video and Internet downloads anytime anywhere deliverable through a ubiquitous terrestrial and satellite network.

Developed by the State Administration of Radio, Film, and Television ("SARFT") of the People's Republic of China ("PRC") with collaboration from the United States of America, CMMB is one of the most advanced digital broadcasting (multicast) technologies invented in the 21 Century that enables mobile television ("TV") delivery and data delivery through Internet by the Internet Protocol ("IP data"). It is Orthogonal frequency-division multiplexing ("OFDM") based, and can readily interact with other OFDM technologies such as third generation mobile technology 3G, fourth generation mobile technology ("4G") based on Institute of Electrical and Electronics Engineers standards 802.16(e) ("WiMax") and 4G Long Term Evolution ("4G LTE"). The key feature of CMMB is that it can deliver streaming live mobile video and push-IP data in a massive quantity and instant speed simultaneously to an unlimited number of mobile users anytime anywhere at very low cost. CMMB has been widely deployed over 330 Chinese cities with the support of world's largest mobile network and supply-chain ecosystem.

The Group's main business will apply the CMMB technology to address the growing bottleneck caused by video and Internet data content distribution, which can no longer be accommodated by the conventional unicast – based mobile communication technologies. In China, its goal is to become a leading CMMB service provider. Globally, its goal is to promote and develop CMMB by deploying and operating CMMB-based networks and services in different countries and create a global multimedia franchise.

Biographies of Directors and Senior Management

EXECUTIVE DIRECTOR

Mr. WONG Chau Chi ("Mr. Wong"), aged 46, was appointed as an executive Director in May 2007. Mr. Wong is currently the chief executive officer of the Company and the Chairman of the Board (the "Chairman"). Mr. Wong is responsible for the overall business development operation strategy of the Group. Mr. Wong has extensive experience in the financial and business industry for 19 years. Previously, he has worked at Goldman Sachs, Citibank Group, BNP Paribas, McKinsey & Co, and GE in areas such as restructuring, derivatives, advisory, and financial management. Mr. Wong also serves as a director of Chi Capital Holdings Limited, a financial and investment advisory company in Hong Kong specialized in merger and acquisition and private equity. Mr. Wong had not held any position nor directorship in other listed companies in the three preceding years.

NON-EXECUTIVE DIRECTORS

Dr. Hui LIU ("Dr. Liu"), aged 42, was appointed as a non-executive Director in November 2009. Dr. Liu is the creator of China's home grown mobile TV technology CMMB. Dr. Liu is also one of the principal designers for China's home grown 3G system TD-SCDMA. He is the author of the first 6 key patents. Furthermore, Dr. Liu is the developer of the world's first OFDMA mobile cellular system in 2000 and holder of fundamental patents on WiMAX and 3G LTE networks. Dr. Liu is currently a professor of the University of Washington (Department of Electrical Engineering) in United States of America (the "USA"). In 1992, Dr. Liu graduated with Master Degree of Science of Portland State University in the USA. In 1995 he was awarded a degree of Doctor of Philosophy of Electrical and Computer Engineering from the University of Texas in the USA. After his graduation, he was a chief scientist of Cwill Telecomm in the USA. From 1995 -1998, Dr. Liu was an assistant professor of University of Virginia in the USA. Afterward, he was working in University of Washington in the USA, start as an assistant professor. In 2001, he became an associate professor and subsequently as a full professor since 2008. During on leave in between 2000 to 2002, he was the founder and chief executive officer of Broadstorm Technologies Inc. in the USA. Dr. Liu had not held any position nor directorship in other listed companies in the three preceding years.

Mr. YANG Yi ("Mr. Yang"), aged 47, was appointed as a non-executive Director in February 2007. Mr. Yang first graduated from the Beijing University with a Bachelor Degree of Art in International Politics in 1987 and was awarded a scholar of Japanese Education Ministry by the Tokyo University in the same year. In 1991, Mr. Yang was awarded a master degree of Art in Law & Diplomacy by Fletcher School of Law and Diplomacy, jointly administrated by Tufts University and Harvard University. Mr. Yang has about 23 years of experience in finance and human resources management. The major appointments and positions previously assumed by Mr. Yang include a financial analyst at the fixed income division of J.P. Morgan Securities (Tokyo), the vice president of the human capital management of Goldman Sachs LLP (New York), the principal of executive search in the financial industry of Korn/Ferry International (Hong Kong) and a managing director of A.T. Kearney Management Consultancy (Hong Kong). At present, Mr. Yang is the director and founder of G Bridge Limited, Hong Kong based human resources advisory firm. Mr. Yang had not held any position nor directorship in other listed companies in the three preceding years.

Mr. CHOU Tsan-Hsiung ("Mr. Chou"), aged 68, was appointed as an independent non-executive Director in June 2005 and was subsequently re-designated as a non-executive Director in September 2005. Mr. Chou graduated with a bachelor degree in Laws from the National Chengchi University and is a member of Taipei Bar Association. Mr. Chou is currently a practicing lawyer in the Best Truth Law Firm in Taiwan. Mr. Chou previously worked in the Legal Affairs Office of the Central Trust of China. Mr. Chou had not held any position nor directorship in other listed companies in the three preceding years.

Dr. LI Jun ("Dr. Li"), aged 49, obtained a doctorate degree of philosophy in Political Economy from Oxford University in the United Kingdom. He was a senior manager and director of a number of securities and investment companies in Hong Kong and had extensive experience in international financial market. Dr. Li is currently an independent non-executive director of Zhejiang Glass Company Limited (Stock code: 739) and Hong Long Holdings Limited respectively (Stock code: 1383). Dr Li was previously executive director of Superb Summit International Timber Company Limited (Stock code: 1228) until 10 February 2009. Save as aforesaid, Dr. Li had not held any position nor directorship in other listed companies in the three preceding years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WANG Wei-Lin ("Mr. Wang"), aged 39, was appointed as an independent non-executive Director in September 2005. Mr. Wang has obtained a degree in Juris Scientiae Doctoris (Doctor of Juridical Science) from the Washington University in St. Louis. Mr. Wang also graduated with a Master of Laws degree from the University of Pennsylvania and a bachelor degree in laws from the National Chengchi University. Mr. Wang is a certified attorney in Taiwan and the New York State of the United States of America. Mr. Wang is also a member of the Taipei Bar Association and American Bar Association. Mr. Wang is currently an assistant professor in Shih Hsin University School of Law （世新大學法學院助理教授）. Mr. Wang is currently an independent director of of YoungFast（洋華光電股份有限公司）, a company listed on the Taiwan Stock Exchange Corporation. Save as aforesaid, Mr. Wang had not held any position nor directorship in other listed companies in the three preceding years.

Mr. YU Kam Kee Lawrence BBS, MBE, JP ("Mr. Yu"), aged 65, was appointed as an independent non-executive Director in September 2008. Mr. Yu is currently an independent Non-executive Director of Great China Holdings Limited (Stock code: 141) and Evergranda Real Estate Group Limited (Stock code: 3333). Mr. Yu was previously the Chairman of See Corporation Limited (Stock code: 491) until 1 October 2009, a non-executive Chairman of Trasy Gold Ex Limited (Stock code: 8063) until 1 October 2009 and an independent non-executive director of The Hong Kong Building and Loan Agency Limited (Stock code: 145) until 2 December 2009. All the above five companies are listed on The Stock Exchange of Hong Kong Limited. Mr. Yu underwent training at Bayer AG and Cassella AG in Germany and has accumulated many years of extensive experience in the garment industry as well as senior management experience. Mr. Yu is the Honorary Life President of the Hong Kong Dyestuffs Merchants Association Limited. He also serves on many charitable and social organizations, and is currently the Co-Chairman of the Campaign Committee of The Community Chest of Hong Kong, Director of the Hong Kong Football Association Limited, Governor of the Hong Kong Automobile Association and the Chairman of the Campaign Committee of The Road Safety Council. Save as aforesaid, Mr. Yu had not held any position nor directorship in other listed companies in the three preceding years.

Biographies of Directors and Senior Management

Mr. Shan LI ("Mr. Li"), aged 47, was appointed as a non-executive Director in October 2009 and re-designated to an independent non-executive Director in March 2010. Mr. Li graduated from School of Economics and Management of Tsinghua University with a BS degree in Management Information Systems in 1986, from University of California Davis with a MA degree in Economics in 1988, and from Massachusetts Institute of Technology with a PhD degree in Economics in 1993. After graduation, Mr. Li worked as an International Economist for Goldman Sachs & Co. In 1995, He became an Executive Director of Investment Research Department of Goldman Sachs (Asia), Executive Director for Investment Banking in Goldman Sachs International in London in 1997. From 1999 to 2001, Mr. Li was a Managing Director and the Head of China Investment Banking at Lehman Brothers. During 2001-2005, Mr. Li was the Chief Executive Officer for Bank of China International Holdings ("BOCI") in Hong Kong. Mr. Li has over 16 years of experience in investment banking and related financial management. At present, Mr. Li is a founding partner and Chief Executive Officer for San Shan (HK) Limited, an investment advisory company based in Hong Kong, Deputy Director of National Center of Economic Research of Tsinghua University, Director for Soufun.com and China Cablecom, and Vice-Chairman of China Overseas Returned Scholars Development Foundation in Beijing. Mr. Li was also a Director for 51job.com, a company listed on the Nasdaq and vice-chairman of UBS Investment Bank, a business division of UBS AG. Save as aforesaid, Mr. Li had not held any position nor directorship in other listed companies in the three preceding years.

SENIOR MANAGEMENT

Mr. LU Cheng Ming Michael ("Mr. Lu"), aged 44, is the general manager of PCB Department. Mr. Lu joined the Group in August 2007. Mr. Lu graduated with a bachelor degree of Chemical Engineering from Taiwan National Cheng Ku University（台灣國立成功大學）Mr. Lu spent 11 years in Shenzhen Auto Cad PCB Company（至卓飛高）as a Vice General Manager.

Mr. William Patrick KRUEGER ("Mr. Krueger"), aged 51, is the chief development officer of the Group. Mr. Krueger joined the Group in March 2010. Mr. Krueger received both his MBA and BSc degrees from Northwestern University in 1986 and 1981 respectively. Mr. Kruger has 13 years experience in China building business, raising capital, managing assets and advising companies. Mr. Krueger will be responsible for developing the value chain of CMMB-based products and services across all relevant markets and segments.

The Company has adopted the Code Provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Listing Rules. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

The Board considers that good corporate governance of the Company is central to safeguarding the interests of the Shareholders and enhancing the performance of the Group. The Board is committed to maintaining and ensuring high standards of corporate governance. The Company has applied the principles and complied with all the applicable Code Provisions of the CG Code throughout the year ended 31 December 2010 except that the Company has been deviated from the Code Provision A.2.1 of the CG Code, as the roles of Chairman and chief executive officer of the Company were not separate. With effect on 19 May 2008, Mr. Wong Chau Chi ("Mr. Wong") had been re-designated as the Chairman and Mr. Wong also remains as the chief executive officer of the Company. According to the Code Provision A.2.1 of the CG Code, the roles of a chairman and a chief executive officer should be separate and should not be performed by the same individual. Given Mr. Wong has had extensive experience in the business of the Group and has performed satisfactorily since his joining of the Company in 2007, particularly in soliciting for possible new business opportunities and deducing the overall strategic plan for the future development of the Company, the Board considers that it would be beneficial of the Group if Mr. Wong is also in charge of overseeing the Company's operations as the Chairman. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will regularly review the effectiveness of this arrangement.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a revised code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. All the Directors confirmed, following specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code and the code of conduct throughout the year ended 31 December 2010.

BOARD OF DIRECTORS

Composition and role

The Board during the year and up to the date of this report comprises:

Executive Director	Wong Chau Chi *(Chairman)*	
Non-executive Directors	Hui Liu *(Vice-chairman)*	
	Chou Tsan-Hsiung	
	Yang Yi	
	Li Jun	
Independent non-executive Directors	Wang Wei-Lin	
	Yu Kam Kee Lawrence	
	Shan Li	(re-designated from a non-executive Director to an independent non-executive Director with effect from 2 March 2010)

As at 31 December 2010, the Board comprised one executive Director (also the Chairman) and seven non-executive Directors (one of whom is the vice-chairman of the Company). Of the seven non-executive Directors, three of them are independent non-executive Directors which represent about a quarter of the Board. On 2 March 2010, Mr. Shan Li was re-designated as an independent non-executive Directors, who possesses appropriate professional accounting qualifications and financial management expertise.

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations. With a wide range of expertise and a balance of skills, the non-executive Directors bring independent judgment on issues of strategic direction, development, performance and risk management through their contribution at Board meetings and committee works.

The independent non-executive Directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each independent non-executive Director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive Directors an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules and the Board considers such Directors are independent. The independent non-executive Directors are explicitly identified in all corporate communications.

On 2 March 2010, the Board has re-designated Mr. Shan Li from a non-executive Director to an independent non-executive Director and he was also appointed as the chairman of the audit committee ("Audit Committee") of the Company with effect from the same date according to the provision of Rule 3.21 of the Listing Rules. Since 2 March 2010, the Company has complied with the provisions of Rules 3.10(1) and 3.10(2) of the Listing Rules that sufficient number of independent non-executive Directors have been appointed and that at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

All Directors are regularly updated on governance and regulatory matters. There is an established procedure for the Directors to obtain independent professional advice at the expense of the Company in the furtherance of their duties. The Company has also arranged appropriate director and officer liability insurance cover in respect of legal actions against its Directors.

Board Meetings and Procedures

The Board meets regularly throughout the year and up to date of this annual report to review the overall business, financial and technical strategy and to monitor the financial performance of the Group while the senior management are delegated to supervise the day-to-day management and operation of the Group and the execution of the plans of the Group as approved by the Board. The Chairman is primarily responsible for drawing up and approving the agenda for each Board meeting in consultation with all Directors. Notices of at least 14 days have been given to all Directors for all regular Board meetings and the Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying Board papers in respect of regular Board meetings are sent out in full to all Directors within reasonable time before the Board meetings. Draft minutes of all Board meetings are circulated to all Directors for comment within a reasonable time prior to endorsement.

Minutes of Board meetings and meetings of Board committees are kept by duly appointed secretaries of the respective meetings and all Directors have access to Board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it.

During the year, eighteen Board meetings were held and the individual attendance of each Director is set out below:

Name of Director	**Number of Board meetings attended**	**Attendance rate**
Wong Chau Chi *(Chairman)*	18/18	100%
Hui Liu *(Vice-chairman)*	1/18	6%
Chou Tsan-Hsiung	3/18	17%
Yang Yi	18/18	100%
Li Jun	1/18	6%
Shan Li	3/18	17%
Wang Wei-Lin	2/18	11%
Yu Kam Kee Lawrence	2/18	11%

Chairman and Chief Executive Officer

During the year under review, Mr. Wong Chau Chi served as the Chairman and the chief executive officer of the Company. The Chairman is responsible for the overall business development operation strategy of the Group. The chief executive officer of the Company is responsible for financial and administration management and investment issue of the Group.

Terms of appointment of non-executive Directors

Each of the non-executive Directors and the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of one year. The term of each of the non-executive Directors and the independent non-executive Directors shall be renewable automatically for successive term of one year each commencing from the next day after the expiry of their then current term of appointment, subject to retirement by rotation and re-election at the annual general meeting ("AGM") pursuant to its Articles of Association (the "Articles") unless terminated by not less than three months notice in writing served by either the respective non-executive Director or independent non-executive Director expiring at the end of the initial term or at any time thereafter.

AUDIT COMMITTEE

The Audit Committee was established in July 2005 with written terms of reference adopted by reference to the code provisions of the CG Code and its members include:

Mr. Shan Li *(Chairman of the Audit Committee)* (appointed with effect from 2 March 2010)
Mr. Chou Tsan-Hsiung
Mr. Yu Kam Kee Lawrence

The majority of the Audit Committee members are independent non-executive Directors. The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in business, accounting and financial management in the Audit Committee. The composition and members of the Audit Committee comply with the requirements under the Rule 3.21 of the Listing Rules as at 31 December 2010. The Audit Committee is responsible for assisting the Board in safeguarding the Group's assets by providing an independent review of the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. The Audit Committee also oversees the audit process and performs other duties as assigned by the Board.

The Audit Committee meets regularly to review the reporting of financial and other information to the Shareholders, the system of internal controls, risk management and the effectiveness and objectivity of the audit process. The Audit Committee also provides an important link between the Board and the Company's auditor in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditor.

The Audit Committee has reviewed the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, and has reviewed the consolidated financial statements for the year ended 31 December 2010.

During the year ended 31 December 2010, two Audit Committee meetings were held and the individual attendance of each member is set out below:

Name of Director	Number of committee meetings attended	Attendance rate
Mr. Shan Li	2/2	100%
Mr. Chou Tsan-Hsiung	2/2	100%
Mr. Yu Kam Kee Lawrence	1/2	50%

The Company has adopted a revised written terms of reference of the Audit Committee with reference to the corresponding changes made to the code provisions of the CG Code. On 2 March 2010, Mr. Shan Li was appointed as the chairman of the Audit Committee according to the provision of Rule 3.21 of the Listing Rules. Since 2 March 2010, the Company has complied with the provision of Rule 3.21 of the Listing Rules that the Company's audit committee comprises a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

REMUNERATION COMMITTEE

The remuneration committee (the "Remuneration Committee") of the Company was established in July 2005 and its members include:

Mr. Wang Wei-Lin *(Chairman of the Remuneration Committee)*
Mr. Chou Tsan-Hsiung
Mr. Yu Kam Kee Lawrence
Mr. Shan Li (appointed with effect from 2 March 2010)

The majority of the Remuneration Committee members are independent non-executive Directors. The Remuneration Committee advises the Board on the Group's overall policy and structure for the remuneration of the Directors and senior management of the Group. The Remuneration Committee ensures that no Director or any of his associates is involved in deciding his own remuneration.

In determining the emolument payable to the Directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions of the Group and the desirability of performance-based remuneration.

The Remuneration Committee meets regularly to determine the policy for the remuneration of the Directors and assesses performance of the executive Directors and certain senior management of the Group. During the year ended 31 December 2010, one Remuneration Committee meeting was held, the individual attendance of each member is set out below:

Name of Director	Number of committee meeting attended	Attendance rate
Mr. Wang Wei-Lin	1/1	100%
Mr. Chou Tsan-Hsiung	1/1	100%
Mr. Yu Kam Kee Lawrence	1/1	100%
Mr. Shan Li	0/1	0%

NOMINATION OF DIRECTORS

The Board is responsible for considering the suitability of an individual to act as a Director, and approving and terminating the appointment of a Director. The Company has not established a nomination committee. The Company currently does not have any plans to set up a nomination committee.

The Chairman is responsible for identifying suitable candidates to the members of the Board when there is a vacancy or an additional director is considered necessary. The Chairman proposes the appointment of such candidates to each member of the Board for consideration. Each member of the Board will review the qualifications of the relevant candidates for determining the suitability to the Group on the basis of their qualifications, experiences and background.

During the year 2010, a Board meeting was held to review the qualification, experience and background of Mr. Shan Li and the Board approved the re-designation of Mr. Shan Li from a non-executive Director to an independent non-executive Director after thorough discussion. Save as above, no any Board meeting was held in relation to the nomination of Director during the year.

AUDITOR'S REMUNERATION

The remuneration in respect of audit services provided by the auditor to the Group for the year ended 31 December 2010 is US$180,645.

INTERNAL CONTROLS

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

The Board has conducted a review of the effectiveness of the Group's internal control system, covering its financial and operational functions.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of the consolidated financial statements for each financial period which gives a true and fair view of the state of affairs of the Group and of its results and cash flows for that period. In preparing the consolidated financial statements for the year ended 31 December 2010, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent, fair and reasonable; and prepared the consolidated financial statements on a going concern basis. The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and which enable the preparation of the consolidated financial statements in accordance with the Hong Kong Companies Ordinance.

AUDITOR'S STATEMENT

The auditor of the Company acknowledges its responsibilities in the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 December 2010.

INVESTOR RELATIONSHIP AND COMMUNICATION

The Company endeavours to maintain a high level of transparency in communicating with the Shareholders and the investment community at large. Briefings and meetings with institutional investors and analysts are conducted regularly. The Company is committed to continue to maintain an open and effective investor communication policy and to update the investors on relevant information on its business in a timely manner, subject to relevant regulatory requirements. In order to ensure effective, clear and accurate communications with the investors and analysts, all corporate communications are arranged and handled by the executive Directors and designated senior executives according to established practices and procedures of the Company.

For and on behalf of the Board

Wong Chau Chi
Chairman
Hong Kong, 30 March 2011

Report of the Directors

The Directors hereby present their report and the audited consolidated financial statements for the year ended 31 December 2010.

CHANGE OF COMPANY NAME

On 17 May 2010, the Board announced that the Company has changed its English name from "Global Flex Holdings Limited" to "CMMB Vision Holdings Limited" and its Chinese name from "佳邦環球控股有限公司" to "中國移動多媒體廣播控股有限公司". The Board decided to change the name of the Company to better reflect the Company's new identity and focus.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its subsidiaries are set out in note 45 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on page 27 of the 2010 Annual Report of which this report forms part.

The Directors did not recommend payment of any final dividend to the Shareholders for the year ended 31 December 2010.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group incurred capital expenditures of approximately US$0.9 million on new machinery and equipment. Details of these and other movements during the year in the property, plant and equipment of the Group are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

During the year, an aggregate 828,969,000 new Shares were issued, which represents approximately 35.9% change in existing issued share capital as at 31 December 2009. Details of these and other movements during the year in the share capital of the Company are set out in note 31 to the consolidated financial statements.

CONVERTIBLE LOAN NOTES

Details of convertible loan notes of the Company are set out in note 28 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The Company did not have reserves in aggregate available for distribution to the Shareholders as at 31 December 2010. Under the Companies Law Chapter 22 of the Cayman Islands, the share premium of the Company amounted to approximately US$34.8 million as at 31 December 2010 is available for distributions to the Shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

DIRECTORS

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

Executive Director
Mr. Wong Chau Chi *(Chairman)*

Non-executive Directors
Dr. Hui Liu *(Vice-Chairman)*
Mr. Chou Tsan-Hsiung
Mr. Yang Yi
Dr. Li Jun

Independent non-executive Directors
Mr. Wang Wei-Lin
Mr. Yu Kam Kee Lawrence
Mr. Shan Li (re-designated from a non-executive Director to an independent non-executive Director with effect from 2 March 2010)

In accordance with Article 108(A) of the Articles, at each AGM one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the AGM to be held in year 2011.

DIRECTORS' SERVICE CONTRACTS

None of the Directors 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).

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

As at 31 December 2010, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained 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, were as follows:

(a) Ordinary shares

Name of Director	Name of corporation	Capacity/ nature of interest	Total number of ordinary shares	Approximate percentage of interest
Mr. Wong Chau Chi	The Company	Interest of controlled corporation (Note)	432,050,000	12.57%

Note: These Shares are registered under the name of Chi Capital Holdings Limited ("Chi Capital"), a company wholly owned by Mr. Wong Chau Chi and he was the sole shareholder and director of Chi Capital. Under the SFO, Mr. Wong Chau Chi was deemed to be interested in all the Shares held by Chi Capital.

(b) Share options

Name of Director	Capacity/ nature of interest	Number of options held	Number of underlying shares
Mr. Wong Chau Chi	Beneficial owner	26,750,000	26,750,000
Dr. Hui Liu	Beneficial owner	10,000,000	10,000,000
Mr. Chou Tsan-Hsiung	Beneficial owner	10,000,000	10,000,000
Mr. Yang Yi	Beneficial owner	20,000,000	20,000,000
Dr. Li Jun	Beneficial owner	10,000,000	10,000,000
Mr. Wang Wei-Lin	Beneficial owner	2,000,000	2,000,000
Mr. Yu Kam Kee Lawrence	Beneficial owner	2,000,000	2,000,000
Mr. Shan Li	Beneficial owner	10,000,000	10,000,000
		90,750,000	90,750,000

All the interests disclosed above represent long positions in the Shares and underlying shares of the Company.

Other than as disclosed above, none of the Directors, chief executives of the Company or their associates had any interests or short positions, whether beneficial or non-beneficial, in any Shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2010 as required to be recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

The Company operates a share option scheme (the "Scheme") which was adopted on 5 July 2005. During the year ended 31 December 2010, 286,955,000 share options were granted and 5,600,000 share options were exercised under the Scheme. Particulars of the Schemes and details of the movements during the year in the share options of the Company are set out in note 34 to the consolidated financial statements.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in note 34 to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 44 to the consolidated financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2010, the register of the Company's substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors or chief executives of the Company, the following Shareholders had notified the Company of their relevant interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporation.

Name of shareholder	**Capacity/ nature of interest**	**Number of ordinary shares** (Note 1)	**Percentage of the issued share capital**
Hansom Group Limited	Beneficial owner (Note 2)	479,450,000(L)	13.95%
Goodluck Overseas Limited	Interest of controlled Corporation (Note 2)	479,450,000(L)	13.95%
Mr. Zhou Qingzhi	Interest of controlled Corporation (Note 2)	479,450,000(L)	13.95%
Chi Capital Holdings Limited	Beneficial owner (Note 3)	432,050,000(L)	12.57%
Mr. Wong Chau Chi	Beneficial owner	26,750,000(L)	0.78%
	Interest of controlled Corporation (Note 3)	432,050,000(L)	12.57%

Notes:

1. The letter "L" denotes the persons' long positions in the Shares.

2. These represent the same parcel of Shares. Mr. Zhou Qingzhi is deemed to be interested in these Shares by virtue of his 64.25% interest in Goodluck Overseas Limited and Goodluck Overseas Limited is deemed to be interested in these Shares by virtue of its entire interest in Hansom Group Limited.

3. These represent the same parcel of Shares.

Other than as disclosed above, the Company has not been notified of any other person (other than a Director or a chief executive of the Company) who had an interest or a short position in any Shares, underlying shares and debentures of the Company or its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 December 2010.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the largest and the five largest customers of the Group accounted for approximately 54.6% and 93.0% of the Group's turnover respectively. Aggregate purchases attributable to the Group's five largest suppliers were less than 73% of total purchases. The largest supplier of the Group accounted for approximately 42.5% of the Group's total purchases.

At no time during the year did a Director, an associate of a Director or any Shareholders (which to the best knowledge of the Directors had more than 5% interests in the Company) had an interest in any of the Group's five largest customers or suppliers.

CONNECTED TRANSACTIONS

Save as disclosed in note [44] to the consolidated financial statements, neither the Group nor the Company has any connected transactions and/or continuing connected transactions as defined under Chapter 14A of the Listing Rules during the year under review. Except for disclosed in note [44] to the consolidated financial statements, other related party transactions disclosed in note [44] to the consolidated financial statements are exempted continuing connected transactions.

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

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors had any interests in competing business of the Group which was required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

The Company is not aware that holders of securities of the Company are entitled to any tax relief or exemption by reason of their holding of such securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the best knowledge of the Directors, as at the latest practicable date prior to the issue of this report, the Directors consider that the Company has maintained a sufficient public float as required under the Listing Rules.

POST BALANCE SHEET EVENTS

Details of post balance sheet events of the Group and the Company are set out in note 46 to the consolidated financial statements in this annual report.

AUDITOR

Messrs. Deloitte Touche Tohmatsu have acted as auditor of the Company since its incorporation.

A resolution will be proposed in the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Wong Chau Chi
Chairman
Hong Kong, 30 March 2011

Deloitte.
德勤

TO THE SHAREHOLDERS OF CMMB VISION HOLDINGS LIMITED

(FORMERLY KNOWN AS GLOBAL FLEX HOLDINGS LIMITED)

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of CMMB Vision Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 27 to 97, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that gives a true and fair view 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on the financial position and our qualified audit opinion on the financial performance and cash flows.

BASIS FOR QUALIFIED OPINION ON THE LOSS AND CASH FLOWS

(a) Impairment of property, plant and equipment

During the year ended 31 December 2008, the Group incurred a loss of US$75,093,827 and the production activities of certain of the Group's facilities were suspended. These factors, in our opinion, constituted indicators of impairment of the property, plant and equipment. However, no impairment loss was recognised for the year ended 31 December 2008. We were unable to perform satisfactory audit procedures to satisfy ourselves that the recoverable amounts of the property, plant and equipment exceeded its carrying amounts as at 31 December 2008 and whether any impairment loss should have been recognised during that year in accordance with Hong Kong Accounting Standard 36 "Impairment of Assets" issued by the HKICPA. Furthermore, during the year ended 31 December 2009, the Group recognised impairment loss on property, plant and equipment of US$12,047,166 and disposed of certain property, plant and equipment used for the production of flexible printed circuit boards and flexible printed circuit boards assembly businesses (the "Transaction") at a significant loss of US$13,601,822 as detailed in note 36 to the consolidated financial statements. However, due to the limitation described above, we were unable to perform satisfactory audit procedures to determine whether the loss arising from the Transaction and the impairment loss recognised on property, plant and equipment during the year ended 31 December 2009 were free from material misstatements. We were therefore unable to determine whether adjustments to the accumulated losses as at 1 January 2009 and the results of operations might be necessary for the year ended 31 December 2009. Our audit opinion on the consolidated financial statements for the year ended 31 December 2009 was modified accordingly. Our opinion on the current year's consolidated financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

(b) Fair value and carrying amounts of convertible loan notes

As detailed in note 28 to the consolidated financial statements, during the year ended 31 December 2009, the convertible loan notes with principal amount of HK$20,999,910 (equivalent to US$2,709,665) were fully converted into 719,175,000 ordinary shares at HK$0.01 each in the share capital of the Company. The fair values of the liability component of convertible loan notes and conversion option derivative were determined on initial recognition by the directors of the Company. In addition, the carrying amounts of the conversion option derivative at the relevant dates of conversion of the convertible loan notes were also determined by the directors of the Company. However, we were unable to obtain sufficient evidence to satisfy ourselves as to whether the valuation methodology and the assumptions adopted by the directors of the Company in these valuations of the liability component of convertible loan notes and conversion option derivative on initial recognition and the valuation of the conversion option derivative at the relevant dates of conversion of the convertible loan notes were appropriate. There were no other alternative audit procedures that we could carry out to satisfy ourselves as to whether the liability component of convertible loan notes and the conversion option derivative are fairly stated on initial recognition and at relevant dates of conversion of the convertible loan notes in accordance with the requirements of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" issued by the HKICPA. We were therefore unable to determine whether adjustments to the accumulated losses as at 1 January 2009 and results of operations might be necessary for the year ended 31 December 2009. Our audit opinion on the consolidated financial statements for the year ended 31 December 2009 was modified accordingly. Our opinion on the current year's consolidated financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Independent Auditor's Report

QUALIFIED OPINION ON THE LOSS AND CASH FLOWS

In our opinion, except for the possible effects on the corresponding figures of the matters described in the Basis for Qualified Opinion on the Loss and Cash Flows paragraphs, the consolidated statement of comprehensive income and the consolidated statement of cash flows give a true and fair view of the Group's loss and cash flows for the year ended 31 December 2010 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

OPINION ON THE FINANCIAL POSITION

In our opinion, the consolidated statement of financial position gives a true and fair view of the state of the Group's affairs as at 31 December 2010 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

EMPHASIS OF MATTER

Without further qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which indicate that the Group incurred a loss of US$21,548,313 during the year ended 31 December 2010 and as at that date, the Group's current liabilities exceeded its current assets by US$6,252,441. These conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 March 2011

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2010

	NOTES	2010	2009
		US$	US$
Continuing operations			
Revenue	8	**13,717,631**	4,606,407
Cost of sales		**(24,334,867)**	(9,276,969)
Gross loss		**(10,617,236)**	(4,670,562)
Other income	9	**746,827**	728,536
Distribution and selling expenses		**(330,496)**	(187,803)
Administrative expenses		**(5,704,098)**	(9,207,562)
Research and development costs		**(1,290,323)**	(1,463,710)
Other expenses		**(2,129,140)**	(1,961,119)
Other gains and losses	10	**(736,716)**	(893,103)
Finance costs	11	**(1,487,131)**	(1,410,177)
Loss before taxation		**(21,548,313)**	(19,065,500)
Income tax credit	12	**—**	178,026
Loss for the year from continuing operations		**(21,548,313)**	(18,887,474)
Discontinued operations			
Loss for the year from discontinued operations	13	**—**	(24,742,687)
Loss for the year	14	**(21,548,313)**	(43,630,161)
Other comprehensive (expense) income			
Exchange differences arising on translation		**(546,176)**	16,159
Total comprehensive expense for the year		**(22,094,489)**	(43,614,002)
Loss per share	17		
From continuing and discontinued operations			
– Basic and diluted		**(0.0075)**	(0.0236)
From continued operations			
– Basic and diluted		**(0.0075)**	(0.0102)

Consolidated Statement of Financial Position

At 31 December 2010

	NOTES	2010 US$	2009 US$
NON-CURRENT ASSETS			
Property, plant and equipment	18	**15,669,442**	21,603,268
Prepaid lease payments - non-current portion	19	**703,693**	1,100,588
Investment property	20	**1,990,403**	—
Available-for-sale investments	21	**27,505**	3,676,678
Deposits paid on acquisition of CMMB projects	22	**9,540,116**	—
Other receivables	24	**1,015,874**	—
		28,947,033	26,380,534
CURRENT ASSETS			
Inventories	23	**1,192,921**	671,800
Trade and other receivables	24	**2,788,563**	8,269,254
Amount due from a related company	27	**511,604**	—
Prepaid lease payments - current portion	19	**16,993**	456,986
Bank balances and cash	25	**3,957,006**	2,721,621
		8,467,087	12,119,661
CURRENT LIABILITIES			
Trade and other payables	26	**14,541,878**	13,046,764
Amount due to a related company	27	**56,853**	199,916
Amount due to a director	27	**—**	154,129
Other borrowing - due within one year	29	**120,797**	585,806
		14,719,528	13,986,615
NET CURRENT LIABILITIES		**(6,252,441)**	(1,866,954)
		22,694,592	24,513,580

	NOTES	2010 US$	2009 US$
CAPITAL AND RESERVES			
Share capital	31	**4,436,315**	2,979,580
Share premium and reserves		**(15,427,921)**	(11,318,208)
		(10,991,606)	(8,338,628)
NON-CURRENT LIABILITIES			
Bank borrowings - due after one year	30	**24,222,587**	23,566,815
Other payables	26	**9,463,611**	9,285,393
		33,686,198	32,852,208
		22,694,592	24,513,580

The consolidated financial statements on pages 27 to 97 were approved and authorised for issue by the Board of directors on 30 March 2011 and are signed on its behalf by:

Wong Chau Chi
DIRECTOR

Yang Yi
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2010

	Share capital US$	Share premium US$	Merger reserve US$ (note 32)	Statutory reserve US$ (note 33)	Distributable reserve US$ (note 31)	Share option reserve US$ (note 34)	Capital reserve US$ (note 35)	Exchange reserve US$	Accumulated losses US$	Total US$
At 1 January 2009	20,516,129	17,315,203	31,987,096	6,391,242	—	1,245,429	1,639,897	17,940,976	(67,950,043)	29,085,929
Loss for the year	—	—	—	—	—	—	—	—	(43,630,161)	(43,630,161)
Exchange differences arising on translation	—	—	—	—	—	—	—	16,159	—	16,159
Total comprehensive income (expense) for the year	—	—	—	—	—	—	—	16,159	(43,630,161)	(43,614,002)
Capital reorganisation (note 31)	(18,464,516)	—	—	—	18,464,516	—	—	—	—	—
Recognition of equity settled share-based payments	—	—	—	—	—	3,263,892	—	—	—	3,263,892
Forfeiture of share options	—	—	—	—	—	(395,958)	—	—	395,958	—
Issue of shares upon conversion of convertible notes	927,967	1,997,586	—	—	—	—	—	—	—	2,925,553
Release on disposal of subsidiaries	—	—	—	—	—	—	—	(5,280,042)	5,280,042	—
At 31 December 2009	2,979,580	19,312,789	31,987,096	6,391,242	18,464,516	4,113,363	1,639,897	12,677,093	(105,904,204)	(8,338,628)
Loss for the year	—	—	—	—	—	—	—	—	(21,548,313)	(21,548,313)
Exchange differences arising on translation	—	—	—	—	—	—	—	(546,176)	—	(546,176)
Total comprehensive expense for the year	—	—	—	—	—	—	—	(546,176)	(21,548,313)	(22,094,489)
Recognition of equity settled share-based payments	—	—	—	—	—	2,587,134	—	—	—	2,587,134
Forfeiture of share options	—	—	—	—	—	(822,701)	—	—	822,701	—
Exercise of share options	7,226	175,398	—	—	—	(77,127)	—	—	—	105,497
Issue of shares	1,449,509	15,321,304	—	—	—	—	—	—	—	16,770,813
Transaction costs related in issue of share and exercise of share options	—	(21,933)	—	—	—	—	—	—	—	(21,933)
At 31 December 2010	4,436,315	34,787,558	31,987,096	6,391,242	18,464,516	5,800,669	1,639,897	12,130,917	(126,629,816)	(10,991,606)

Consolidated Statement of Cash Flows

For the year ended 31 December 2010

	NOTES	2010 US$	2009 US$
OPERATING ACTIVITIES			
Loss for the year		**(21,548,313)**	(43,630,161)
Adjustments for:			
Income tax credit recognised in profit or loss		**—**	(178,026)
Impairment loss on trade and other receivables, net		**698,644**	1,048,132
Impairment loss on available-for-sale investments		**—**	130,000
Impairment loss on property, plant and equipment		**—**	12,047,166
Write-down of inventories		**154,657**	2,091,336
Release of prepaid lease payments		**422,877**	473,045
Finance costs		**1,487,131**	1,410,177
Interest income		**(4,194)**	(6,467)
Depreciation of property, plant and equipment		**5,216,947**	8,790,946
Depreciation of investment property		**173,833**	—
Share-based payments		**2,587,134**	3,263,892
Loss on disposal of property, plant and equipment		**13,952**	14,335,095
Loss on disposal of prepaid lease payments		**26,875**	—
Gain on disposal of available-for-sale investments		**(2,755)**	—
Gain on debt restructuring	36	**—**	(12,092,387)
Gain on disposal of subsidiaries	37	**—**	(1,766,158)
Operating cash flows before movements in working capital		**(10,773,212)**	(14,083,410)
(Increase) decrease in inventories		**(654,932)**	3,791,780
Decrease in trade and other receivables		**4,028,532**	4,688,725
Increase (decrease) in trade and other payables		**927,167**	(2,594,397)
NET CASH USED IN OPERATING ACTIVITIES		**(6,472,445)**	(8,197,302)
INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale investments		**3,652,755**	—
Proceeds from disposal of prepaid lease payments		**426,112**	—
Interest received		**4,194**	6,467
Deposits paid on acquisition of CMMB projects		**(990,968)**	—
Purchase of property, plant and equipment		**(910,089)**	(115,169)
Advance to a related company		**(511,604)**	—
Disposal of subsidiaries	37	**—**	14,959,129
Proceeds from disposal of property, plant and equipment		**—**	10,052,150
NET CASH FROM INVESTING ACTIVITIES		**1,670,400**	24,902,577

Consolidated Statement of Cash Flows

For the year ended 31 December 2010

	NOTE	2010 US$	2009 US$
FINANCING ACTIVITIES			
Proceeds from issue of shares		**8,221,665**	—
Proceeds from exercise of share options		**105,497**	—
Interest paid		**(1,439,994)**	(373,089)
Repayment of other borrowings		**(472,729)**	—
Repayment to a director		**(154,129)**	(650,536)
Repayment to a related company		**(143,063)**	(20,084)
Repayment of bank borrowings		**(73,864)**	(20,369,864)
Costs related to share issued and exercise of share options		**(21,933)**	—
New bank borrowings raised		**—**	3,192,642
New other borrowing raised		**—**	585,806
Expenses for debt restructuring	36	**—**	(1,977,049)
Refund of proceeds from issue of convertible notes		**—**	(17)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**6,021,450**	(19,612,191)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,219,405**	(2,906,916)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**2,721,621**	5,627,793
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**15,980**	744
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		**3,957,006**	2,721,621

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in rigid printed circuit boards and rigid printed circuit board assembly. The Group had also been engaged in flexible printed circuit boards and flexible printed circuit board assembly which was discontinued during the year ended 31 December 2009 (see note 13).

The consolidated financial statements are presented in United States dollar while the functional currency of the Company is Renminbi. The directors selected United States dollar as the presentation currency because most of the shareholders of the Company are located outside the People's Republic of China (the "PRC") and United States dollar was considered to be more useful to the shareholders.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis notwithstanding the fact that the Group incurred a loss of US$21,548,313 during the year ended 31 December 2010 and as at that date, the Group's current liabilities exceed its current assets by US$6,252,441. In the opinion of the directors of the Company, the Group should be able to continue as a going concern in the coming year taking into consideration the proposed arrangements which include, but are not limited to, the following:

(a) Subsequent to the end of the reporting period, the Company entered into a sale and purchase agreement in connection with the disposal of subsidiaries to a related company which is beneficially owned by Mr. Wong Chan Chi, Charles, a director of the Company. The disposed subsidiaries are principally engaged in its loss making manufacturing of rigid printed circuit boards and rigid printed circuit boards assembly ("PCB") operations. As at 31 December 2010, the PCB operations' liabilities exceed its assets by approximately US$23.5 million. The carrying amounts of trade and other payables (including other payables due after one year) and bank borrowings relating to these operations as at the end of the reporting period amounted to US$22,583,131 and US$24,222,587, respectively. The disposal which is subject to the approval of the shareholders will be effected in order to minimise net operating cash outflows from these loss-making segments and to retain cash flows for the expansion of the Group's China Mobile Multimedia Broadcasting ("CMMB") business. Subsequent to the disposal, the Group will continue its PCB trading business with existing clients and it will sub-contract the manufacturing of PCB back to the disposed subsidiaries and other PCB partners for continued operating supports. The directors of the Company expect that the approval will be obtained in second quarter of 2011;

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(b) On 25 January 2010, the Group has entered into a strategic business development agreement with Motorola, Inc. to jointly develop and promote CMMB technology in markets around the world. Pursuant to the agreement, the Group and Motorola, Inc. will jointly globalise the adoption of CMMB technology to develop the platform needed to attract mobile network operators and boardcasters to launch CMMB-mobile video services in their respective markets, and to establish franchise operations for CMMB technology. During the year, the Group continues its active negotiation on domestic and overseas CMMB acquisition and takeover projects, with the aim of becoming a CMMB mobile multimedia services operator and provider in the near future;

(c) On 2 September 2010, the Group contracted for an acquisition of two domestic companies in the PRC which are principally engaged in CMMB business as set out in note 22. At the time of signing the equity transfer agreement, the acquired companies had entered into cooperation agreements with domestic institutions to establish and operate provincial CMMB interactive multimedia channels in Liaoning, Yunnan and certain other provinces in the PRC. The directors of the Company plans to equity account for investments in these two acquired companies as soon as practicable;

(d) The Group entered into a related party transaction with Chi Capital Holdings Limited, a company which is beneficially owned by Mr. Wong Chan Chi, Charles, a director of the Company on 24 December 2010 in respect of acquisition of 65% of the issued share capital of CMMB International Limited ("CMMB International"), a company incorporated in Hong Kong which holds the international development and licensing rights of CMMB technology granted by TiMi Technologies Co., Ltd., a company established in the PRC under the Academy of Broadcasting Science under the State Administration of Radio, Film and Television of the PRC for the commercial development. Up to the date of issuance of this annual report, the transaction has not yet been completed. Upon completion of the acquisition of CMMB International, the Group can provide turnkey solutions to develop and promote CMMB technology and business platform in markets outside of the PRC and participate in service operations through local partnerships in oversea markets to build a global CMMB franchise. The Group is currently in negotiation with overseas institutions on the joint development of CMMB business in developing countries such as Indonesia. Further details of this proposed acquisition were set out in the announcements of the Company dated 24 December 2010, 31 December 2010 and 16 February 2011;

(e) On 15 March 2011, the Group, together with its partners in the United States of America (the "USA"), has successfully demonstrated live CMMB Mobile TV signals for the first time over cellular network frequencies from a cellular tower. The demonstration signifies the Group's first phase in developing CMMB and launching a commercial trial in the USA market. The directors of the Company expect the Group will continue its current negotiation on potential acquisition and development projects by the end of 2011, and the Company intends to settle the acquisition through issuance of shares in order to minimise its capital cost;

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

(f) The Group expects that, following the above disposal and acquisitions, its business model will be gradually shifted from a PCB manufacturer to a mobile television multimedia and internet services provider. The new business operation requires less capital investment in production facilities than manufacturing does which will help to improve the overall profit margin of the Group. Details were set out in the Company's announcement dated 2 July 2010; and

(g) The Group plans to further issue new shares to raise additional fund to improve its liquidity position.

Based on the aforesaid factors, the directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

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

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

The Group applies HKFRS 3 (as revised in 2008) "Business Combinations" prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (as revised in 2008) "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 (as revised in 2008) and HKAS 27 (as revised in 2008) are applicable, the application of HKFRS 3 (as revised in 2008) and HKAS 27 (as revised in 2008) had no effect on the condensed 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 (as revised in 2008) and HKAS 27 (as revised in 2008) are applicable.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") *(Continued)*

Amendment to HKAS 17 "Leases"

As part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, leasees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendment has removed such a requirement. Instead, the amendment requires the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee.

In accordance with the transitional provisions of HKAS 17 "Leases", the Group reassessed the classification of land elements of unexpired leases at 1 January 2010 based on information which existed at the inception of these leases. No land elements met finance lease classification requirement and no reclassification is required.

The application of the other new and revised standards, amendments and interpretations in the current year has had no material effect on the consolidated financial statements.

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKFRS 7 (Amendments)	Disclosures - Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (as revised in 2009)	Related Party Disclosures[6]
HKAS 32 (Amendments)	Classification of Rights Issues[7]
HK(IFRIC) - Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") *(Continued)*

HKFRS 9 "Financial Instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial Instruments" (as revised in November 2010) adds requirements for 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 values at the end of subsequent accounting periods.

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 presented 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 financial year ending 31 December 2013. Based on the Group's financial instruments as at 31 December 2010, the application of the new standard is not expected to have material impact on the amounts reported in respect of the Groups' financial assets and financial liabilities.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for the conversion option derivative of conversion loan notes, which are measured at fair value, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies are 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 statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

Revenue recognition

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

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using 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.

Machinery and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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 included in profit or loss.

Investment properties

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

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, such transfer do not change the carrying amount of the property transferred. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method.

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

4. 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 lessor

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

The Group as lessee

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease terms on a straight line basis.

Impairment losses on tangible assets

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

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Inventories

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

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 to profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale for which the commencement date for capitalisation is on or after 1 January 2009, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

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 exchange 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 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 translation 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 are translated into the presentation currency of the Group (i.e. United States dollar) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange reserve).

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Retirement benefit scheme contributions

Payments to defined contribution retirement benefit scheme are charged as expenses when employees have rendered service entitling them to the contributions.

Share-based payment transactions

Equity-settled share-based payment transactions

Shares and share options granted to employees of the Group

The fair value of services received determined by reference to the fair value of shares granted at the grant date is recognised as an expense in full at the grant date when the shares granted vested immediately, with a corresponding increase in equity (capital reserve).

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight line basis over the vesting period, with a corresponding increase in equity (share option reserve).

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

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

Share options granted to consultants

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counter parties render services, unless the goods or services qualify for recognition as assets.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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.

Effective interest method

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

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

Loans and receivables

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at 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, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment loss on financial assets

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

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

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

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

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

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 with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivable 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 losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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 and accumulated in investment revaluation reserve.

4. 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.

Financial liabilities

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

Convertible loan notes contains liability component and conversion option derivative

Convertible loan notes issued by the Group that contain liability and conversion option are classified separately into respective items on initial recognition. Conversion option that will be settled other than 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 a conversion option derivative. At the date of issue, all the liability and conversion option components are measured at fair value.

In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss.

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

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

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 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. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Estimated impairment of property, plant and equipment and investment property

The Group evaluates whether items of property, plant and equipment and investment property have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable in accordance with the stated accounting policy.

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

Estimated impairment of property, plant and equipment and investment property *(Continued)*

At the end of each reporting period, the recoverable amounts of property, plant and equipment and investment property have been determined based on the higher of their fair values less cost to sell and their value in use. The value in use calculations require the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the recoverable amounts while the fair value less cost to sell arrived at based on a valuation carried by an independent valuer not connected with the Group uses asset valuation techniques which involve certain assumptions of prevailing market conditions. If the actual recoverable amounts of the relevant assets are less than estimated as a result of an adverse change in market condition, additional impairment losses may result.

As at 31 December 2010, the carrying amounts of property, plant and equipment and investment property are US$15,669,442 (2009: US$21,603,268) and US$1,990,403 (2009: nil), net of impairment loss of US$11,297,289 (2009: US$12,047,166) and US$749,877 (2009: nil), respectively.

Impairment of deposits paid on acquisition of CMMB projects

The Group conducts impairment review of deposits paid on acquisition of CMMB projects whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually in accordance with the relevant accounting standards. The recoverable amounts of these deposits paid on acquisition of CMMB projects were determined by reference to discounted cash flow analysis which involve certain assumptions of prevailing market conditions. The analysis requires the Group to estimate the future cash flows expected to arise from the investments in the CMMB projects and apply a suitable discount rate and forecasting period in order to calculate the present value. Where the actual future cash flows are less than expected, or if there is any unfavorable changes to the underlying assumptions, a material impairment loss may arise. As at 31 December 2010, the carrying amount of deposits paid on acquisition of CMMB projects is US$9,540,116 (2009: nil).

Estimated impairment of trade and other receivables

When there is objective evidence of impairment loss, the Group estimates the future cash flows to determine the impairment loss. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. As at 31 December 2010, the carrying amount of trade and other receivables is US$3,804,437 (2009: US$8,269,254) (net of impairment loss on trade and other receivables of US$27,098,050 (2009: US$35,572,468).

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

Allowance for inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. The Group reviews its inventory levels in order to identify slow-moving and obsolete merchandise. When the Group identifies items of inventories which have a market price that is lower than its carrying amount, the Group estimates the amount of write-down on inventories as allowance on inventories. As at 31 December 2010, the carrying amount of inventories is US$1,192,921 (2009: US$671,800).

6. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debts, which includes other borrowing and bank borrowings disclosed in notes 29 and 30, respectively, net of cash and cash equivalents disclosed in note 25 and equity attributable to owners of the Company, comprising issued share capital, share premium and reserves.

The directors of the Company review the capital structure on a regular basis by considering the cost of capital and the risks associate with the share capital. Based on recommendation of directors, the Group will balance its overall capital structure through, new share issues and share buy-backs as well as the issue of new debts and the repayment of existing debts.

7. FINANCIAL INSTRUMENTS

7a. Categories of financial instruments

	2010	2009
	US$	US$
Financial assets		
Loans and receivables (including cash and cash equivalents)	**7,664,610**	6,622,299
Available-for-sale financial assets	**27,505**	3,676,678
Financial liabilities		
Amortised cost	**43,486,622**	41,221,674

7b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amount due from a related company, bank balances and cash, trade and other payables, amount due to a related company, amount due to a director, other borrowing and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (represented by currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group mainly operates in the PRC. Its foreign currency sales and purchases expose the Group to foreign currency risk, particularly in United States dollar.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities, which are considered as significant by the management, at the reporting date are as follows:

	Liabilities		Assets	
	2010	2009	2010	2009
	US$	US$	US$	US$
United States dollar	**8,620,990**	8,375,556	**2,370,141**	5,745,648

The Group does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

7. FINANCIAL INSTRUMENTS *(Continued)*

7b. Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(i) Currency risk *(Continued)*

Sensitivity analysis

The Group is mainly exposed to the fluctuation in Renminbi against United States dollar.

The following analysis details the Group's sensitivity to a 5% increase and decrease in Renminbi against United States dollar. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. The sensitivity analysis includes trade and other receivables, bank balances and trade and other payables where the denomination of these balances are in currencies other than the functional currency of the relevant group entities. If exchange rate of Renminbi against United States dollar had been increased/decreased by 5%, the Group's loss for the year would decrease/increase by approximately US$313,000 (2009: US$131,000).

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in related to fixed-rate other payables due after one year, amount due to a director, other borrowings and bank borrowings (see notes 26, 27, 29 and 30 for details of these borrowings).

The Group is also exposed to cash flow interest rate risk in relation to the bank balances due to the fluctuation of the prevailing market interest rates. It is the Group's policy to keep its bank balance at variable-rate of interests so as to minimise the fair value interest rate risk.

The Group currently does not have any interest rate hedging policy in relation to fair value and cash flow interest rate risks. The directors monitor the Group's exposure on ongoing basis and will consider hedging interest rate risk should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly sensitive to the fluctuation of rate of the People's Bank of China arising from the Group's Renminbi bank balance.

Sensitivity analysis

For the year ended 31 December 2010 and 2009, the Group's cash flow interest rate risk is only related to the impact of prevailing market interest rate change on bank balances which are all short-term in nature. Therefore, any future variations in interest rates will not have a significant impact on the result of the Group.

7. FINANCIAL INSTRUMENTS *(Continued)*

7b. Financial risk management objectives and policies *(Continued)*

***Market risk** (Continued)*

(iii) Price risk

The Group is exposed to equity price risk. As at 31 December 2009, its investment in unlisted equity securities with carrying value of US$3,650,000 was classified as available-for-sale investment but are stated at cost less accumulated impairment. However, as the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably, accordingly, sensitivity analysis for price risk is not presented.

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 perform an obligation by the counterparties is 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, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts.

The credit risk on bank balances is limited because the counterparties are reputable banks in the PRC and Hong Kong.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which is approximately 99% (2009: 97%) of the total trade receivables as at 31 December 2010.

The Group also has concentration of credit risk as 76% (2009: 79%) and 94% (2009: 97%) of the total trade receivables was due from the largest customer and the five largest customers respectively within rigid printed circuit boards segment. All the customers were engaged in manufacturing and trading of rigid printed circuit boards in the PRC with goods repayment history. Management continuously reviews the financial position of these counterparties and the Group's business relationship with them in order to identify impairment indicators and to make allowance, when necessary.

Liquidity risk

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

The directors of the Company are taking active steps to improve the liquidity position of the Group, details of which are set out in note 2.

7. FINANCIAL INSTRUMENTS *(Continued)*

7b. Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

The Group relies on bank borrowings as a significant source of liquidity. Details of which are set out in note 30.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of the 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.

Liquidity risk tables

2010

	Weighted average interest rate	Less than 1 month on or demand	31 to 90 days	91 to 180 days	181 to 365 days	More than 1 year	Total undiscounted cash flows	Carrying amount at 31/12/2010
	%	US$	US$	US$	US$	US$	US$	US$
Financial liabilities								
Trade and other payables	—	5,231,445	4,391,329	—	—	—	9,622,774	9,622,774
Amount due to a related company	—	56,853	—	—	—	—	56,853	56,853
Long-term other payables	3	—	—	—	320,677	10,004,279	10,324,956	9,463,611
Other borrowing	10	132,877	—	—	—	—	132,877	120,797
Bank borrowings	4.78	—	—	—	—	25,380,427	25,380,427	24,222,587
		5,421,175	4,391,329	—	320,677	35,384,706	45,517,887	43,486,622

7. FINANCIAL INSTRUMENTS *(Continued)*

7b. Financial risk management objectives and policies *(Continued)*

***Liquidity risk** (Continued)*

2009

	Weighted average interest rate %	Less than 1 month on or demand US$	31 to 90 days US$	91 to 180 days US$	181 to 365 days US$	More than 1 year US$	Total undiscounted cash flows US$	Carrying amount at 31/12/2009 US$
Financial liabilities								
Trade and other payables	—	4,055,591	3,374,024	—	—	—	7,429,615	7,429,615
Amount due to a related company	—	199,916	—	—	—	—	199,916	199,916
Amount due to a director	—	154,129	—	—	—	—	154,129	154,129
Long-term other payables	3	—	—	—	314,638	10,334,185	10,648,823	9,285,393
Other borrowing	10	644,386	—	—	—	—	644,386	585,806
Bank borrowings	4.78	—	—	—	—	28,221,980	28,221,980	23,566,815
		5,054,022	3,374,024	—	314,638	38,556,165	47,298,849	41,221,674

7c. Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

8. SEGMENT INFORMATION

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the executive directors) in order to allocate resources to segments and to assess their performance.

The Group has two segments based on its major products: (i) rigid printed circuit boards; and (ii) rigid printed circuit boards assembly. Each operating segment derives its revenue from the sale of the products. There are managed separately because each product requires different technology and marketing strategies.

The Group involved in manufacture and sale of flexible printed circuit boards and flexible printed circuit boards assembly (the “discontinued operations”). These operations were discontinued with effect from 27 September 2009 (see note 13).

8. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

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

	2010	2009
	US$	US$
Continuing operations		
Rigid printed circuit boards	**13,717,631**	4,535,804
Rigid printed circuit boards assembly	**—**	70,603
Total segment revenue from external customers	**13,717,631**	4,606,407
Rigid printed circuit boards	**(10,669,870)**	(3,879,142)
Rigid printed circuit boards assembly	**—**	(382,825)
Segment loss	**(10,669,870)**	(4,261,967)
Unallocated income:		
Interest income	**4,194**	6,467
Other income	**619,428**	722,069
Gain on disposal of available-for-sale investments	**2,755**	—
Gain on debt restructuring	**—**	12,092,387
Gain on disposal of subsidiaries	**—**	351,051
Unallocated expenses:		
Interest expenses	**(1,487,131)**	(1,410,177)
Write-down of inventories	**(154,657)**	(596,398)
Impairment loss on trade and other receivables, net	**(698,644)**	(426,102)
Impairment loss on available-for-sale investments	**—**	(130,000)
Impairment loss on property, plant and equipment	**—**	(12,047,166)
Loss on disposal on property, plant and equipment	**(13,952)**	(733,273)
Loss on disposal of prepaid lease payments	**(26,875)**	—
Administrative expenses	**(5,704,098)**	(9,207,562)
Research and development costs	**(1,290,323)**	(1,463,710)
Other expenses	**(2,129,140)**	(1,961,119)
Loss before taxation	**(21,548,313)**	(19,065,500)

8. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment loss represents gross loss less rental income plus distribution and selling expenses excluding the write-down of inventories. There was asymmetrical allocations to reportable segments because the Group allocates property, plant and equipment, prepaid lease payments, inventories and trade and other receivables to each segment without allocating the related impairment losses and loss on disposal for the year. This is the measure reported to the chief operating decision marker for the purpose of resource allocation and performance measurement.

Segment assets and liabilities

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

Segment assets

	2010	2009
	US$	US$
Continuing operations		
Rigid printed circuit boards	**22,354,180**	32,071,414
Rigid printed circuit boards assembly	**—**	22,098
Total segment assets	**22,354,180**	32,093,512
Unallocated assets:		
Available-for-sale investments	**27,505**	3,676,678
Deposits paid on acquisition of CMMB projects	**9,540,116**	—
Other receivables	**1,023,709**	8,384
Amount due from a related company	**511,604**	—
Bank balances and cash	**3,957,006**	2,721,621
Consolidated assets	**37,414,120**	38,500,195

8. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

Segment liabilities

	2010	2009
	US$	US$
Continuing operations		
Rigid printed circuit boards	**15,548,212**	13,873,172
Rigid printed circuit boards assembly	**448,478**	440,032
Total segment liabilities	**15,996,690**	14,313,204
Unallocated liabilities:		
Other payables	**8,008,799**	8,018,953
Amount due to a related company	**56,853**	199,916
Amount due to a director	**—**	154,129
Other borrowings	**120,797**	585,806
Bank borrowings	**24,222,587**	23,566,815
Consolidated liabilities	**48,405,726**	46,838,823

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

- all assets are allocated to operating segments other than available-for-sale investments, deposits paid on acquisition of CMMB projects, unallocated other receivables, amount due from a related company and bank balances and cash; and
- all liabilities are allocated to operating segments other than unallocated other payables, amount due to a related company, amount due to a director and bank and other borrowings.

8. SEGMENT INFORMATION *(Continued)*

Other segment information

2010

Continuing operations

	Rigid printed circuit boards US$	Rigid printed circuit boards assembly US$	Unallocated US$	Total US$
Amounts included in the measure of segment loss or segment assets:				
Additions to non-current assets (Note)	**910,089**	**—**	**—**	**910,089**
Depreciation and amortisation	**5,813,657**	**—**	**—**	**5,813,657**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment loss or segment assets:				
Impairment losses on (reversal of) trade and other receivables	**770,175**	**(71,531)**	**—**	**698,644**
Loss on disposal of property, plant and equipment	**13,952**	**—**	**—**	**13,952**
Write-down of inventories	**154,657**	**—**	**—**	**154,657**
Research and development costs	**—**	**—**	**1,290,323**	**1,290,323**
Deposits paid on acquisition of CMMB projects	**—**	**—**	**9,540,116**	**9,540,116**
Other receivables	**—**	**—**	**1,015,874**	**1,015,874**

8. SEGMENT INFORMATION *(Continued)*

Other segment information *(Continued)*

2009

Continuing operations

	Rigid printed circuit boards US$	Rigid printed circuit boards assembly US$	Unallocated US$	Total US$
Amounts included in the measure of segment loss or segment assets:				
Additions to non-current assets (Note)	27,494	—	—	27,494
Depreciation and amortisation	2,941,217	507,084	—	3,448,301
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment loss:				
Impairment losses on (reversal of) trade and other receivables	446,865	(20,763)	—	426,102
Loss on disposal of property, plant and equipment	630,728	102,545	—	733,273
Write-down of inventories	596,398	—	—	596,398
Research and development costs	—	—	1,463,710	1,463,710

Note: Non-current assets excluded those relating to discontinued operations and financial instruments.

8. SEGMENT INFORMATION *(Continued)*

Geographical information

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

The Group's revenue from continuing operations from external customers by geographical location of customers are detailed below:

	2010	2009
	US$	US$
The PRC	**10,051,163**	3,448,341
Korea	**3,503,092**	—
United States of America	**79,390**	809,143
Singapore	**—**	73,854
Others	**83,986**	275,069
	13,717,631	4,606,407

All non-current assets of the Group excluding financial instruments are located in the PRC.

Information about major customers

For the year ended 31 December 2010, there were two customers who accounted for over 10% of total revenue with revenue of US$7,471,406 and US$4,739,666 (2009: US$2,929,218 and US$711,870) related to rigid printed circuit boards.

9. OTHER INCOME

	2010	2009
	US$	US$
Continuing operations		
Compensation from customers for cancellation of orders	**174,179**	356,492
Interest income	**4,194**	6,467
Sales of scrap materials	**234,103**	183,460
Gross rental income	**123,205**	—
Others	**211,146**	182,117
	746,827	728,536

10. OTHER GAINS AND LOSSES

	2010	2009
	US$	US$
Continuing operations		
Impairment loss on trade and other receivables, net	**(698,644)**	(426,102)
Impairment loss on available-for-sale investments	**—**	(130,000)
Impairment loss on property, plant and equipment	**—**	(12,047,166)
Loss on disposal of property, plant and equipment	**(13,952)**	(733,273)
Loss on disposal of prepaid lease payments	**(26,875)**	—
Gain on debt restructuring (note 36)	**—**	12,092,387
Gain on disposal of available-for-sale investment	**2,755**	—
Gain on disposal of subsidiaries (note 37)	**—**	351,051
	(736,716)	(893,103)

11. FINANCE COSTS

	2010	2009
	US$	US$
Continuing operations		
Interest on bank and other borrowings wholly repayable within five years	**1,169,527**	1,066,394
Interest on other payables wholly repayable with five years	**317,604**	8,612
Interest on amount due to a director	**—**	200,119
Effective interest expense on convertible loan notes	**—**	135,052
	1,487,131	1,410,177

12. INCOME TAX CREDIT

	2010	2009
	US$	US$
Continuing operations		
The charge comprises:		
PRC Enterprise Income Tax ("EIT")		
Overprovision in prior year	—	(178,026)

No provision for Hong Kong Profits Tax and Taiwan Income Tax has been made as the Group's profit neither arose in, nor derived from Hong Kong and Taiwan.

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 of the Company is 25% from 1 January 2008 onward.

Pursuant to the relevant laws and regulations in the PRC, Global Flex (Suzhou) Co., Limited ("Global Flex (Suzhou)"), the PRC subsidiary of the Company, is entitled to the exemptions from EIT for two years starting from its first profit-making year and to a 50% relief from the EIT for the following three years ("Tax Holidays").

The first profit-making year of Global Flex (Suzhou) is the year ended 31 December 2002. In December 2005, Global Flex (Suzhou) re-invested and increased its capital by US$16,000,000 to US$48,000,000. As a result, Global Flex (Suzhou) is entitled to another Tax Holidays on a capital proportionate basis from the date of re-investment subject to the approval by the relevant tax authority. Upon approval relevant obtained from tax authority, one-third of the taxable profit of Global Flex (Suzhou) is subject to the Tax Holidays starting from 2005 to 2009. The tax rate of Global Flex (Suzhou) is approximately 20.83% for the year ended 31 December 2009. Upon expiry of the Tax Holidays in 2009, the applicable tax rate from 1 January 2010 onwards is 25%.

12. INCOME TAX CREDIT *(Continued)*

The EIT Law imposes withholding tax upon the distribution of the profits earned by the PRC subsidiaries on or after 1 January 2008 to their shareholders. No deferred tax liability has been recognised in respect of such withholding tax due to absence of undistributed profits for both years.

The tax credit for the year can be reconciled to the loss before taxation as follows:

	2010	2009
	US$	US$
Loss before taxation from continuing operations	**(21,548,313)**	(19,065,500)
Tax at the domestic income tax rate of 25%	**(5,387,078)**	(4,766,375)
Tax effect of income not taxable for tax purpose	**(10,692)**	(3,024,713)
Tax effect of expenses not deductible for tax purpose	**1,536,547**	2,229,725
Tax effect of tax losses not recognised	**3,647,897**	2,293,947
Tax effect of deductible temporary differences not recognised	**213,326**	3,267,416
Overprovision in respect of prior year	**—**	(178,026)
Tax credit for the year relating to continuing operations	**—**	(178,026)

At 31 December 2010, the Group has unused tax losses of approximately US$56,373,000 (2009: US$41,781,000) and deductible temporary differences in relation to impairment loss on trade and other receivable and write-down on inventories of approximately US$54,375,000 (2009: US$53,522,000) available for offset against future profits in the Group. No deferred tax asset has been recognised in respect of such tax losses and deductible temporary differences due to the unpredictability of future profits streams of the Group. Included in unused tax losses as at 31 December 2010 are tax losses of approximately US$32,605,000, US$9,176,000 and US$14,592,000 that will expire in year 2013, 2014 and 2015, respectively (2009: US$32,605,000 and US$9,176,000 would expire in year 2013 and 2014).

13. DISCONTINUED OPERATIONS

On 30 July 2009, the Group entered into a share sale agreement to dispose of a wholly-owned subsidiary, Global Flex (Suzhou) Plant II Co. Ltd. ("Global Flex (Suzhou) Plant II") incorporated in the PRC (the "Share Sale Agreement"), and an asset sale agreement to dispose of certain property, plant and equipment of Global Flex (Suzhou) (the "Asset Sale Agreement"). The transactions contemplated under the Share Sale Agreement and the Asset Sale Agreement were aggregated as a single transaction as they were entered into by the Group with the same counterparty on the same date. Both disposals were completed on 27 September 2009. After these disposals, the Group discontinued the production of flexible printed circuit boards and flexible printed circuit boards assembly ("Discontinued Business").

The loss for the year from the discontinued operation is analysed as follows:

	2010	2009
	US$	US$
Loss of the discontinued operations for the year	—	(12,555,972)
Loss on disposal of property, plant and equipment (note 36)	—	(13,601,822)
Gain on disposal of Global Flex (Suzhou) Plant II (note 37)	—	1,415,107
	—	(24,742,687)

13. DISCONTINUED OPERATIONS *(Continued)*

The results of the discontinued operations for the period from 1 January 2009 to 27 September 2009, which have been included in the consolidated statement of comprehensive income, were as follows:

	US$
Revenue	3,137,572
Cost of sales	(13,553,577)
Impairment loss on trade and other receivables	(622,030)
Distribution and selling expenses	(395,291)
Administrative expenses	(1,122,646)
Loss for the period	(12,555,972)

Loss for the period from discontinued operations including the following:

Staff costs, including directors' remuneration	
- Salaries and allowances	1,017,975
- Retirement benefit scheme contributions	105,293
Total staff costs	1,123,268
Auditor's remuneration	—
Release of prepaid lease payments	16,247
Redundancy costs	454,466
Cost of inventories recognised as an expense (note)	13,553,577
Depreciation of property, plant and equipment	5,799,443
Impairment loss on trade and other receivables	622,030
Loss on disposal of property, plant and equipment	13,601,822

Note: Included in cost of sales was a write-down of inventories amounting to US$1,494,938 for the period from 1 January 2009 to 27 September 2009.

During the year ended 31 December 2009, the discontinued operations contributed US$3,357,789 to the Group's net operating cash flows and paid US$164,200 in respect of investing activities.

The carrying amounts of the assets and liabilities of the discontinued operation at the date of disposal are disclosed in note 37.

14. LOSS FOR THE YEAR

	2010	2009
	US$	US$
Loss for the year has been arrived at after charging (crediting):		
Continuing operations		
Staff costs, including directors' remuneration		
– Salaries and allowances	**2,728,848**	2,127,058
– Retirement benefit scheme contributions	**122,641**	112,182
– Share-based payments	**457,994**	1,302,773
Total staff costs	**3,309,483**	3,542,013
Auditor's remuneration	**180,645**	148,387
Release of prepaid lease payments	**422,877**	456,798
Redundancy costs	**—**	134,672
Share-based payments expense to consultants included in other expenses	**2,129,140**	1,961,119
Cost of inventories recognised as an expense (note)	**24,334,867**	9,276,969
Research and development costs recognised as an expense	**1,290,323**	1,463,710
Depreciation of property, plant and equipment	**5,216,947**	2,991,503
Deprecation of investment property	**173,833**	—
Net exchange (gain) loss	**(41,614)**	56,235
Gross rental income from investment property	**123,205**	—
Less: direct operating expenses from investment property that generated rental income during the year	**(3,517)**	—
	119,688	—

note: Included in cost of sales is a write-down of inventories amounting to US$154,657 (2009: US$596,398).

15. DIRECTORS' AND EMPLOYEES' REMUNERATIONS

The emoluments paid or payable to each of the directors of the Company were as follows:

2010

	Wong Chau Chi, Charles US$	Chou Tsan Hsiung US$	Wang Wei-Lin US$	Li Shan US$	Lui Hui US$	Yu Kam Kee, Lawrence US$	Yang Yi US$	Li Jun US$	Total US$
Fees	—	—	—	—	—	—	—	—	—
Other emoluments									
Salaries and other benefits	**172,096**	—	—	—	—	—	—	—	**172,096**
Retirement benefit scheme contributions	—	—	—	—	—	—	—	—	—
Share-based payments	**175,511**	—	—	—	—	—	—	—	**175,511**
Total emoluments	**347,607**	—	—	—	—	—	—	—	**347,607**

2009

	Wong Chau Chi, Charles US$	Lin Cheng Hung US$ (note a)	Hsu Chung US$ (note a)	Huang Lien Tsung US$ (note a)	Chou Tsan Hsiung US$	Nguyen Duc Van US$ (note a)	Wang Wei-Lin US$	Chow Chi Tong US$ (note a)	Li Shan US$ (note b)	Lui Hui US$ (note c)	Yu Kam Kee, Lawrence US$	Yang Yi US$	Li Jun US$	Total US$
Fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other emoluments														
Salaries and other benefits	226,499	59,400	56,213	66,580	1,935	1,935	1,935	1,935	—	—	26,129	1,935	1,935	446,431
Retirement benefit scheme contributions	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	123,082	—	—	—	123,082	—	24,616	—	123,082	137,726	24,616	253,486	123,082	932,772
Total emoluments	349,581	59,400	56,213	66,580	125,017	1,935	26,551	1,935	123,082	137,726	50,745	255,421	125,017	1,379,203

note:

(a) Resigned on 30 June 2009

(b) Appointed on 5 October 2009

(c) Appointed on 9 November 2009

15. DIRECTORS' AND EMPLOYEES' REMUNERATIONS *(Continued)*

The five highest paid individuals in the Group included one (2009: three) director of the Company and details of his emoluments are included above. The emoluments of the remaining four (2009: two) individuals are as follows:

	2010	2009
	US$	US$
Salaries and other emoluments	**324,342**	150,226
Retirement benefit scheme contributions	**—**	—
Share-based payments	**66,316**	166,495
	390,658	316,724

	2010	2009
	Number of employees	Number of employees
HK$nil to HK$1,000,000	**4**	—
HK$1,000,000 to HK$1,500,000	**—**	2
HK$1,500,001 to HK$2,000,000	**—**	—
	4	2

During both years, no emoluments were paid by the Group to these five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, seven (2009: six) directors waived emoluments of US$162,540 (2009: US$127,710) during the year.

16. DIVIDENDS

No dividend was paid, declared or proposed during both years, nor has any dividend been proposed since the end of the reporting period.

17. LOSS PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted loss per share for the year is based on the following data:

	2010	2009
	US$	US$
Loss for the purposes of basic and diluted loss per share	(21,548,313)	(43,630,161)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	2,883,101,883	1,850,085,205

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations is based on the following data:

Loss per share are calculated as follows:

	2010	2009
	US$	US$
Loss for the year	**(21,548,313)**	(43,630,161)
Less: Loss for the year from discontinued operations	—	24,742,687
Loss for the purposes of basic and diluted loss per share from continuing operations	**(21,548,313)**	(18,887,474)

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

From discontinued operations

For the year ended 31 December 2009, basic and diluted loss per share for the discontinued operation is US$0.0134, based on the loss for the year from the discontinued operations of US$24,742,687 and the denominators detailed above for both basic and diluted loss per share.

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options and conversion of the Company's outstanding convertible loan notes since the exercise price of those share options in both 2010 and 2009 and the conversion of these convertible loan notes in year 2009 would result in decrease in loss per share.

18. PROPERTY, PLANT AND EQUIPMENT

	Plant and buildings	Machinery and equipment	Motor vehicles	Office and other equipment	Construction in progress	Total
	US$	US$	US$	US$	US$	US$
COST						
At 1 January 2009	39,055,110	103,457,004	842,787	5,650,051	118,676	149,123,628
Exchange adjustments	40,942	97,439	738	5,093	112	144,324
Additions	164,200	—	24,890	2,604	—	191,694
Transfer	—	58,581	—	—	(58,581)	—
Disposals	(4,963)	(5,416,426)	(255,341)	(182,345)	(60,207)	(5,919,282)
Disposal of subsidiaries	(17,297,163)	(15,116,752)	(44,767)	(353,998)	—	(32,812,680)
Disposal on debt restructuring	—	(41,213,448)	—	—	—	(41,213,448)
At 31 December 2009	21,958,126	41,866,398	568,307	5,121,405	—	69,514,236
Exchange adjustments	566,170	1,298,052	16,862	156,874	—	2,037,958
Additions	269,878	586,044	—	54,167	—	910,089
Transfer to investment property	(3,712,000)	—	—	—	—	(3,712,000)
Disposals	—	(47,273)	—	(92,250)	—	(139,523)
At 31 December 2010	19,082,174	43,703,221	585,169	5,240,196	—	68,610,760
DEPRECIATION AND IMPAIRMENT						
At 1 January 2009	6,558,646	39,891,830	503,889	3,249,580	—	50,203,945
Exchange adjustments	6,578	38,791	484	3,212	—	49,065
Provided for the year	1,276,059	6,775,182	82,694	657,011	—	8,790,946
Impairment loss recognised	3,109,120	8,222,564	—	715,482	—	12,047,166
Eliminated on disposals	—	(2,635,182)	(140,679)	(121,872)	—	(2,897,733)
Eliminated on disposal of subsidiaries	(190,460)	(2,288,739)	(39,003)	(204,743)	—	(2,722,945)
Eliminated on disposal on debt restructuring	—	(17,559,476)	—	—	—	(17,559,476)
At 31 December 2009	10,759,943	32,444,970	407,385	4,298,670	—	47,910,968
Exchange adjustments	307,536	1,086,892	12,561	141,153	—	1,548,142
Provided for the year	1,066,473	3,665,257	51,094	434,123	—	5,216,947
Transfer to investment property	(1,609,168)	—	—	—	—	(1,609,168)
Eliminated on disposals	—	(42,546)	—	(83,025)	—	(125,571)
At 31 December 2010	10,524,784	37,154,573	471,040	4,790,921	—	52,941,318

18. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Plant and buildings	Machinery and equipment	Motor vehicles	Office and other equipment	Construction in progress	Total
	US$	US$	US$	US$	US$	US$
CARRYING VALUES						
At 31 December 2010	8,557,390	6,548,648	114,129	449,275	—	15,669,442
At 31 December 2009	11,198,120	9,421,428	160,922	822,735	—	21,603,268

The above items of property, plant and equipment other than construction in progress are depreciated on a straight line basis at the following rates per annum:

Plant and buildings	5%
Machinery and equipment	10%
Motor vehicles	20%
Office and other equipment	10-20%

At the end of each reporting period, the directors assessed the recoverable amounts of property, plant and equipment by reference to the higher of their fair value less cost to sell and their value in use. The fair value less cost to sell is arrived at on the basis of a valuation carried out by an independent valuer not connected with the Group which was determined by replacement cost approach which estimates the cost of replacing relevant assets by reference to recent market prices for similar assets on the market. The discount rates of measuring the recoverable amounts in its value in use calculation were 9% (2009: 9%).

During the year ended 31 December 2009, the directors carried out a review of the recoverable amounts of the Group's property, plant and equipment and determined that a number of the manufacturing assets were impaired. Accordingly, an impairment loss of US$12,047,166 has been recognised in respect of property, plant and equipment, which are used in the rigid printed circuit boards segment. As at 31 December 2010, the estimated recoverable amounts of property, plant and equipment exceeds the carrying amounts of the relevant assets and hence, there was no further impairment loss recognised in the current year.

The Group has pledged plant and buildings having a carrying value of US$8,290,685 (2009: US$11,198,120) and machinery and equipment having a carrying value of US$3,578,941 (2009: US$7,400,293) to secure general banking facilities granted to the Group.

19. PREPAID LEASE PAYMENTS

	2010	2009
	US$	US$
The Group's prepaid lease payments comprise:		
Leasehold land in the PRC:		
Medium-term lease	**720,686**	715,478
Short lease	**—**	842,096
	720,686	1,557,574
Analysed for reporting purposes as:		
Current asset	**16,993**	456,986
Non-current asset	**703,693**	1,100,588
	720,686	1,557,574

The Group has pledged prepaid lease payments having a carrying value of US$720,686 (2009: US$715,478) to secure general banking facilities granted to the Group.

During the year, the Group disposed of certain prepaid lease payments with a carrying amount of US$452,987, resulting in a loss on disposal of US$26,875.

20. INVESTMENT PROPERTY

	US$
COST	
At 1 January 2009 and 31 December 2009	—
Transfer from property, plant and equipment (note 18)	3,712,000
Exchange adjustments	115,182
At 31 December 2010	3,827,182
AMORTISATION AND IMPAIRMENT	
At 1 January 2009 and 31 December 2009	—
Transfer from property, plant and equipment (note 18)	1,609,168
Provided for the year	173,833
Exchange adjustments	53,778
At 31 December 2010	1,836,779
CARRYING VALUE	
At 31 December 2010	1,990,403
At 31 December 2009	—

During the year, the Group transferred building previously classified as property, plant and equipment with a carrying amount of US$2,102,832 to investment property. The transfer was evidenced by end of owner-occupation.

The directors consider the carrying value of the investment property approximates its fair value at the end of the reporting period. The above investment property is depreciated using the straight line method, after taking into account their estimated residual value, over 20 years.

The investment property is situated on land in the PRC with medium-term lease. The Group has pledged the investment property having a carrying value of US$1,990,403 (2009: nil) to secure general banking facilities granted to the Group.

21. AVAILABLE-FOR-SALE INVESTMENTS

Included in available-for-sale investments of US$3,650,000 as at 31 December 2009 represents an investment in unlisted equity securities issued by a limited liability company incorporated in the Singapore and engaged in manufacturing and trading of printed circuit boards and being part of the consideration of debt restructuring. Details of debt restructuring as disclosed in note 36.

During the year, the Group disposed of such unlisted equity securities, which had been carried at cost less impairment before the disposal. A gain on disposal of US$2,755 has been recognised in profit or loss in the current year.

At the end of both reporting periods, the remaining amount of available-for-sale investments represents the club debenture which is held on a long-term basis.

22. DEPOSITS PAID ON ACQUISITION OF CMMB PROJECTS

On 2 September 2010, the Company entered into an equity transfer agreement with an independent third party, pursuant to which the Company (or its nominee) will acquire 30% equity interest in 北京富學傳媒文化有限公司 ("Fuxue") and 30% equity interest in 北京德神傳動廣告有限責任公司 ("Deshen"), both companies established under the laws of the PRC, for a total consideration of HK$81,606,926 (equivalent to US$10,529,926), which is payable as to HK$15,351,026 (equivalent to US$1,980,778) by way of cash and the balance of HK$66,255,900 (equivalent to US$8,549,148) by way of new issue of 530,047,200 ordinary shares in the Company's share capital at an issue price of HK$0.125 per share as set out in note 31(iii). Up to the date of issuance of this annual report, the transaction has not yet been completed with HK$7,671,026 (equivalent to US$989,810) of the cash consideration being contracted for but not yet paid as set out in note 41. The agreement constitutes a forward contract to acquire investments in associates within the scope of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" to account for its fair value on initial recognition and at the end of each reporting period. As at 31 December 2010, the fair vale of the forward contracts is considered to be financially insignificant. Details of the transaction are set out in an announcement of the Company dated 3 September 2010.

23. INVENTORIES

	2010	2009
	US$	US$
Raw materials	**376,848**	496,453
Work-in-progress	**379,206**	163,618
Finished goods	**436,867**	11,729
	1,192,921	671,800

24. TRADE AND OTHER RECEIVABLES

	2010 US$	2009 US$
Trade receivables	**27,049,700**	35,851,308
Less: Accumulated impairment	**(25,800,086)**	(32,148,915)
	1,249,614	3,702,393
Advance to suppliers	**1,123,709**	3,907,387
Other receivables and deposits	**930,512**	198,285
Other tax recoverables	**648,363**	3,836,582
Prepayments	**134,329**	48,160
Less: Accumulated impairment	**(1,297,964)**	(3,423,553)
	1,538,949	4,566,861
Total trade and other receivables	**2,788,563**	8,269,254

The Group generally allows credit period ranged from 30 days to 120 days to its customers.

Other receivables included in non-current assets represented an advance to Fuxue of US$1,015,874 (2009: nil) which is interest free, unsecured and repayable on demand. The directors of the Company consider that the amount will not be repaid within twelve months after the end of the reporting period. Accordingly, the advance to Fuxue is classified as non-current assets as at 31 December 2010.

The aged analysis of the trade receivables, presented based on invoice date, net of allowance for doubtful debts as at the end of the reporting period are as follows:

	2010 US$	2009 US$
Trade receivables:		
0 - 30 days	**—**	583,281
31 - 60 days	**464,460**	2,620,957
61 - 90 days	**584,840**	473,081
91 - 120 days	**4,020**	—
Over 120 days	**196,294**	25,074
	1,249,614	3,702,393

24. TRADE AND OTHER RECEIVABLES *(Continued)*

Before accepting any new customer, the Group has to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically. 84% (2009: 99%) of the trade receivables that are neither past date nor impaired have no default payment history.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of US$200,314 (2009: US$25,074) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired

	2010	2009
	US$	US$
91 - 120 days	**4,020**	—
121 - 365 days	**196,294**	25,074
	200,314	25,074

Other than the above trade receivable which are past due but not impaired, the Group has provided fully for all receivables over 365 days because historical experience is that receivables that are past due beyond 365 days are generally not recoverable.

Movement in the impairment loss on trade receivables

	2010	2009
	US$	US$
Balance at beginning of the year	**32,148,915**	34,336,067
Exchange adjustment	**115,499**	24,975
Amounts written off as uncollectible	**(6,170,834)**	(49,152)
Disposal of subsidiaries	**—**	(1,899,615)
Impairment loss recognised	**443,160**	416,165
Reversal of impairment loss	**(736,654)**	(679,525)
Balance at end of the year	**25,800,086**	32,148,915

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of US$25,800,086 (2009: US$32,148,915) which have either been placed under liquidation or in severe financial liabilities. The Group does not hold any collateral over these balances.

24. TRADE AND OTHER RECEIVABLES *(Continued)*

Movement in the impairment loss on other receivables

	2010	2009
	US$	US$
Balance at beginning of the year	**3,423,553**	2,796,747
Exchange adjustments	**41,798**	2,515
Amounts written off as uncollectible	**(3,159,525)**	—
Disposal of subsidiaries	**—**	(687,201)
Impairment loss recognised	**992,138**	1,311,492
Balance at end of the year	**1,297,964**	3,423,553

The impairment loss recognised on other receivables because the counterparties have financial difficulties.

The carrying amounts of the Group's trade and other receivables denominated in currencies other than functional currencies of the relevant group entities at the reporting date are as follows:

	2010	2009
	US$	US$
United States dollar	**950,831**	3,422,042

25. BANK BALANCES

Bank balances carry interest at market rates which range from 0.01% to 0.2% (2009: 0.01% to 0.3%) per annum.

The carrying amounts of the Group's balances denominated in currencies other than financial currencies of the relevant group entities at the reporting date are as follows:

	2010	2009
	US$	US$
United States dollar	**1,419,310**	2,323,606

26. TRADE AND OTHER PAYABLES

The aged analysis of the trade payables as at the end of the reporting period are as follows:

	2010	2009
	US$	US$
Trade payables:		
0 - 90 days	**4,391,329**	3,331,265
91 - 120 days	**275,423**	42,759
121 - 180 days	**546,533**	—
181 - 365 days	**182,445**	24,783
Over 365 days	**3,164,133**	2,897,618
	8,559,863	6,296,425
Advance from customers	**636,067**	595,250
Accruals	**4,515,581**	5,474,498
Other tax payables	**403,523**	142,651
Other payables	**426,844**	537,940
Total trade and other payables	**14,541,878**	13,046,764

The average credit period on purchases of goods is 150 days.

The carrying amounts of the Group's trade and other payables denominated in currencies other than functional currencies of the relevant group entities at the reporting date are as follows:

	2010	2009
	US$	US$
United States dollar	**8,620,990**	8,375,556

Other payables of US$9,463,611 (2009: US$9,285,393) as at 31 December 2010 was classified as non-current liabilities as the maturity dates of the related payables are more than one year after the end of the reporting period pursuant to the debt restructuring as detailed in note 36. The amounts bears fixed interest rate of 3% (2009: 3%) per annum.

27. AMOUNT DUE FROM (TO) RELATED COMPANIES/A DIRECTOR

Except for an amount due to a director of US$154,129 as at 31 December 2009, which bear fixed interest rates at 3% per annum, the remaining balances are non-interest bearing. All amounts are unsecured and repayable on demand. The related companies are a companies in which a director of the Company has beneficial interest.

During the year ended 31 December 2009, the amount due to a related company of US$1,304,012 was reclassified to trade and other payables since a related company has ceased to be the shareholder of the Company.

28. CONVERTIBLE LOAN NOTES

On 5 December 2008, the Company issued unsecured zero coupon convertible loan notes at a par value of HK$21,000,000 (equivalents to US$2,709,677) and the subscription price is HK$21,420,000 (equivalent to US$2,763,867). The convertible loan notes are denominated in Hong Kong dollars. The notes entitle the holders to convert it into ordinary shares of the Company at any time between the date of issue of the notes and their maturity date on 5 December 2010 at an initial conversion price of HK$0.10 per share (subject to anti-dilutive adjustments).

Besides those anti-dilutive adjustments, the conversion price will be adjusted and re-set every three months, being January, April, July and October, in a year during the term of the convertible loan notes remain outstanding. By this arrangement, the conversion price shall be re-set and adjusted to the lower of (a) HK$0.10 or (b) 80% of the weighted average price per share for the past 20 trading days ending at the end of each of these three month intervals, provided that the first end date falling after issue of the notes must be at least three months after the date of issues (the "Market Price Re-set"). The highest and the lowest conversion prices permitted under the Market Price Re-set shall be limited to HK$0.10 and HK$0.01 per share respectively.

On 4 May 2009, the conversion price of the convertible loan notes have been adjusted from HK$0.10 per share to HK$0.0292 per share according to the Market Price Re-set.

During the year ended 31 December 2009, convertible loan notes with principal amount of HK$20,999,910 (equivalents to US$2,709,665) were converted into 719,175,000 ordinary shares of HK$0.01 each of the Company. The remaining HK$90 (equivalents to US$17) was refunded to the convertible loan notes holders.

28. CONVERTIBLE LOAN NOTES *(Continued)*

The movement of convertible loan notes is set out as below:

	Liability component	Conversion option derivative	Total
	US$	US$	US$
At 1 January 2009	2,736,489	54,029	2,790,518
Interest charge	135,052	—	135,052
Refund during the year	(17)	—	(17)
Conversion during the year	(2,871,524)	(54,029)	(2,925,553)
As at 31 December 2009 and 2010	—	—	—

29. OTHER BORROWING

The other borrowing is unsecured, bears fixed interest rate at 10% per annum and repayable on demand.

30. BANK BORROWINGS

	2010	2009
	US$	US$
The bank borrowings are secured and repayable as follows:		
In more than one year but not more than two years	**1,509,958**	—
In more than two years but not more three years	**6,918,832**	1,464,515
In more than three years but not more than four years	**15,793,797**	6,710,604
In more than four years but not more than five years	**—**	15,391,696
	24,222,587	23,566,815

As at 31 December 2010 and 2009, all bank borrowings carried fixed interest rate of 4.78% per annum and repayable by three instalments on 31 December 2012, 31 December 2013 and 31 December 2014, respectively, pursuant to the debt restructuring plan as details in note 36.

31. SHARE CAPITAL

	Number of shares	Nominal value HK$	Shown as US$
Authorised:			
Ordinary shares of HK$0.1 each as at 1 January 2009	5,000,000,000	500,000,000	
Adjustment to nominal value (Note i)	—	(450,000,000)	
	5,000,000,000	50,000,000	
Subdivision (Note i)	45,000,000,000	450,000,000	
Ordinary shares of HK$0.01 each as at 31 December 2009 and 31 December 2010	50,000,000,000	500,000,000	
Issued and fully paid:			
Ordinary shares of HK$0.1 each as at 1 January 2009	1,590,000,000	159,000,000	20,516,129
Adjustment to nominal value (Note i)	—	(143,100,000)	(18,464,516)
Ordinary shares of HK$0.01 each	1,590,000,000	15,900,000	2,051,613
Conversion of convertible notes (Note ii)	719,175,000	7,191,750	927,967
As at 31 December 2009	2,309,175,000	23,091,750	2,979,580
Issue of new shares (Note iii)	1,123,369,000	11,233,690	1,449,509
Exercise of share options (Note 34)	5,600,000	56,000	7,226
As at 31 December 2010	3,438,144,000	34,381,440	4,436,315

31. SHARE CAPITAL *(Continued)*

Notes:

(i) On 19 January 2009, an extraordinary general meeting of the Company was held and the resolutions of the reorganisation of the share capital of the Company involving reduction of the authorised share capital and issued share capital by reducing the nominal value of each share in issued from HK$0.10 to HK$0.01 and cancelling paid-up capital to the extent of HK$0.09 for each issue share and the sub-division of each authorised and unissued shares of HK$0.10 each into 10 unissued shares of HK$0.01 each (the "Capital Reorganisation") were approved. The capital reduction amount as a result of the Capital Reorganisation was transferred to a distributable reserve account of the Company.

The Capital Reorganisation became effective after the approval from the Grand Court of the Cayman Islands on 29 April 2009.

(ii) During the year ended 31 December 2009, convertible loan notes with principal amounts of HK$20,999,910 (equivalent to US$2,709,665) were converted into 719,175,000 ordinary shares of HK$0.01 each in the share capital of the Company at the conversion price of HK$0.0292 per share.

(iii) On 7 January 2010, the Company entered into a subscription agreement with subscribers for the subscription of an aggregate 200,000,000 new shares of the Company for an aggregate consideration of HK$20,600,000 (equivalent to US$2,658,065) at a subscription price of HK$0.103 per ordinary share representing a discount of approximately 16% to the closing market price of HK$0.123 per share of the Company on 7 January 2010.

On 28 January 2010, the Company entered into a subscription agreement with subscribers for the subscription of an aggregate 165,945,000 new shares of the Company for an aggregate consideration of HK$17,922,060 (equivalent to US$2,312,524) at a subscription price of HK$0.108 per ordinary share representing a discount of approximately 11% to the closing market price of HK$0.121 per share of the Company on 28 January 2010.

On 25 May 2010, the Company entered into a subscription agreement with subscribers for the subscription of an aggregate 184,400,000 new shares of the Company for an aggregate consideration of HK$20,468,400 (equivalent to US$2,641,084) at a subscription price of HK$0.111 per ordinary share representing a discount of approximately 6% to the closing market price of HK$0.118 per share of the Company on 25 May 2010.

On 10 September 2010, as disclosed in note 22, the Company issued 530,047,200 new shares of HK$0.125 per ordinary share to acquire 30% equity interests in Fuxue and Deshen. The issue price represented a discount of approximately 4% to the closing market price of HK$0.13 per share of the Company on 10 September 2010.

On 2 December 2010, the Company entered into a subscription agreement with subscribers for the subscription of an aggregate 42,976,800 new shares of the Company for an aggregate consideration of approximately HK$4,727,000 (equivalent to US$609,992) at a subscription price of HK$0.11 per ordinary share which approximated the closing market price of HK$0.11 per share of the Company on 2 December 2010.

32. MERGER RESERVE

The merger reserve represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of Global Technology International Ltd., a subsidiary of the Company, acquired pursuant to a group reorganisation on 5 July 2005.

33. STATUTORY RESERVE

Pursuant to the relevant regulations applicable to foreign investment enterprises established in the PRC, certain PRC subsidiaries of the Company are required to transfer certain percent of its profit after taxation to the statutory reserve. The balances of the statutory reserve cannot be reduced except where approval is obtained from the relevant PRC authority to offset accumulated losses or increase capital.

34. SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was adopted pursuant to a written resolution of the sole shareholder of the Company passed on 5 July 2005.

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme.

The Share Option Scheme will remain in force for a period of 10 years after the date on which the Share Option Scheme is adopted.

The total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the shares of the Company in issue on 10 October 2005 (the "General Scheme Limit"). The Company may renew the General Scheme Limit with shareholders' approval provided that each such renewal may not exceed 10% of the shares in the Company in issue as at the date of the shareholders' approval.

As at 31 December 2009, the total number of shares available for issue in respect thereof was 206,945,000 shares, representing 10% of the total issued shares after renewal and approval of the General Scheme Limit in an extraordinary general meeting held on 25 September 2009.

During the year, the General Scheme Limit was renewed and approved by the shareholders in an extraordinary general meeting held on 26 February 2010. As at 31 December 2010, the total number of share available for issue in respect thereof is 267,512,000 shares, representing 10% of the total issued shares on 26 February 2010.

34. SHARE OPTION SCHEME *(Continued)*

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the shares in issue from time to time.

Unless approved by shareholders of the Company, the total number of shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-months period shall not exceed 1% of the issued share capital of the Company for the time being.

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK$1 is payable on acceptance of the grant of an option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The subscription price for the shares under the Share Option Scheme will be a price determined by the directors, but shall not be less than the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

34. SHARE OPTION SCHEME *(Continued)*

Details of the share options granted and outstanding under the Share Option Scheme during the year were as follows:

					Number of share options								
Category	Date of grant	Exercise price HK$	Vesting period	Exercise period	Outstanding at 1/1/2009	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31/12/2009 and 1/1/2010	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31/12/2010
Directors													
Wong Chau Chi, Charles	24 January 2007	0.475	24 January 2007 to 23 July 2007	24 July 2007 to 23 January 2010	12,500,000	–	–	–	12,500,000	–	–	(12,500,000)	–
	5 November 2009	0.128	not available ("N/A")	5 November 2009 to 4 November 2012	–	10,000,000	–	–	10,000,000	–	–	–	10,000,000
	23 February 2010	0.121	N/A	23 February 2010 to 22 February 2013	–	–	–	–	–	16,750,000	–	–	16,750,000
Hsu Chung	27 December 2007	0.52	27 December 2007 7 January 2008	8 January 2008 to 6 January 2011	12,500,000	–	–	(12,500,000)	–	–	–	–	–
Chou Tsan Hsiung	5 November 2009	0.128	N/A	5 November 2009 to 4 November 2012	–	10,000,000	–	–	10,000,000	–	–	–	10,000,000
Li Jun	5 November 2009	0.128	N/A	5 November 2009 to 4 November 2012	–	10,000,000	–	–	10,000,000	–	–	–	10,000,000
Wang Wei-Lin	5 November 2009	0.128	N/A	5 November 2009 to 4 November 2012	–	2,000,000	–	–	2,000,000	–	–	–	2,000,000
Yu Kam Kee, Lawrence	5 November 2009	0.128	N/A	5 November 2009 to 4 November 2012	–	2,000,000	–	–	2,000,000	–	–	–	2,000,000
Yang Yi	5 November 2009	0.128	N/A	5 November 2009 to 4 November 2012	–	15,000,000	–	–	15,000,000	–	–	–	15,000,000
	24 November 2009	0.146	N/A	24 November 2009 to 23 November 2012	–	5,000,000	–	–	5,000,000	–	–	–	5,000,000
Liu Hui	24 November 2009	0.146	N/A	24 November 2009 to 23 November 2012	–	10,000,000	–	–	10,000,000	–	–	–	10,000,000
Li Shan	5 November 2009	0.128	N/A	5 November 2009 to 4 November 2012	–	10,000,000	–	–	10,000,000	–	–	–	10,000,000
Total directors					25,000,000	74,000,000	–	(12,500,000)	86,500,000	16,750,000	–	(12,500,000)	90,750,000

34. SHARE OPTION SCHEME *(Continued)*

Category	Date of grant	Exercise price HK$	Vesting period	Exercise period	Outstanding at 1/1/2009	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31/12/2009 and 1/1/2010	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31/12/2010
					Number of share options								
Consultants	24 January 2007	0.475	24 January 2007 to 23 July 2007	24 July 2007 to 23 January 2010	50,000,000	–	–	(12,500,000)	37,500,000	–	–	(37,500,000)	–
	25 September 2009	0.119	N/A	25 September 2009 to 24 September 2012	–	39,000,000	–	–	39,000,000	–	–	–	39,000,000
	24 November 2009	0.146	N/A	24 November 2009 to 23 November 2012	–	109,510,000	–	–	109,500,000	–	(5,600,000)	–	103,900,000
	23 February 2010	0.121	N/A	23 February 2010 to 22 February 2013	–	–	–	–	–	2,695,000	–	–	2,695,000
	3 June 2010	0.121	N/A	3 June 2010 to 2 June 2013	–	–	–	–	–	204,000,000	–	–	204,000,000
	18 June 2010	0.125	N/A	18 June 2010 to 17 June 2013	–	–	–	–	–	20,000,000	–	–	20,000,000
Total consultants					50,000,000	148,500,000	–	(12,500,000)	186,000,000	226,695,000	(5,600,000)	(37,500,000)	369,595,000

34. SHARE OPTION SCHEME *(Continued)*

					Number of share options								
Category	Date of grant	Exercise price HK$	Vesting period	Exercise period	Outstanding at 1/1/2009	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31/12/2009 and 1/1/2010	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31/12/2010
Employees	23 August 2007	0.47	23 August 2007 to 22 August 2008	23 August 2008 to 22 August 2011	3,333,333	—	—	(3,333,333)	—	—	—	—	—
			23 August 2007 to 22 August 2009	23 August 2009 to 22 August 2011	3,333,333	—	—	(3,333,333)	—	—	—	—	—
			23 August 2007 to 22 August 2010	23 August 2010 to 22 August 2011	3,333,334	—	—	—	3,333,334	—	—	—	3,333,334
	25 September 2009	0.119	N/A	25 September 2009 to 23 November 2012	—	29,333,333	—	—	29,333,333	—	—	(5,000,000)	24,333,333
	24 November 2009	0.146	N/A	24 November 2009 to 23 November 2012	—	4,000,000	—	—	4,000,000	—	—	(195,000)	3,805,000
	3 June 2010	0.121	N/A	3 June 2010 to 2 June 2013	—	—	—	—	—	30,000,000	—	—	30,000,000
	18 June 2010	0.125	N/A	18 June 2010 to 17 June 2013	—	—	—	—	—	13,510,000	—	—	13,510,000
Total Employees					10,000,000	33,333,333	—	(6,666,666)	36,666,667	43,510,000	—	(5,195,000)	74,981,667
Total					85,000,000	255,833,333	—	(31,666,666)	309,166,667	286,955,000	(5,600,000)	(55,195,000)	535,326,667
Exercisable at the end of the year													535,326,667
Weighted average exercise price (HK$)					0.48	0.13	—	0.49	0.19	0.12	0.15	0.44	0.13

34. SHARE OPTION SCHEME *(Continued)*

On 16 April 2010, 5,600,000 share options were exercised by a consultant at subscription price of HK$0.146. The weighted average closing price of the Company's shares immediately before the date on which the options were exercised was HK$0.173.

In the current year, share options of 19,445,000, 234,000,000, and 33,510,000 were granted on 23 February 2010, 3 June 2010 and 18 June 2010, respectively. Total 286,955,000 share options were granted during the year, in which share options of 16,750,000, 43,510,000, and 226,695,000 were granted to the directors, employees, and consultants, respectively. The consultants provide consultancy services rendered for development of CMMB business. The fair values of the options determined at the dates of grant using the Black-Scholes option pricing model were HK$1,579,058 (equivalent to US$203,750), HK$16,035,313 (equivalent to US$2,069,074) and HK$2,302,484 (equivalent to US$297,095) respectively. Pursuant to the share option scheme, the share options were vested immediately upon the share options granted.

The following assumptions were used to calculate the fair values of share options:

	23 February 2010	3 June 2010	18 June 2010
Grant date share price	HK$0.121	HK$0.120	HK$0.125
Exercise price	HK$0.121	HK$0.121	HK$0.125
Expected volatility (Note)	106.86%	85.04%	85.43%
Expected life	3 years	3 years	3 years
Expected dividend yield	zero	zero	zero
Risk-free rate of interest	5%	5%	5%

Note: Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Black-Scholes option pricing model has been used to estimate the fair value of the options. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

The Group has recognised total expenses in statement of comprehensive income of US$2,587,134 (2009: US$3,263,892) related to equity-settled share-based payment transactions during the year.

35. CAPITAL RESERVE

Capital reserve represents of the capital contribution from a controlling shareholder of the Company through the shares granted by a controlling shareholder to the employees of the Company. During the year ended 31 December 2008, a controlling shareholder of the Company bestowed 26,600,000 ordinary shares in the Company to several employees of the Company. The market price per share of the Company at the date of grant is HK$0.162. This transaction has been accounted for an equity-settled share-based payment transaction and the Company measured the services rendered, and the corresponding increase in equity, directly, by reference to the fair value of the shares given at the grant date.

36. DEBT RESTRUCTURING

On 2 March 2009, Global Flex (Suzhou) applied to the People's Court of Wuzhong in Suzhou, Jiangsu Province of the PRC (the "Court") for debt restructuring. Based on the negotiation with the creditors over the debt restructuring procedure, a final debt restructuring plan had been submitted to the Court on 18 August 2009, on which a creditors meeting held on 8 September 2009 and the debt restructuring plan was approved by the creditors. On 18 September 2009, the Court ruled that the debt restructuring plan ("the Restructuring Plan") be approved.

As part of the Restructuring Plan, the Group entered into the Asset Sale Agreement to dispose of certain machinery and equipment in Global Flex (Suzhou) and the Share Sale Agreement to dispose of all the interests in Global Flex (Suzhou) Plant II on 30 July 2009. Pursuant to the Asset Sale Agreement and the Share Sale Agreement, the Group discontinued the production of flexible printed circuit boards and flexible printed circuit boards assembly during the year ended 31 December 2009 as set out in note 13.

The Share Sale Agreement stipulated that the original consideration of RMB129,500,000 (equivalent to US$18,946,598) (subject to the adjustment of the actual maximum liabilities) is to be satisfied by (i) RMB103,600,000 (equivalent to US$15,166,598) by way of cash; and (ii) RMB25,900,000 (equivalent to US$3,780,000) by way of the allotment and issue of the consideration shares, equivalent to 20% of the enlarged issued share capital of the purchaser as at completion. Upon completion, an adjustment of RMB1,309,000 (equivalent to US$192,126), was made to reduce the original consideration.

Under the Asset Sale Agreement, Global Flex (Suzhou) disposed of certain machinery and equipment with a carrying amount of US$23,653,972 at a consideration of RMB70,000,000 (equivalent to US$10,247,402). A loss on disposal of machinery and equipment of US$13,601,822, which was calculated as the difference between the carrying amounts of machinery disposed of amounted to US$23,653,972, the sales proceeds of US$10,247,402 and the related value-added-tax amounted to US$195,252,was recognised during the year ended 31 December 2009.

36. DEBT RESTRUCTURING *(Continued)*

The cash consideration received from the Share Sale Agreement and the Asset Sale Agreement were used to (i) repay creditors amounting to US$3,766,219; (ii) repay bank borrowings amounting to US$20,369,864; and (iii) resume normal business operations as a rigid printed circuit board producer in cooperation with the Company's investment partner.

Under the Restructuring Plan, all participating creditors were obliged to follow a deferred repayment schedule and revised repayment terms as below:

(i) the bank borrowings and accrued interest amounting to an aggregate total of US$23,566,815 would be repayable by three instalments on 31 December 2012, 31 December 2013 and 31 December 2014 with the terms being amended from variable-rate borrowings which carried interest rate at variable rate of the People's Bank of China to fixed-rate borrowings which carried interest rate of 4.78% per annum;

(ii) the repayment dates of all other payables of US$9,285,393 were deferred to 20 December 2012 with the terms being amended from interest free debts to interest bearing debts at fixed interest rate. The fixed-rate interest was accrued over three-year terms from 21 December 2009 to 20 December 2010 at 3% per annum and from 21 December 2010 to the final settlement date on 20 December 2012 at 5% per annum; and

(iii) 50% of all debts other than the bank borrowings were waived.

During the year ended 31 December 2009, the gain on debt restructuring of US$12,092,387 was calculated as the difference between the gain on waiver of trade and other payable of US$14,069,436 and the expenses incurred for debt restructuring of US$1,977,049.

37. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2009, other than the disposal of Global Flex (Suzhou) Plant II related to discontinued operation as set out in note 36, the Group disposed of its entire interest in Forever Jade Holdings Limited, a company incorporated in Samoa, together with its subsidiary, Forever Jade Electronics (Suzhou) Company Limited ("Forever Jade (Suzhou)") (collectively referred to as the "Forever Jade Group"), principally engaged in manufacturing and trading of rigid printed circuit boards assembly to an independent third party.

The total net assets of Global Flex (Suzhou) Plant II and Forever Jade Group at the date of disposal were as follows:

	Global Flex (Suzhou) Plant II US$	**Forever Jade Group** US$	**Total** US$
NET ASSETS DISPOSED OF			
Property, plant and equipment	27,751,509	2,338,226	30,089,735
Prepaid lease payments	1,011,774	—	1,011,774
Trade and other receivables	—	739,899	739,899
Bank balances and cash	93	15,251	15,344
Trade and other payables	(11,534,039)	(3,451,039)	(14,985,078)
	17,229,337	(357,663)	16,871,674
Expenses incurred for disposal and included in other payables	110,628	6,613	116,641
Gain on disposal	1,415,107	351,051	1,766,158
Total consideration	18,754,472	1	18,754,473
Satisfied by:			
Cash	14,974,472	1	14,974,473
Transfer to available-for-sale investments (Note 21)	3,780,000	—	3,780,000
	18,754,742	1	18,754,473
Net cash outflow arising on disposal:			
Cash consideration	14,974,472	1	14,974,473
Bank balances and cash disposed of	(93)	(15,251)	(15,344)
	14,974,379	(15,250)	14,959,129

38. MAJOR NON-CASH TRANSACTION

(a) During the year, deposits paid on acquisition of CMMB projects of HK$66,255,900 (equivalent to US$8,549,148) (2009: nil) were settled by issue of 530,047,200 (2009: nil) ordinary shares in the Company's share capital as detailed in note 22.

(b) During the year ended 31 December 2009, proceeds from disposal of property, plant and equipment with aggregate amount of US$2,288,276 (2008: US$342,573) was set off with other payables.

(c) During the year ended 31 December 2009, amounted of US$14,069,436 of trade and other payables were waived pursuant to the Restructuring Plan.

(d) During the year ended 31 December 2009, the Group received an investment in interests of unlisted equity securities as part of the consideration of debt restructuring amounting to US$3,780,000 as detailed in notes 21 and 36.

39. MATERIAL LITIGATION

As at 31 December 2010, a subsidiary of the Company have been named as defendants in several PRC court actions in respect of default payment of payable to suppliers and creditors for an aggregate amount of approximately US$1,952,000 (2009: US$2,040,000). The claimed amounts were fully provided in the consolidated financial statements and included in trade and other payables.

40. OPERATING LEASES

The Group as lessee

Minimum lease payments paid under operating leases was US$510,020 (2009: US$287,380).

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

	2010	2009
	US$	US$
Within one year	**25,365**	20,453
In the second to fifth year inclusive	**—**	3,095
	25,365	23,548

Operating lease payments represent rentals payable by the Group for its factories and staff quarters. Lease terms are negotiated for a term ranged from one to three years with fixed rentals.

40. OPERATING LEASES *(Continued)*

The Group as lessor

Rental income earned during the year was US$123,205 (2009: nil).

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

	2010	2009
	US$	US$
Within one year	**66,478**	—
In the second to fifth year inclusive	**609,378**	—
	675,856	—

41. CAPITAL COMMITMENTS

	2010	2009
	US$	US$
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of CMMB projects	**7,924,958**	—

42. PLEDGE OF ASSETS

At the end of the reporting period, the Group had the following assets pledged to banks to secure the general banking facilities granted to the Group:

	2010	2009
	US$	US$
Property, plant and equipment	**11,869,626**	18,598,413
Prepaid lease payments	**720,686**	715,478
Investment property	**1,990,403**	—
Available-for-sale investments	**—**	3,650,000

43. RETIREMENT BENEFIT SCHEME

In accordance with the relevant PRC rules and regulations, the PRC subsidiaries are required to establish defined contribution plans managed by the relevant local government bureau in the PRC and to make contributions to the plan for its eligible employees. The contribution borne by the Group is calculated according to the level regulated by the municipal government.

The total cost charged to profit or loss of US$122,641 (2009: US$217,475) represents contributions payable to this scheme by the Group in respect of the current year. As at 31 December 2010, contributions of US$16,895 (2009: US$89,140) due in respect of the reporting period had not been paid over to the scheme.

44. RELATED PARTY DISCLOSURES

Save as disclosed above for those related party balances at the end of the reporting period date, during the year, the Group had the following significant transactions with related parties:

Name of related parties	**Nature of transactions**	**2010**	2009
		US$	US$
Mr. Wong Chau Chi, Charles, a director	Interest expenses paid	—	200,119
Mr. Hsu Chung, a former director	Rental paid	—	2,108
Chi Capital Partners Limited	Rental paid	**474,240**	203,612
	Consultancy fee paid	**61,935**	61,935

On 23 August 2010, the Group entered into a share transfer agreement with Chi Capital Holdings Limited, a company which is beneficially owned by Mr. Wong Chau Chi, Charles, for the acquisition of net assets with carrying amounts of US$6,948 owned by three new subsidiaries at a consideration of HK$500,000 (equivalent to US$64,514). The excess of consideration transferred over the net assets acquired, amounting to US$57,566, was charged to profit or loss during the year. At the date of share transfer, these subsidiaries planned to engage in CMMB business and had not entered into any formal agreements. An equity transfer agreement in CMMB projects was subsequently entered into on 2 September 2010 by one of these subsidiaries as a nominee of the Company as set out in note 22 and the acquisition is expected to be completed before the end of 2011.

During the year ended 31 December 2009, US$713,710 were paid through Chi Capital Holdings Limited, a company which is beneficially owned by Mr. Wong Chau Chi, Charles and HK Waching Electronic (Group) Limited, respectively, to the ultimate recipients for the consultancy fee incurred on the CMMB business. In the opinion of director, HK Waching Electronic (Group) Limited is an independent third party of the Group.

In addition to above, for the year ended 31 December 2010 and 2009, certain properties held by Mr. Wong Chau Chi, Charles were occupied by a subsidiary for nil consolidation.

Chi Capital Partners Limited is beneficially owned by Mr. Wong Chau Chi, Charles, a director of the Company.

44. RELATED PARTY DISCLOSURES *(Continued)*

Compensation of key management personnel

The remuneration of directors of the Company during the year were as follows:

	2010 US$	2009 US$
Short-term benefits	**172,096**	446,431
Share-based payments	**175,511**	932,772
	347,607	1,379,203

The emoluments of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Share options were granted to several members of key management during the year as set out in note 34.

45. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries as at 31 December 2010 and 2009 are as follows:

Name of subsidiary	Place of incorporation/ establishment/ operations	Class of share held	Issued and fully paid share/ registered capital	Proportion of nominal value of issued share capital/ paid up capital held by the Company				Principal activities
				Directly		Indirectly		
				2010	2009	**2010**	2009	
Global Technology International Ltd.	British Virgin Islands/ Taiwan	Ordinary	US$48,000,000	**100%**	100%	**—**	—	Investment holding and trading of printed circuit boards
Global Flex Trading Center Limited	Samoa/ Taiwan	Ordinary	** US$2,000,000	**100%**	100%	**—**	—	Trading of printed circuit boards
* Global Flex (Suzhou)	The PRC	Capital contribution	US$48,000,000	**—**	—	**100%**	100%	Manufacturing and trading of printed circuit boards
Value Manage International Limited	Hong Kong	Ordinary	HK$2,000,000	**—**	—	**100%**	100%	Provision of administrative service

45. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

Name of subsidiary	Place of incorporation/ establishment/ operations	Class of share held	Issued and fully paid share/ registered capital	Proportion of nominal value of issued share capital/ paid up capital held by the Company				Principal activities
				Directly		Indirectly		
				2010	2009	**2010**	2009	
Global Technology International Ltd. – Taiwan Branch	Taiwan	Capital contribution	NT$1,000,000	**—**	—	**100%**	100%	Provision of administrative service
Glactic Venture Holdings Limited (note)	British Virgin Islands	Ordinary	US$1	**100%**	—	**—**	—	Investment holding
Grand Regal Capital Limited (note)	British Virgin Islands	Ordinary	US$1	**—**	—	**100%**	—	Investment holding
* CMMB Vision (China) (note)	The PRC	Capital contribution	US$63,000	**—**	—	**100%**	—	Investment holding
***CMMB SAT Limited	Hong Kong	Ordinary	HK$500	**100%**	—	**—**	—	Provision of administrative service
Newell Top Limited	British Virgin Island	Ordinary	US$50,000	**—**	—	**100%**	100%	Trading of printed circuit boards

* These subsidiaries are wholly-foreign-owned enterprises established in the PRC.

** The registered capital has not been paid up as at 31 December 2010.

*** This subsidiary was incorporated during the year.

Note: The net assets of these subsidiaries were acquired during the year as set out in note 44.

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

46. EVENTS AFTER THE REPORTING PERIOD

On 30 March 2011, the Company entered into a sale and purchase agreement with a related company which is beneficially owned by Mr. Wong Chan Chi, Charles, a director of the Company, to dispose of its entire interest in Global Technology International Ltd, a company incorporated in the British Virgin Islands, together with all of its subsidiaries, including Global Flex (Suzhou) and Value Manage International Limited which are principally engaged in its loss making manufacturing of PCB operations. The disposal which is subject to the approval of the shareholders is expected to be completed during the year ending 31 December 2011. Subsequent to such disposal, the Group will not continue its PRC manufacturing and only retain business its PCB trading business with existing clients. Accordingly, it will sub-contract the manufacturing of PCB back to the disposed subsidiaries and other subcontractors. Details of the transaction are set out in an announcement of the Company dated 30 March 2011.

Financial Summary

RESULTS

	Year ended 31 December				
	2006	2007	2008	2009	**2010**
	US$	US$	US$	US$	**US$**
	(restated)	(restated)	(restated)		
Turnover	130,826,701	143,479,601	37,946,468	4,606,407	**13,717,631**
Profit (Loss) for the year	12,388,005	(29,778,061)	(75,093,827)	(43,630,161)	**21,548,313**

ASSETS AND LIABILITIES

	As at 31 December				
	2006	2007	2008	2009	**2010**
	US$	US$	US$	US$	**US$**
Total assets	339,712,676	245,481,965	129,018,530	38,500,195	**37,414,120**
Total liabilities	(222,179,293)	(153,522,708)	(99,932,601)	(46,838,823)	**(48,405,726)**
Shareholders' funds (deficits)	117,533,383	91,959,257	29,085,929	(8,338,628)	**(10,991,606)**

Note: The results for four years ended 31 December 2009, and the assets and liabilities as at 31 December 2006, 2007, 2008 and 2009 have been extracted from the Company's respective years' annual reports.