



VITOP BIOENERGY HOLDINGS LIMITED

天年生物控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1178

ANNUAL REPORT 年報

2011

CONTENTS

目錄

		<i>PAGES</i> 頁次
CORPORATE INFORMATION	公司資料	2
CHAIRMAN'S STATEMENT	主席報告	4
MANAGEMENT DISCUSSION AND ANALYSIS	管理層討論及分析	9
REPORT OF THE DIRECTORS	董事會報告書	12
BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT	董事及高層管理人員個人資料	20
CORPORATE GOVERNANCE REPORT	企業管治報告	23
INDEPENDENT AUDITORS' REPORT	獨立核數師報告書	29
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	綜合全面收益表	31
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	綜合財務狀況表	33
STATEMENT OF FINANCIAL POSITION	財務狀況表	35
CONSOLIDATED STATEMENT OF CASH FLOWS	綜合現金流量表	36
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	綜合權益變動表	38
NOTES TO THE FINANCIAL STATEMENTS	財務報表附註	39
SUMMARY OF FINANCIAL INFORMATION	財務資料概要	116

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Han Qing Yun (*Chairman*)
Han Xiao Yue (*Joint Chairman*)
Guo Yan Ni
Long Ming Fei
Xu Nian Chun

Independent Non-executive Directors

Li Xin Zhong
Zhang Wen
Zhu Jing Hua

COMPANY SECRETARY

Tsui Siu Hung

AUTHORISED REPRESENTATIVES

Han Xiao Yue
Tsui Siu Hung

AUDIT COMMITTEE

Zhu Jing Hua (*Chairman*)
Li Xin Zhong
Zhang Wen

REMUNERATION COMMITTEE

Zhu Jing Hua (*Chairman*)
Li Xin Zhong
Zhang Wen

AUDITOR

Pan-China (H.K.) CPA Limited
Certified Public Accountants

PRINCIPAL BANKERS

Bank of Communications
China Everbright Bank
Industrial and Commercial Bank of China

董事會

執行董事

韓慶雲 (*主席*)
韓曉躍 (*聯席主席*)
郭燕妮
龍明飛
徐念椿

獨立非執行董事

李新中
張文
朱靜華

公司秘書

徐兆鴻

授權代表

韓曉躍
徐兆鴻

審核委員會

朱靜華 (*主席*)
李新中
張文

薪酬委員會

朱靜華 (*主席*)
李新中
張文

核數師

天健(香港)會計師事務所有限公司
執業會計師

主要往來銀行

交通銀行
中國光大銀行
中國工商銀行

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE

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Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
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珠海經濟特區軟件園路1號
會展中心8樓

SHARE REGISTRARS AND TRANSFER OFFICES

Cayman Islands

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

股份過戶登記處

開曼群島

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STOCK CODE

1178

股份代號

1178

WEBSITE ADDRESS

<http://www.vitop.com>

網址

<http://www.vitop.com>

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board of directors, I hereby present the annual report of Vitop Bioenergy Holdings Limited for the year ended 30 June 2011.

OPERATION REVIEW

The year under review was a crucial year in our overall optimisation, innovation and restructuring. During the year, the Group comprehensively readjusted our corporate culture, products mix, marketing and other aspects. We further streamlined and rationalised certain businesses invested in the past which were expected to remain unprofitable in the near future, and has duly optimised the human resource system and structure. We have also adjusted our business model in a timely manner by nurturing a direct sales team for healthcare products and strengthening the coordination between our capital and business operations, which has laid a solid foundation for the future healthy development of the healthcare business.

BUSINESS PROSPECT OF THE BIOENERGY SECTOR

I. The Shift in Corporate Culture

Vitop has gone through 19 years of development since its establishment in 1992. Originally influenced by the "innovative, passionate and devoted" culture of the special economic regions, Vitop has been energetic and creative in its early years. However, after years of moving in a rut, conservatism and the habit of staying put has eroded the culture of Vitop in recent years and seriously hindered the advancement and transformation of the Group's business. Therefore, we have to readjust our corporate culture before reforming our business in general.

致各股東：

本人謹代表董事會提呈天年生物控股有限公司截至二零一一年六月三十日止年度之年報。

營運回顧

本回顧年度乃為全面調整、創新轉型的關鍵年。本集團在本年度從企業文化、產品、行銷等多方面進行全面轉型。進一步收縮調整一些過往投資而近期難以賺取盈利的業務，對人力資源的結構和配置進一步作出了適當的優化調整，並適時調整所經營的業務模式，積極引進成熟的健康產品直銷團隊，進一步加強資本和經營的緊密合作，為下一階段的健康產業業務的穩健發展奠定堅實基礎。

生物產業業務展望

一、企業文化轉型

天年從1992年成立到現在，已經19年。天年早期植根於經濟特區的「創新、激情、奉獻」的「特區文化」，充滿活力與創造，但近幾年來，隨著「溫水煮活魚」，保守和不為已成為天年文化的主流，嚴重影響本集團的業務創新和轉型。因此，業務全面轉型前，企業文化必須先轉型。

CHAIRMAN'S STATEMENT

主席報告

1. Further streamlined the operation management team. During the year, the Group has further streamlined its operation management team so as to consolidate its control and speed up the decision making and execution processes.
2. Bearing the importance of marketing in mind, we have rebuilt and created an "interdisciplinary" human resource structure and transformed ourselves into a marketing-oriented enterprise making an all-out marketing effort by adjusting the ratio between marketing and corporate staffs from 30:70 to the existing 70:30.
3. Fully implemented "target management". After thoroughly studied the goals of the Group for the year, operating teams with clear targets, clear organisation structures and clear assessment systems centered on these goals have been established.

With the above effective measures, we will revitalise the corporate culture of Vitop.

II. Product Adjustments

The Group made solid efforts to adjust its product types, quality and mix during the year. The adjustment focused on three principles: elitization, under which we have adjusted the number of product types and pooled our human, capital and other resources to the development of some elite products; quality-orientation; and differentiated product strategies of "red sea", which focuses on price competitiveness and is quantity-oriented, and "blue sea", which focuses on high profit margins. With such adjustment, the Group has identified four elite product lines during the year which are relatively competitive in the domestic healthcare products industry.

1. Multi-Functional Negative Ionizer (多功能負離子機) – a competitive "long-range, high concentration and multi-functional" negative ionizer.
2. Endless Spring All-Seasons Healthy Sleeping System (全息四季養生睡系) – the first set of all-seasons functional healthy sleeping system introduced by Vitop. The covers of the mattress and pillows of this system that directly touch the body have different functional surfaces for each season and help achieve healthy sleeping in a scientific way. The mattress alone has 27 layers.

1. 進一步調整經營管理團隊成員。在本年度，本集團進一步調整了經營管理團隊成員，權力相對集中，使決策和執行更有效率。
2. 以「人人都得行銷」為核心，重建打造「複合型」人才機制，變為以行銷為導向的「全員行銷」型企業，將現有的行銷與機關人數比30:70變為70:30。
3. 全面推行「目標管理」。圍繞本集團年度目標，將之層層分解，組建一個個「三明確」（明確目標，明確組織，明確考核）的執行團隊。

通過以上務實措施，重塑天年企業文化活力。

二、產品調整

本年度在調整產品品種、品質和結構方面下真功夫。調整圍繞三原則：精品原則（調整產品品種數量，集中人力、物力、財力，打造精品）；質量第一原則；「紅海」與「藍海」產品策略對待原則（「紅海」產品實行價格競爭優先上量，「藍海」產品實行利潤優先）。通過本年度的調整，本集團已形成「四大精品」陣容，在國內健康品行業中具有較強的產品競爭力。

1. 多功能負離子機——極具競爭力的「遠距離、高濃度、多功能」負離子機。
2. 全息四季養生睡系——天年首次推出四季睡眠養生的功能睡眠系統，床墊和枕頭在每個季節有一個不同的功能面和人體接觸，實行科學的睡眠養生。僅床墊就有27層。

3. Healthcare Mobile Phone Service Pack for the Elderly (老年健康手機服務包) – the first healthcare mobile phone service pack for the elderly introduced by Vitop featuring our “smart phone, 24-hour emergency call and chronic disease regular indices real-time monitoring systems” designed for the elderly.
4. Dimethylaminoethanol (DMAE) (補腦素) and Nitric Oxide (一氧化氮) – authentic healthcare foods imported directly from the United States.

III. Multi-channel Marketing Strategy

1. Introducing direct marketing channels. Vitop Bioenergy (China) Ltd. has collaborated with a famous direct marketing company in the PRC for the direct marketing of healthcare products to achieve a win-win situation by leveraging the capacity and experience of its operating team. The Group is actively applying for the licence for direct marketing.
2. Streamlining the “meeting marketing” channel. The Group implemented a two-pronged approach during the year: on one hand, we have rectified the “meeting marketing” channel by canceling the distributorships of certain distributors that materially breached the Vitop Distribution Licence Agreement. On the other hand, the Group aggressively recruited new distributors. With such effective adjustment, the Group hopes to stop the slip in its results and pave the way for a strong rebound and turnaround in its performance next year.
3. Actively fostered directly operated and franchised brand retail store chains. Directly operated retail stores established by the Company in Panyu in Guangzhou, Nanchang and Zhejiang have achieved success. The Company has also engaged various franchisees in various trial locations. Practical training in marketing models and promotion given to the business associates has been substantially completed. As a result, we have reached a milestone in the preparation for the nationwide roll-out of directly operated and franchised brand retail store chains next year.

3. 老年健康手機服務包——天年首次推出「老年智能手機+24小時急救呼叫服務+慢性病常規指標及時檢測」的老年健康手機服務包。
4. 補腦素和一氧化氮——真正美國原裝進口的健康功能食品。

三、行銷多渠道策略

1. 引進直銷渠道。天年生物(中國)有限公司與中國國內馳名的直銷公司合作，開展健康產品直銷業務，借用其經營團隊及其經驗，實現雙贏。本集團正積極申請直銷牌照。
2. 整頓「會議行銷」渠道。本集團在本年度內實行「兩手抓」：一手抓現有「會議行銷」渠道整頓，取消一些嚴重違背「天年特許經銷合同」經銷商的特許經銷資格；同時，積極招募新的經銷商。通過有效調整，本集團期望能夠止住業績持續下滑的局面，為下個年度業績強勁回升、公司扭虧為盈奠定堅實基礎。
3. 積極推進零售專賣店直營和品牌店連鎖加盟。公司已在廣州番禺、南昌和浙江等成功開設直營零售專賣店，同時試點招募了多家加盟商，已經基本完成行銷模式和推廣、招商人員的實戰培訓，為下年度在全國全面啟動零售專賣店直營和品牌店連鎖加盟完成了階段性的準備工作。

CHAIRMAN'S STATEMENT

主席報告

FUTURE PROSPECTS

In the face of the current challenging economic environment, the Group will continue to adhere to its proactive yet prudent operating strategy. It will remain committed on its sustainable long-term growth and continue to allocate its resources with great caution. Besides, it will maintain its vigilance on cost control measures and production efficiency whilst strive to broaden its customer base and enhance its products.

The Group is also actively searching for new investment opportunities outside the bioenergy sector so as to increase the income and diversify the risk of the Company. In particular, our targets are projects with huge potential asset value, high profitability, bright prospects and relatively low acquisition cost.

On 31 May 2011, the Company entered into an agreement for the subscription of approximately 9.09% shareholding (as enlarged by such subscription) in Global Trade Center Holdings Co. Limited ("GTC"), a company established to carry out the business of integrated international trade service. The board of directors is of the view that the subscription is a good opportunity for the Group to increase its cashflow by taking the leverage on the earning potential of GTC in the business of providing integrated international trade service and to diversify the businesses of the Group and broaden its income base so that it will not unduly rely on the business in trading of health care products and thus the business risk of the Group in the event of market downturn can be reduced. Therefore, the Board believes that the subscription will be beneficial to the Company and its shareholders as a whole. Details of the subscription are contained in the announcement of the Company dated 31 May 2011.

FUND RAISING ACTIVITIES

On the capital front, the Group has successfully issued non-listed convertible notes in the aggregate principal amount of HK\$30 million in October 2010 and also completed the rights issue of 294,261,987 rights shares in July 2011. Those fund raising activities have strengthened the Group's working capital and provided the Group with the financial impetus to acquire new businesses.

前景展望

面對目前富挑戰性的經濟環境，本集團將繼續堅守其進取而審慎的經營策略。本集團將繼續專注於本身的持續長遠增長，並繼續謹慎分配資源。此外，本集團在採取成本控制措施及維持生產效率方面不會鬆懈，並會同時致力拓闊客戶群及改進產品。

除生物產業之外，本集團正在積極地尋找新的投資機會，以增加公司收入及盈利同時分散風險，特別是一些資產增值潛力巨大、利潤空間大、市場前景非常好、收購成本相對較低的項目。

於二零一一年五月三十一日，本公司訂立一項協議，認購Global Trade Center Holdings Co. Limited（「GTC」）約9.09%股權（經認購事項擴大），GTC成立目的為從事集成國際貿易服務業務。董事會認為，認購事項為本集團提供一個良機，以透過利用GTC於提供集成國際貿易服務業務之盈利潛力增加本集團現金流量，以及使本集團之業務多元化及擴闊其收入來源，以防過度倚賴買賣保健產品之業務，降低在市況逆轉時本集團面對之業務風險。因此，董事會相信，認購事項將對本公司及其股東整體而言有利。認購事項之詳情載於本公司日期為二零一一年五月三十一日之公告內。

集資活動

至於資本方面，本集團於二零一零年十月已成功發行本金總額為3,000萬港元之非上市可換股票據，並於二零一一年七月完成涉及294,261,987股供股股份之供股。該等集資活動已加強本集團之營運資本，並為本集團收購新業務提供財務支持。

CHAIRMAN'S STATEMENT

主席報告

APPRECIATION

As the joint chairman of the board of directors, I would like to express my sincere gratitude to our shareholders, customers, suppliers and business partners for their full understanding and support during the hard-time. The Group's steady growth in the healthcare industry of the PRC over the past 19 years has relied on the efforts and contributions of all our staff and partners. I believe, with these supports, the experience and brand advantages built up over these 19 years, and the dedication of all our shareholders and staff, the Group will be able to keep abreast with the time and step into another stage of development.

Han Xiao Yue
Joint Chairman

Hong Kong, 30 September 2011

致謝

作為董事會聯席主席，本人十分感激各位股東、客戶、供應商及業務夥伴在艱難環境中對本集團的充分理解和鼎力支持，本集團十九年來在中國保健行業的穩健發展，有賴各夥伴的共同努力，我相信，有了這些支持，憑藉本集團十九年深厚積累的經驗和品牌優勢，以及在所有股東和員工的努力下，本集團一定可以與時俱進，進入另一個發展階段。

聯席主席
韓曉躍

香港，二零一一年九月三十日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

The Group recorded sales revenue of approximately HK\$27.22 million, representing a decrease of approximately HK\$40.32 million or 59.70% as compared with that of last year. The decrease was mainly attributable to the decrease in the sale revenue from the multi-functional water generators by approximately HK\$31.34 million or 79.12% from approximately HK\$39.61 million of last year to approximately HK\$8.27 million of the year. The decrease was mainly due to the unfashionable marketing mode and cut-throat competition from our rivals. The Group's gross profit margin for the year was approximately 42.64% (2010: approximately 33.87%), representing an increase of approximately 8.77 percentage points from last year.

During the year ended 30 June 2011, an impairment loss of available-for-sale investment of approximately HK\$2.93 million and provision for other receivables of approximately HK\$2.59 million were made after prudent review and assessment of the current market valuation and the recovery of the other receivables by the Board of the Group. For the sake of prudent accounting treatment, the Board decided to make partial impairment in respect of available-for-sale investment and partial provision in respect of other receivables.

The Group's loss for the year amounted to approximately HK\$23.50 million, representing an increase of 23.29% when compared to last year (2010: loss of approximately HK\$19.06 million). It was mainly attributable to the decline in the Group's sale revenue and gross profit, and the impairment loss of available-for-sale investment and the provision for other receivables.

PLEDGE OF ASSETS AND INVESTMENTS

As at 30 June 2011, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total equity attributable to the shareholders of the Company, was approximately 93.43% (2010: approximately 4.53%), with convertible notes of approximately HK\$27.74 million, and finance lease of approximately HK\$51,000 and there was no pledge of assets (2010: bank loan of HK\$2.15 million were secured by a pledge of our financial assets designated at fair value through profit or loss of approximately HK\$1.84 million and pledged bank deposit of HK\$20,000 and supported by a corporate guarantee executed by the Company).

財務回顧

本集團錄得銷售收益約2,722萬港元，對比去年下降約4,032萬港元或59.70%。銷售收益下降的主要原因是多功能製水機的銷售收益由去年約3,961萬港元下降約3,134萬港元或79.12%至本年度約827萬港元，而多功能製水機的銷售收益下降則主要由於行銷模式衰退及競爭對手惡性競爭所致。本集團本年度毛利率約為42.64%（二零一零年：約33.87%），對比去年上升約8.77個百分點。

截至二零一一年六月三十日止年度，經本集團董事會審慎檢討及評估現時的市場估值及對其他應收賬款的收回性後，就可出售投資項目作出減值虧損約293萬港元及就其他應收賬款作出撥備約259萬港元。就審慎會計處理而言，董事會決定就可出售投資項目作出部份減值及就其他應收賬款作出部份撥備。

本集團本年度虧損約為2,350萬港元，較去年增加23.29%（二零一零年：虧損約1,906萬港元），主要是由於本集團的銷售收益及毛利下降，以及錄得可出售投資項目的減值虧損及其他應收賬款撥備。

資產及投資抵押

於二零一一年六月三十日，本集團的資本負債比率（按總借款佔本公司股東應佔權益總額百分比計算）約為93.43%（二零一零年：約4.53%），擁有可換股票據約2,774萬港元及融資租賃約5.1萬港元，並無抵押任何資產（二零一零年：銀行貸款215萬港元，乃以本集團為數約184萬港元的指定為按公平值列賬及列入溢利或虧損的財務資產及2萬港元的已抵押銀行存款作抵押，並以本公司簽立的公司擔保作擔保）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2011, the Group employed a total of 153 (2010: 216) employees, of which 147 were deployed in the PRC (2010: 210) and 6 (2010: 6) were deployed in Hong Kong. The total salaries (excluding directors' emoluments) for the year was approximately HK\$13.33 million (2010: approximately HK\$17.72 million). Remuneration packages comprised salary, mandatory provident fund, bonus, medical allowance and share options.

僱員及薪酬政策

於二零一一年六月三十日，本集團聘有合共153名（二零一零年：216名）僱員，其中147名在國內工作（二零一零年：210名），另6名在香港工作（二零一零年：6名）。本年度薪酬（不包括董事酬金）合共約為1,333萬港元（二零一零年：約1,772萬港元）。薪酬待遇包括薪金、強制性公積金、花紅、醫療津貼及購股權。

CONVERTIBLE NOTES

A summary of the principal terms of the convertible notes is set out in note 25 to the audited financial statements.

可換股票據

可換股票據主要條款概要載於經審核財務報表附註25。

FOREIGN EXCHANGE RISK AND MANAGEMENT

The majority of the Group's operations are located in the PRC, and the main operational currencies are Hong Kong Dollars and Renminbi. The Company pays regular and active attention to Renminbi exchange rate fluctuation and consistently assesses exchange risks.

外匯風險及管理

本集團的大部份業務位於中國，而主要的營運貨幣為港元及人民幣。本公司會定期及積極關注人民幣匯率的波動情況，並持續評估其匯兌風險。

LIQUIDITY AND FINANCIAL RESOURCE

As at 30 June 2011, the Group was in a net cash position and has sufficient funding to pay off all the outstanding liabilities, and meet its working capital requirement. The Group's cash and bank balance at that date amounted to approximately HK\$11.81 million (2010: approximately HK\$8.66 million), which was denominated in mainly Hong Kong dollars and Renminbi.

流動資金及財務資源

於二零一一年六月三十日，本集團處於淨現金狀況，並擁有足夠資金以支付所有未清償負債及應付營運資金需要。本集團於該日的現金及銀行結存約為1,181萬港元（二零一零年：約866萬港元），主要以港元及人民幣計值。

As at 30 June 2011, the Group's current ratio and quick ratio were approximately 1.16 (2010: approximately 1.73) and approximately 0.79 (2010: approximately 1.10) respectively.

於二零一一年六月三十日，本集團的流動比率及速動比率分別約為1.16（二零一零年：約1.73）及0.79（二零一零年：約1.10）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTINGENT LIABILITIES

Neither the Group nor the Company had any significant contingent liabilities at the end of the reporting period.

或然負債

於報告期末，本集團或本公司並無任何重大或然負債。

SUBSEQUENT EVENT

After the year end, the Company completed the rights issue of 294,261,987 rights shares at HK\$0.25 each in July 2011 (details of which are contained in the circular of the Company dated 27 June 2011) and raised net proceeds of approximately HK\$70.1 million.

結算日後事項

於年末後，本公司於二零一一年七月按每股0.25港元完成涉及294,261,987股供股股份的供股（詳情載於本公司日期為二零一一年六月二十七日的通函內），並籌集所得款項淨額約7,010萬港元。

REPORT OF THE DIRECTORS

董事會報告書

REPORT OF THE DIRECTORS

The directors present their report and the audited consolidated financial statements of Vitop Bioenergy Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) for the year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are manufacturing and trading of multifunctional water generators, BIOenergy products, healthcare food products and other healthcare products in the People’s Republic of China, excluding Hong Kong and Macau.

RESULT AND APPROPRIATIONS

The results of the Group for the year ended 30 June 2011 and the state of affairs of the Group and the Company as at that date are set out in the audited financial statements on pages 31 to 115.

The directors do not recommend the payment of a final dividend to shareholders of the Company for the years ended 30 June 2011 and 2010 respectively.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and the assets, liabilities and minority interests of the Group for the last five financial years is set out on page 116. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the Group’s property, plant and equipment during the year are set out in note 14 to the audited financial statements.

INTANGIBLE ASSETS

Details of the movement in the Group’s intangible assets during the year is set out in note 15 to the audited financial statements.

董事會報告書

董事謹提呈天年生物控股有限公司(「本公司」)及其附屬公司(以下統稱「本集團」)截至二零一一年六月三十日止年度的董事會報告書及經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股，其附屬公司的主要業務是在中華人民共和國(不包括香港及澳門)生產及買賣多功能製水機、天年素系列產品、保健食品及其他健康產品。

業績及分派

本集團截至二零一一年六月三十日止年度的業績及本集團與本公司於當日的財務狀況載於經審核財務報表第31至115頁。

董事不建議分別就截至二零一一年及二零一零年六月三十日止年度向本公司股東派付末期股息。

財務資料概要

本集團過去五個財政年度的已公佈業績及資產、負債及少數股東權益概要載於第116頁。此概要並不納為經審核財務報表的組成部份。

物業、廠房及設備

年內，本集團物業、廠房及設備變動詳情載於經審核財務報表附註14。

無形資產

年內，本集團無形資產變動詳情載於經審核財務報表附註15。

REPORT OF THE DIRECTORS

董事會報告書

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital and share options during the year, together with the reasons therefore, are set out in notes 27 and 28 to the audited financial statements, respectively.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, there were no purchase, sale or redemption by the Company, or any its subsidiaries, of the Company's listed securities.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and note 29 to the audited financial statements, respectively.

DISTRIBUTABLE RESERVES

As at 30 June 2011, the Company's reserve available for distribution, calculated in accordance with the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$11.25 million. This includes the Company's share premium account, in the capital amount of approximately HK\$75.21 million as at 30 June 2011, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

股本及購股權

年內，本公司股本及購股權變動詳情連同有關原因分別載於經審核財務報表附註27及附註28。

優先購股權

本公司組織章程細則或開曼群島（本公司註冊成立所在的司法權區）法律概無關於優先購股權的條款，規定本公司需按比例向現有股東發行新股。

購買、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司的上市證券。

儲備

年內，本集團及本公司的儲備變動詳情分別載於綜合權益變動表及經審核財務報表附註29。

可供分派儲備

於二零一一年六月三十日，本公司按照開曼群島公司法第22章（一九六一年第三法例，經綜合及修訂）的規定計算所得的可供分派儲備約達1,125萬港元。此乃包括本公司於二零一一年六月三十日可供分派的股份溢價賬內的資本金額約7,521萬港元，惟緊隨建議派發股息日期後，本公司須於其日常業務過程中可償還其到期債務。股份溢價賬亦可以繳足紅股方式分派。

REPORT OF THE DIRECTORS

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the percentage of sales to the Group's five largest customers accounted for approximately 13.64% of the Group's total sales for the year and sales to the largest customer included therein amounted to approximately 3.77%. Purchases from the Group's five largest suppliers accounted for approximately 32.36% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 3.77%.

To the best knowledge of the directors, neither the directors, their associates, nor any shareholders who owned more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the year.

DIRECTORS

The directors of the Company during the year and up to the date of this report were as follows:

Executive Directors

Mr. Han Qing Yun (*Chairman*)
 Dr. Han Xiao Yue (*Joint Chairman*)
 Mr. Xu Nian Chun
 Ms. Guo Yan Ni
 Mr. Long Min Fei
 Mr. Chen Heng Long
 (Resigned on 8 June 2011)

Non-executive Director

Mr. Chan Yuk Tong
 (Resigned on 24 May 2011)

Independent Non-executive Directors

Ms. Zhu Jing Hua
 Mr. Zhang Wen
 Mr. Li Xin Zhong

In accordance with article 87 (1) of the article of association of the Company, Zhu Jing Hua and Xu Nian Chun will retire by rotation at the forthcoming annual general meeting of the Company. Xu Nian Chun and Zhu Jing Hua being eligible, will offer themselves for re-election at the meeting.

主要客戶及供應商

於回顧年內，本集團首五大客戶銷售額約佔本年度本集團總銷售額13.64%，而其中向最大客戶銷售額則約佔3.77%。本集團首五大供應商的購貨額約佔本年度總購貨額32.36%，其中向最大供應商購貨額則約佔12.06%。

就董事所知，董事、彼等的聯繫人或擁有本公司已發行股本5%以上的任何股東，於年內概無於本集團首五大客戶及／或首五大供應商中擁有任何實益權益。

董事

年內及截至本報告日期止，本公司董事如下：

執行董事

韓慶雲先生（主席）
 韓曉躍博士（聯席主席）
 徐念椿先生
 郭燕妮女士
 龍明飛先生
 陳恒龍先生
 （於二零一一年六月八日辭任）

非執行董事

陳育棠先生
 （於二零一一年五月二十四日辭任）

獨立非執行董事

朱靜華女士
 張文先生
 李新中先生

按照本公司組織章程細則第87(1)條，朱靜華及徐念椿將於本公司應屆股東週年大會上輪席退任。徐念椿及朱靜華符合資格並願意於會上膺選連任。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 20 to 22 of the annual report.

董事及高層管理人員個人資料

本公司董事及本集團高層管理人員個人資料詳情載於本年報第20至22頁。

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Han Qing Yun, Dr. Han Xiao Yue, Mr. Xu Nian Chun, Ms. Guo Yan Ni, Mr. Long Min Fei, Ms. Zhu Jing Hua, Mr. Zhang Wen and Mr. Li Xin Zhong, has not entered into a director's service agreement with the Company. They are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the articles of association of the Company. Either the Company or they may terminate the appointment by giving a least three months' notice in writing.

董事的服務合約

韓慶雲先生、韓曉躍博士、徐念椿先生、郭燕妮女士、龍明飛先生、朱靜華女士、張文先生及李新中先生並無與本公司訂立董事服務協議，彼等亦無以指定任期受委任，惟須按照本公司組織章程細則的規定於本公司股東週年大會上輪席退任及膺選連任。本公司或彼等可發出最少三個月書面通知以終止委任。

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

除上文所披露者外，擬在應屆股東週年大會上膺選連任的董事，概無與本公司訂立任何不可由本公司在一年內不予賠償（法定賠償除外）而提出終止的服務合約。

DIRECTORS' INTEREST CONTRACTS

Save as disclosed in note 33 to the audited financial statements under the heading "Related Party Transactions", there were no other contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interests, whether or any directly or indirectly subsisting at the end of the year or at any time during the year.

董事的合約權益

除經審核財務報表附註33「關連人士交易」一節所披露之外，在本年度年底或年內任何時間，本公司或其任何附屬公司概無簽訂任何本公司董事直接或間接從中得到重大利益的任何其他重大合約。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' INTEREST AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

董事於股份、相關股份及債權證的權益及淡倉

As at 30 June 2011, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:-

於二零一一年六月三十日，本公司董事於本公司或任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須予存置的登記冊所記錄的權益及淡倉，或根據上市公司董事進行證券交易的標準守則（「標準守則」）須通知本公司及香港聯合交易所有限公司（「聯交所」）的權益及淡倉如下：

Long Positions in the Shares and Underlying Shares of the Company

於本公司股份及相關股份的好倉

Name of directors	Capacity	Number of shares held	Number of underlying shares held pursuant to share options 根據購股權持有的相關股份數目	Aggregate	Approximate percentage of interest
董事姓名	身份	所持股份數目	股份數目	總計	概約權益百分比
Han Qing Yun	Interest of controlled corporation	200,000,000 (note 1)	–	200,000,000	22.66%
韓慶雲	於受控法團的權益	(附註1)			
Han Xiao Yue	Interest of controlled corporation	3,805,112 (note 2)	–	3,805,112	0.43%
韓曉躍	於受控法團的權益	(附註2)			

Note 1:

181,843,836 shares held by Wide Cosmos International Holdings Co Ltd which is beneficially owned by Mr. Han Qing Yun. Mr. Han Qing Yun also personally holds 18,156,164 shares in the Company.

附註1：

181,843,836股股份由韓慶雲先生實益擁有的Wide Cosmos International Holdings Co Ltd持有。另外，韓慶雲先生個人亦持有本公司18,156,164股股份。

Note 2:

There 3,805,112 shares are owned by Portton Investments Limited ("Portton"), the issued share capital of which is beneficially owned by Dr. Han Xiao Yue (the joint-chairman of the Company) and Mr. Wang Jian Dong as to 66.67% and 33.33% respectively. Each of Dr. Han Xiao Yue and Mr. Wang Jian Dong are deemed to be interested in these 3,805,112 shares under Part XV of the SFO. Portton is wholly owned by Power Field International Limited.

附註2：

該等3,805,112股股份乃由Portton Investments Limited（「Portton」）擁有，Portton已發行股本由韓曉躍博士（本公司聯席主席）及王建東先生分別實益擁有66.67%及33.33%。根據證券及期貨條例第XV部，韓曉躍博士及王建東先生均被視為擁有該等3,805,112股股份的權益。Portton由Power Field International Limited全資擁有。

REPORT OF THE DIRECTORS

董事會報告書

Save as disclosed above, as at 30 June 2011, none of the directors of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept under section 352 of the SFO, or otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一一年六月三十日，本公司董事概無於本公司或任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中擁有根據證券及期貨條例第352條須予存置的登記冊所記錄的權益或淡倉，或根據標準守則須通知本公司及聯交所的權益或淡倉。

DIRECTORS' REMUNERATION

The directors' fee is subject to shareholders' approval at general meeting. Other emoluments are determined by the Company's board of directors or its remuneration committee with reference to directors' duties, responsibilities and performance and the results of the Group.

董事酬金

董事袍金須於股東大會上由股東批准。其他酬金則由本公司董事會或其薪酬委員會根據董事的職務、責任及表現以及本集團的業績而釐定。

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option scheme disclosures in note 28 to the audited financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate and none of the directors or their spouses or children under the age of 18 had any right to subscribe for securities of the Company, or had exercised any such right during the year.

董事購入股份或債權證的權利

除經審核財務報表附註28所披露的購股權計劃外，於年內任何時間，本公司或其任何附屬公司並無參與訂立任何安排，以使本公司董事可藉購入本公司或任何其他法人團體的股份或債務證券（包括債權證）而獲益；亦無任何董事或其配偶或18歲以下子女獲得任何可認購本公司證券的權利，彼等於年內亦無行使任何該等權利。

SHARE OPTION SCHEME

Details of the share option scheme are set out in note 28 to the audited financial statements.

購股權計劃

有關購股權計劃的詳情載於經審核財務報表附註28。

REPORT OF THE DIRECTORS

董事會報告書

INTEREST AND SHORT POSITION OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

根據證券及期貨條例第336條須予存置的登記冊所記錄的主要股東／其他人士的權益及淡倉

As at 30 June 2011, so far as the directors of the Company are aware of and having made due enquires, the interests and short positions of the substantial shareholders/persons (other than the directors of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

於二零一一年六月三十日，就本公司董事所知及作出查詢後，根據證券及期貨條例第336條須予存置的登記冊所記錄，本公司董事以外的主要股東／人士在本公司股份及相關股份中擁有的權益及淡倉如下：

Long positions in the shares and underlying shares of the company

於本公司股份及相關股份的好倉

Name	Capacity	Number of shares held	Number of underlying shares held pursuant to share options 根據購股權持有的相關股份數目	Aggregate	Approximate percentage of interest 概約權益百分比
姓名	身份	所持股份數目	股份數目	總計	
Wide Cosmos	Beneficial owner (note 1) 實益擁有人(附註1)	181,843,836	–	181,843,836	20.60%
Wang Jing 王靖	Beneficial owner 實益擁有人	66,800,000	–	66,800,000	7.57%

Note 1:

附註1：

Wide Cosmos International Holdings Co Ltd is beneficial owned by Mr. Han Qing Yun, the chairman of the Company.

Wide Cosmos International Holdings Co Ltd由本公司主席韓慶雲先生實益擁有。

Save as disclosed above, as at 30 June 2011, no person, other than the directors of the Company whose interests are set out in the section "Director's interests and short positions in shares, underlying shares and debentures" above, had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

除上文所披露者外，於二零一一年六月三十日，概無任何人士（擁有上文「董事於股份、相關股份及債權證的權益及淡倉」一節所載權益的本公司董事除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條本公司須予存置的登記冊所記錄的權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year and up to the date of this report, none of the directors of the Company is interested in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares are required under the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive director the annual confirmation of his/her independence pursuant to rule 3.13 of the Listing Rules. The Company based on such confirmation, considers that the three independent non-executive directors of the Company are independent as at the date of this annual report.

INDEPENDENT AUDITORS

The Company's auditors, Pan-China (H.K.) CPA Limited, who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Pan-China (H.K.) CPA Limited as the Company's auditors will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Han Xiao Yue
Joint Chairman

Hong Kong, 30 September 2011

董事於競爭業務中的權益

年內及截至本報告日期止，除在本集團業務擁有權益外，本公司董事於與本集團業務直接或間接構成競爭或可能構成競爭的任何業務中概無擁有任何權益。

公眾持股量

根據本公司所得的公開資料並就本公司董事所知，於本報告日期，本公司已發行股份的公眾持股量不少於上市規則所規定的25%。

獨立非執行董事

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度確認，以確認彼等的獨立性。於本年報日期，根據有關確認，本公司認為本公司三名獨立非執行董事均屬獨立。

獨立核數師

本公司的核數師天健（香港）會計師事務所有限公司任滿告退，惟符合資格並願意應聘連任。關於重新委任天健（香港）會計師事務所有限公司為本公司核數師的決議案將於應屆股東週年大會上提呈。

代表董事會

聯席主席
韓曉躍

香港，二零一一年九月三十日

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員 個人資料

EXECUTIVE DIRECTORS

Mr. Han Qing Yun (韓慶雲), aged 52, is an executive director and chairman of the Company. Mr. Han joined the Group in April 2008. Mr. Han graduated from the Chinese Academy of Social Sciences in 1998. Mr. Han is a highly successful entrepreneur in the PRC and has substantial experience in enterprise operations and management. He currently also acts as the chairman of Guangdong Bo Ao Hong Ji Investment Company Limited. Previous to this, he was the chairman of his own founded Tai Gu Real Estate Development Company Limited and responsible for the operation of that company for years.

Dr. Han Xiao Yue (韓曉躍), aged 49, is an executive director and joint chairman of the Company. Dr. Han joined the Group in April 2007. Dr. Han holds a Bachelor Degree of Computer Science from Tsinghua University, Beijing and a PhD in Finance from the University of Texas, the United States. He has over 20 years' of experience in investment banking and has worked for multi-national securities firms such as Merrill Lynch and Societe Generale. He has involved actively in large-scale investment projects in the PRC and has rich experience in investment management. Dr. Han had been appointed as an executive director and the chief executive officer of Sino Gas Group Limited, a company listed on the Stock Exchange. He is well-versed with the operation and management of the listed company.

Ms. Guo Yan Ni (郭燕妮), aged 42, is an executive director of the Company. Ms. Guo joined the Group in April 2008. Ms. Guo graduated from the Zhanjiang Ocean University and majoring in finance and accounting. Ms. Guo has years of experience in financial and accounting and financial management. She acted as the treasurer in the finance department of the Huazhou City Agricultural, Industrial and Commercial Supply Company, and acted as the financial controller of the finance department the Guangzhou Yayuan Real Estates Company Limited for years.

Mr. Long Ming Fei (龍明飛), aged 39, is an executive director of the Company. Mr. Long joined the Group in April 2008. Mr. Long graduated from Industrial and Civil Construction Department of South China University of Technology in 1994 and is an intermediate engineer. Mr. Long has years of experience in corporate management. He has been the manager of cost management department in Guang Dong Yitao Group Co., Ltd. and became the manager of investment department in Guang Dong Yitao Group Co., Ltd. since 2008.

執行董事

韓慶雲先生，52歲，本公司執行董事兼主席。韓先生於二零零八年四月加盟本集團。韓先生於一九九八年畢業於中國社會科學院。韓先生是中國非常成功的企業家，具有豐富的企業經營及管理經驗。現任廣東博澳鴻基投資有限公司董事長。此前，彼任其本人創立的太古房地產開發有限公司董事長並經營該公司多年。

韓曉躍博士，49歲，本公司執行董事兼聯席主席。韓博士於二零零七年四月加盟本集團。韓博士持有北京清華大學計算機科學學士學位及美國德克薩斯州大學金融學博士學位，並於投資銀行行業方面工作積逾20年經驗。彼曾任職於美林證券、法國興業銀行等跨國證券行。彼曾參與不少中國的大型投資項目，並具有豐富投資管理經驗。韓博士曾獲委任為於聯交所上市的中油潔能集團有限公司的執行董事兼行政總裁。彼熟悉上市公司的運作及管理。

郭燕妮女士，42歲，本公司執行董事。郭女士於二零零八年四月加盟本集團。郭女士畢業於湛江海洋大學財會專業，郭女士具有多年的財會及財務管理經驗。曾於化州市農工商供銷公司財務部任出納職務，並任廣州雅苑房地產有限公司財務部財務總監職務多年。

龍明飛先生，39歲，本公司執行董事。龍先生於二零零八年四月加盟本集團。龍先生於一九九四年畢業於華南理工大學工業與民用建築系，為中級工程師。龍先生具有多年的企業管理經驗，長期擔任廣東逸濤集團有限公司成本管理經理職務，並由二零零八年起擔任廣東逸濤集團有限公司投資部經理。

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員 個人資料

Mr. Xu Nian Chun (徐念椿), aged 66, is an executive director of the Company. Mr. Xu joined the Group in April 2008. Mr. Xu graduated from the Nanjing University of Chemical Technology and is a senior engineer. He has engaged in the management of petroleum and chemical systems for years and has substantial experience in management. He acted as the general manager of Southern China Supply Company of the Ministry of Chemical Industry and was awarded for his substantial contributions by the State Council. He currently acts as the deputy chairman of Shenzhen China Petroleum Tong Da Company (深圳中油通達石油公司).

徐念椿先生，66歲，本公司執行董事。徐先生於二零零八年四月加盟本集團。徐先生畢業於南京化工大學本科，為高級工程師，在石油化工系統擔任管理工作多年，具有豐富的管理經驗，曾擔任化學工業部華南供銷公司總經理職務，國務院授予重大貢獻獎勵。現任深圳中油通達石油公司副董事長職務。

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事

Mr. Li Xin Zhong (李新中), aged 53, has been appointed as an independent non-executive director of the Company since February 2008. After graduating from Nankai University in 1983 with a degree in Economics, Mr. Li spent seven years working in the PRC as a lecturer, part-time lawyer and the deputy general manager of a consulting firm in Tianjin before receiving his LL.M. degree at the University of London in 1991. Mr. Li joined Miramar Group as an advisor of China affairs in 1992 and then joined Peregrine Capital Limited in 1993 and became a director in 1996. He spent two years with Alta Capital (H.K.) Limited as an executive director before joining BNP Paribas Peregrine Capital Limited in 2000 as an executive director. He joined Anglo Chinese Corporate Finance Limited in 2003 as a director and then joined DBS Asia Capital Limited as China Team Head of Mergers and Acquisitions in June 2004 responsible for origination of China related corporate finance transactions. He is currently a director and senior consultant of shenzhen Sino-Source Investment Consulting Company. Mr. Li has over 17 years of experience in corporate finance.

李新中先生，53歲，於二零零八年二月獲委任為本公司獨立非執行董事。一九八三年畢業於南開大學取得經濟學學位後，李先生曾於中國工作七年，擔任講師、兼職律師及天津一家顧問公司的副總經理職位。其後於一九九一年獲倫敦大學頒授法律碩士學位。李先生於一九九二年加盟美麗華集團出任中國事務顧問，其後於一九九三年加入百富勤融資有限公司，並於一九九六年擔任董事。於二零零零年出任法國巴黎百富勤融資有限公司執行董事前，彼曾任職Alta Capital (H.K.) Limited執行董事兩年。二零零三年，彼加盟英高財務顧問有限公司為董事，其後於二零零四年六月加盟星展亞洲融資有限公司，擔任中國部合併與收購主管，負責策劃與中國有關的企業融資交易。彼目前為深圳厚源投資諮詢公司董事及高級顧問。李先生於企業融資方面擁有逾17年經驗。

Mr. Zhang Wen (張文), aged 43, has been appointed as an independent non-executive director of the Company since April 2008. Mr. Zhang graduated from the University of Hong Kong with a master of business and administration and from the postgraduate class of the postgraduate department of the Shenzhen University. From 2006 till now, he has been the deputy general manager of New Smart Energy Group Limited. Previous to this, he was the deputy president of China Natural Oil And Gas Co., Ltd. and the managing director of Poliwell International Limited for years and accumulated substantial experience in corporate management.

張文先生，43歲，於二零零八年四月獲委任為本公司獨立非執行董事。張先生畢業於香港大學，獲工商管理碩士(MBA)，以及於深圳大學研究生院金融研究生班畢業。二零零六年至今任駿新能源集團有限公司副總經理。此前，彼任深圳中油中泰燃氣有限公司副總裁及保利華國際有限公司董事總經理多年，於企業管理方面具有豐富經驗。

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員 個人資料

Ms. Zhu Jing Hua (朱靜華), aged 69, has been appointed as an independent non-executive director of the Company since April 2008. Ms. Zhu graduated from the Dongbei University of Finance and Economics and became a senior accountant in October 1992. She was approved as a chartered accountant by the Chinese Institute of Certified Public Accountants in April 1994. She has worked for the Ministry of Chemical Industry, holding positions of the deputy director and the director of the production for outlet and supply and marketing department of the Ministry of Chemical Industry, the deputy chief of the Bureau of Economics of the Ministry of Chemical Industry, the chief of the Bureau of Finance of the Ministry of Chemical Industry, the deputy chief accountant of State Bureau of Petroleum and Chemical Industries. She currently acts as the deputy president of China Petroleum and Chemical Industry Association. From 2002 till now, she has acted as an independent director of Guizhou Chitianhua Co., Ltd.

朱靜華女士，69歲，於二零零八年四月獲委任為本公司獨立非執行董事。朱女士畢業於東北財經大學，一九九二年十月成為高級會計師，一九九四年四月獲中國註冊會計師協會認證為註冊會計師。彼曾於化工部工作，歷任化工部財務司生產代銷供銷財務處副處長、處長、化工部經濟協調司副司長、化工部財務司司長、石油和化學工業局副總會計師。目前在中國石油和化學工業協會任副會長。二零零二年至今還在貴州赤天化股份公司任獨立董事。

SENIOR MANAGEMENT

Mr. Liu Yi Song (劉一松), aged 67, is the general manager of Hefei Vitop Meiling Environmental Technologies Co., Ltd (合肥天年美菱環保) (“Vitop Meiling”), a subsidiary of the Company, and is a director of a subsidiary of the Group. Mr. Liu joined the Group in April 2004 and is responsible for the management of Vitop Meiling. He graduated from the Department of Management Engineering of Hefei university of Technology (合肥工業大學) in 1984. Prior to Joining the Group, he had over 22 years of experience in business management.

高層管理人員

劉一松先生，67歲，本公司附屬公司合肥天年美菱環保科技有限責任公司（「天年美菱」）總經理及本集團一家附屬公司的董事。劉先生於二零零四年四月加盟本集團，負責天年美菱管理工作。彼於一九八四年畢業於合肥工業大學管理工程系。彼於加盟本集團前，已在企業管理方面積逾22年經驗。

Mr. Xing He Ping (邢和平), aged 56, joined the Group in April 2007 as the general manager of Vitop Bioenergy (China) Ltd. He is responsible for the strategic planning, business development and overall management of the Company. He obtained a Bachelor of Arts degree and a Master's degree in Economics from Wuhan University and Huazhong Normal University and is a senior economist, a law professor and an international arbitrator. He has held senior management positions in well-known state-owned enterprises, foreign-invested enterprises and large-scale private pharmaceutical companies and has extensive experience in international trading, strategic planning and management operations in pharmaceutical market.

邢和平先生，56歲，於二零零七年四月加盟本集團，任職天年生物（中國）有限公司總經理，負責本公司策略規劃、業務發展及整體管理。彼持有武漢大學經濟學文學士和華中師範大學經濟學碩士學位，為高級經濟師、法學教授、國際仲裁員。彼曾就職於著名國有企業、外商投資企業和大型民營醫藥公司並擔任高級管理職務，在國際貿易、醫藥市場的策略規劃和管理運作方面具有豐富經驗。

Mr. Yeung Man, Simon (楊敏), aged 39, is the financial controller of the Group. Mr. Yeung joined the Group in November 2004 and is responsible for the financial and internal control of the Group. He graduated from the University of Georgia, the United States of America with a Bachelor degree in Accounting and a Bachelor degree in Finance and Banking. Mr. Yeung is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Prior to joining the Group, he worked in an international accounting firm. He has over 14 years of experience in auditing, finance, accounting and business management.

楊敏先生，39歲，本集團財務總監。楊先生於二零零四年十一月加盟本集團，負責本集團財務及內部監控工作。彼畢業於美國喬治亞州大學，持有會計與金融及銀行雙學士學位。楊先生為香港會計師公會及美國會計師公會會員。在加入本集團前，楊先生曾於一間國際會計師事務所任職。彼於核數、財務、會計及企業管理方面積逾14年經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to establishing and maintaining high standards of corporate governance. The directors of the Company believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximising shareholders' interests.

During the year, the Company has applied the principles and complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Listing Rules, except for the deviations from code provisions A.1.1, A.4.1 and E.1.2 as stated and explained below.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code for securities transactions by Directors. All members of the Boards have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code during the year.

BOARD OF DIRECTORS

Executive Directors

Mr. Han Qing Yun (*Chairman*)
 Dr. Han Xiao Yue (*Joint-Chairman*)
 Mr. Xu Nian Chun
 Ms. Guo Yan Ni
 Mr. Long Min Fei
 Mr. Chen Heng Long
 (Resigned on 8 June 2011)

Non-executive Director

Mr. Chan Yuk Tong
 (Resigned on 24 May 2011)

Independent Non-executive Director

Ms. Zhu Jing Hua
 Mr. Zhang Min
 Mr. Li Xin Zhong

企業管治常規

本公司一直致力建立及維持高水平的企業管治。本公司董事相信健全及合理的企業管治常規對本集團增長以及保障和擴大股東權益實屬必要。

年內，本公司已應用上市規則附錄十四企業管治常規守則（「守則」）所載的原則，並已遵守守則內的守則條文，惟如下文所載述及闡釋偏離守則條文第A.1.1、A.4.1及E.1.2條則除外。

董事的證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）作為其董事進行證券交易的守則。經本公司作出具體查詢後，全體董事會成員已確認彼等於年內已遵守標準守則所載的規定標準。

董事會

執行董事

韓慶雲先生（*主席*）
 韓曉躍博士（*聯席主席*）
 徐念椿先生
 郭燕妮女士
 龍明飛先生
 陳恒龍先生
 （於二零一一年六月八日辭任）

非執行董事

陳育棠先生
 （於二零一一年五月二十四日辭任）

獨立非執行董事

朱靜華女士
 張文先生
 李新中先生

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board assumes responsibility for leadership and control of the Company and shall be collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The Board formulates overall strategies and policies of the Group and monitors the performance and activities of the management. With delegating authorities from the Board, the management of the Company is responsible for the day-to-day operations of the Group under the leadership of the Joint Chairman.

To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationships among members of the Board and in particular, between the Chairman and the Joint Chairman.

Under code provision A.1.1 of the Code, at least four regular board meetings should be held a year at approximately quarterly intervals with active participation of a majority of directors of the Company, either in person or through other electronic means of communication. As the Company did not announce its quarterly results, two regular board meetings were held during the year for reviewing and approving the interim and annual financial performance of the Group. Board meetings will be held on the occasions when board decisions are required.

During the year, three full board meetings (including two regular board meetings) were held and the individual attendance of each director at the board meetings was as follows:

Directors	Attendance	董事	出席率
Executive Directors			
Mr. Han Qing Yun (<i>Chairman</i>)	1/8	韓慶雲先生 (<i>主席</i>)	1/8
Dr. Han Xiao Yue (<i>Joint Chairman</i>)	8/8	韓曉躍博士 (<i>聯席主席</i>)	8/8
Mr. Xu Nian Chun	2/8	徐念椿先生	2/8
Ms. Guo Yan Ni	3/8	郭燕妮女士	3/8
Mr. Long Min Fei	2/8	龍明飛先生	2/8
Dr. Chen Heng Long (resigned on 8 June 2011)	1/6	陳恒龍博士 (於二零一一年六月八日辭任)	1/6
Non-executive Director			
Mr. Chan Yuk Tong (resigned on 24 May 2011)	0/4	陳育棠先生 (於二零一一年五月二十四日辭任)	0/4
Independent Non-executive Director			
Ms. Zhu Jing Hua	2/8	朱靜華女士	2/8
Mr. Zhang Wen	3/8	張文先生	3/8
Mr. Li Xin Zhong	2/8	李新中先生	2/8

董事會負有領導及監控本公司的責任，並共同負責統管及監督本公司事務以促使本公司成功發展。董事會制定本集團的整體策略及政策，並監察管理層表現及運作。本公司管理層獲董事會授權，在聯席主席的領導下負責管理本集團日常業務。

就本公司所知，董事會成員之間（特別是主席與聯席主席之間）並無存在財務、業務、家屬或其他重大／相關的關係。

根據守則的守則條文第A.1.1條，本公司應每年舉行最少四次董事會定期會議，大約每季一次，而本公司大部份董事均須親身出席，或透過其他電子通訊方式積極參與。由於本公司並無宣佈其季度業績，故此年內舉行了兩次董事會定期會議，以審閱及批准本集團中期及年度財務表現。董事會將於有其他事宜需要董事會作出決定時舉行董事會會議。

年內，本公司舉行了三次全體董事會會議（包括兩次董事會定期會議），而各董事於董事會會議的出席率如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

For a regular board meeting, notice of at least fourteen days is given to all directors of the Company, who are given an opportunity to include matters in the agenda for discussion, and an agenda and accompanying board papers are sent to all directors of the Company at least three days before the intended date of a regular board meeting.

Minutes of board meetings and meetings of board committees are kept by the secretary of the Company and are open for inspection at any reasonable time on reasonable notice by any director of the Company. Draft and final versions of minutes of board meetings are sent to all directors of the Company for their comment and records respectively, in both cases within a reasonable time after the board meeting is held.

Approximate insurance cover has been arranged in respect of legal action against the directors and officers of the Group.

Non-executive Directors

Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and be subject to re-election.

The three independent non-executive directors of the Company were not appointed for a specific term, but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the articles of association of the Company.

REMUNERATION OF DIRECTORS

The remuneration committee comprises three independent non-executive directors of the Company, namely Ms. Zhu Jing Hua, Mr. Zhang Wen and Mr. Li Xin Zhong.

The role and function of the remuneration committee primarily include reviewing, considering and approving proposals as well as making recommendations to the Board on the Company's policy and structure relating to the remuneration of directors and senior management.

就董事會定期會議而言，本公司全體董事均獲發至少十四天通知，並均有機會提出商討事項列入會議議程，而會議議程及隨附會議文件會在預定舉行董事會定期會議日期前至少三天送交本公司全體董事。

董事會會議及董事委員會會議記錄由公司秘書備存，本公司任何一名董事在發出合理通知後均可在任何合理時段查閱有關會議記錄。董事會會議結束後，會於合理時段內先後將董事會會議記錄的初稿及最終定稿發送本公司全體董事，初稿供董事表達意見，最終定稿則作記錄之用。

本公司已就本集團董事及高級職員可能會面對的法律行動作出適當的投保安排。

非執行董事

根據守則的守則條文第A.4.1條，非執行董事的委任應有指定任期，並須接受重選。

本公司三名獨立非執行董事的委任並無設有指定任期，惟須根據本公司組織章程細則的規定於本公司股東週年大會上輪席退任及接受重選。

董事薪酬

薪酬委員會由本公司三名獨立非執行董事組成，成員分別為朱靜華女士、張文先生及李新中先生。

薪酬委員會的角色及職能主要包括審閱、考慮及批准本公司有關董事及高層管理人員薪酬的政策及架構的建議方案，以及就此向董事會提出建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION OF DIRECTORS

Executive Directors

The Board is empowered under the articles of association of the Company to appoint any person as a director of the company either to fill a casual vacancy or as an addition to the existing Board. No nomination committee was established by the Company in view of the small size of the Board. The Board as a whole is responsible for considering the suitability of an individual to act as a director of the Company, and approving and terminating the appointment of a director of the Company.

The executive directors of the Company are responsible for selecting and recommending suitable candidates for members of the Board based on their characters, qualifications, experience and background, when there is a vacancy or an additional director is considered necessary. The recommendations of the executive directors are then put forward for consideration by the Board.

AUDITOR'S REMUNERATION

The Company's external auditors are Pan-China (H.K.) CPA Limited. The audit fee and other services of the Company for the year ended 30 June 2010 was approximately HK\$0.84 million.

AUDIT COMMITTEE

The audit committee of the company was established on 18 January 2002 with written terms of reference which were revised on 21 March 2005 in compliance with the code provision C.3.3 of the Code. The audit committee comprises three independent non-executive directors of the Company, namely Ms. Zhu Jing Hua (chairman of the committee), Mr. Li Xin Zhong and Mr. Zhang Wen. Ms. Zhu Jing Hua possesses appropriate professional accounting qualifications and related financial management expertise as required under rule 3.10 (2) of the Listing Rules.

The primary duties of the audit committee include the review and supervision of the financial reporting process and internal control system, and the review of the interim and annual reports of the Group.

董事提名

執行董事

根據本公司組織章程細則，董事會有權委任任何人士為本公司董事，以填補臨時空缺或增加現有董事會成員。基於董事會規模不大，故本公司並無成立提名委員會。董事會共同負責考慮個別人士是否勝任本公司董事一職，並負責批准及終止本公司董事的委任。

本公司執行董事負責根據候選人的品格、資歷、經驗及背景挑選及推薦合適人選出任董事會成員，以填補空缺或在有需要時新增董事名額。執行董事的推薦其後呈交董事會考慮。

核數師酬金

本公司的外聘核數師為天健（香港）會計師事務所有限公司。本公司截至二零一一年六月三十日止年度的核數及其他服務費用約為84萬港元。

審核委員會

本公司審核委員會於二零零二年一月十八日成立，為符合守則的守則條文C.3.3條，其書面職權範圍已於二零零五年三月二十一日作出修訂。審核委員會由本公司三名獨立非執行董事組成，成員分別為朱靜華女士（委員會主席）、李新中先生及張文先生。根據上市規則第3.10 (2)條的規定，朱靜華女士具備適當的專業會計資格及相關財務管理專長。

審核委員會的主要職責包括檢討及監察財務匯報程序及內部監控系統，並審閱本集團的中期及年度報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year, two meetings were held by the audit committee to review the annual report of the Group for the year ended 30 June 2011 and the interim report of the Group for the six months ended 31 December 2010 before submission to the Board for approval, and to provide advice and comments thereon to the Board. The individual attendance of each member at the audit committee meetings was as follows:

年內，審核委員會舉行了兩次會議，以在提交董事會審批前，審閱本集團截至二零一一年六月三十日止年度的年報及截至二零一零年十二月三十一日止六個月的中期報告，以及就此向董事會提供相關建議及意見。各成員於審核委員會會議的出席率如下：

Members	Attendance	成員	出席率
Ms. Zhu Jing Hua	2/2	朱靜華女士	2/2
Mr. Li Xin Zhong	1/2	李新中先生	1/2
Mr. Zhang Wen	1/2	張文先生	1/2

DIRECTORS' AND AUDITORS' RESPONSIBILITIES ON THE ACCOUNTS

董事及核數師對賬目的責任

The directors of the Company acknowledge their responsibility for preparing the accounts of the Group for the year ended 30 June 2011.

本公司董事承認彼等負有編製本集團截至二零一一年六月三十日止年度賬目的責任。

The statement by Messrs. Pan-China (H.K.) CPA Limited, the existing external auditors of the Company, about their reporting responsibilities on the accounts of the Group is set out in the Independent Auditors' Report on pages 29 and 30.

本公司現時的外聘核數師天健(香港)會計師事務所有限公司就其對本集團賬目的申報責任所發表的聲明載於第29及30頁的獨立核數師報告書內。

As at 30 June 2011, the directors of the Company confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors of the Company have prepared the accounts of the Group on a going concern basis.

於二零一一年六月三十日，本公司董事確認，就彼等作出一切合理查詢後所深知、所悉及確信，彼等並不知悉存在任何重大不明朗事件或情況可能會嚴重影響本公司持續經營的能力。因此，本公司董事已按持續經營基準編製本集團賬目。

INTERNAL CONTROL

內部監控

The Board has the responsibility to ensure that the Company maintains sound and effective internal controls to safeguard the shareholders' investments and the Company's assets. The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and the management rather than elimination of risks associated with the business activities of the Group.

董事會有責任確保本公司的內部監控穩健及行之有效，以保障股東的投資及本公司的資產。設立內部監控系統旨在就是否存在重大錯誤陳述或損失作出合理但不絕對的確定，並用於管理而非消除與本集團業務活動有關的風險。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Board endeavours to maintain an on-going dialogue with shareholders and encourage their participation.

The directors of the Company host the annual general meeting each year to meet the shareholders and answer their enquires.

Under code provision E.1.2 of the Code, the Chairman of the Board should attend, and the chairman of the audit and remuneration committees should be available to answer questions at, the annual general meeting of the Company.

The Chairman of the Board and the chairman of the audit committee and remuneration committee were unable to attend the annual general meeting of the Company held on 20 December 2010 in person, but the Chairman of the Board has already delegated to one of the executive directors of the Company to chair the meeting on his behalf and on behalf of the chairman of the audit committee and the remuneration committee.

與股東的溝通

董事會致力與股東持續保持對話，並鼓勵彼等參與。

本公司董事每年主持股東週年大會，會見股東並回答股東的詢問。

根據守則的守則條文第E.1.2條，董事會主席應出席本公司股東週年大會，而審核委員會及薪酬委員會主席亦應出席本公司股東週年大會回答提問。

董事會主席以及審核委員會及薪酬委員會主席未能親身出席本公司於二零一零年十二月二十日舉行的股東週年大會，但董事會主席已委任本公司其中一名執行董事代為主持大會，並代表審核委員會及薪酬委員會主席出席大會。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告書

TO THE SHAREHOLDERS OF VITOP BIOENERGY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

致天年生物控股有限公司
(於開曼群島註冊成立的有限公司)
各股東

We have audited the consolidated financial statements of Vitop Bioenergy Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 115, which comprise the consolidated and company statements of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

吾等已審核第31至115頁所載天年生物控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一一年六月三十日的綜合及公司財務狀況表及截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要及其他解釋性資料。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

董事就綜合財務報表的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港公司條例的披露規定編製真實公平的綜合財務報表，及負責董事認為就編製不存在由於欺詐或錯誤而導致的重大錯誤陳述的綜合財務報表而言屬必要的內部控制。

AUDITORS' 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 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

核數師的責任

吾等的責任是根據吾等的審核對該等綜合財務報表發表意見，並僅向閣下出具，而不作其他用途。吾等概不就本報告的內容對任何其他人士負責或承擔任何責任。

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

吾等已根據香港會計師公會頒佈的香港核數準則進行審核。該等準則要求吾等遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

INDEPENDENT AUDITORS' REPORT

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 audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2011 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PAN-CHINA (H.K.) CPA LIMITED

20/F., Hong Kong Trade Centre,
161-167 Des Voeux Road,
Central, Hong Kong,
Hong Kong S.A.R., China

Hong Kong, 30 September 2011

Choi Man Chau, Michael

Practising Certificate Number P01188

獨立核數師報告書

審核涉及執行程式以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程式取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與實體編製真實公平的綜合財務報表相關的內部控制，以設計適當的審核程式，但並非為對實體的內部控制的有效性發表意見。審核亦包括評價董事所採用的會計政策的適當性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

吾等相信，吾等所獲得的審核憑證乃充足並適當地為吾等的審核意見提供基礎。

意見

吾等認為，綜合財務報表已根據香港財務報告準則真實公平地反映 貴公司及 貴集團於二零一一年六月三十日的財務狀況以及 貴集團截至該日止年度的虧損及現金流量，並已按照香港公司條例的披露規定妥為編製。

天健(香港)會計師事務所有限公司

中國香港特別行政區
香港中環
德輔道中161-167號
香港貿易中心20樓

香港，二零一一年九月三十日

蔡文洲

執業證書編號P01188

CONSOLIDATED STATEMENT OF 綜合全面收益表 COMPREHENSIVE INCOME

For the year ended 30 June 2011

截至二零一一年六月三十日止年度

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Revenue	收益	6	27,217	67,540
Cost of sales	銷售成本		(15,612)	(44,662)
Gross profit	毛利		11,605	22,878
Other income	其他收入	6	6,834	5,066
Selling and distribution costs	銷售及分銷成本		(11,301)	(15,512)
Administrative expenses	行政管理費用		(21,805)	(24,025)
Other operating expenses	其他經營費用		(7,081)	(7,243)
Loss from operating activities	經營虧損	7	(21,748)	(18,836)
Finance costs	財務支出	8	(1,754)	(62)
Loss before income tax expense	除所得稅開支前虧損		(23,502)	(18,898)
Income tax expense	所得稅開支	9	—	(166)
Loss for the year	本年度虧損		(23,502)	(19,064)
Attributable to:	下列人士應佔：			
Owners of the Company	本公司擁有人	10	(23,315)	(19,104)
Non-controlling interests	非控股權益		(187)	40
Loss for the year	本年度虧損		(23,502)	(19,064)
Loss per share attributable to owners of the Company during the year	年內本公司擁有人 應佔每股虧損	12		(restated) (重列)
Basic	基本		HK (2.55) cents港仙	HK (2.09) cents港仙
Diluted	攤薄		N/A 不適用	N/A 不適用

CONSOLIDATED STATEMENT OF 綜合全面收益表 COMPREHENSIVE INCOME

For the year ended 30 June 2011

截至二零一一年六月三十日止年度

	Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loss for the year	本年度虧損	(23,502)	(19,064)
Other comprehensive income	其他全面收益		
Exchange translation differences recognised directly in equity	直接於權益確認的 匯兌差額	2,420	1,462
Total comprehensive loss for the year, net of tax	本年度全面虧損總額， 扣除稅項	(21,082)	(17,602)
Total comprehensive (loss)/income attributable to:	下列人士應佔全面 (虧損) / 收益總額：		
Owners of the Company	本公司擁有人	(20,895)	(17,642)
Non-controlling interests	非控股權益	(187)	40
		(21,082)	(17,602)

CONSOLIDATED STATEMENT OF 綜合財務狀況表 FINANCIAL POSITION

As at 30 June 2011

於二零一一年六月三十日

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	3,183	3,982
Intangible assets	無形資產	15	295	317
Available-for-sale investments	可出售投資項目	18	19,260	22,033
Pledged bank deposit	已抵押銀行存款	21	–	20
			22,738	26,352
Current assets	流動資產			
Inventories	存貨	19	21,070	21,641
Trade receivables	貿易應收賬款	20	1,283	1,082
Deposits, prepayments and other receivables	訂金、預付款項及其他應收賬款		31,612	26,315
Financial assets designated at fair value through profit or loss	指定為按公平值列賬及列入溢利或虧損的財務資產	17	–	1,836
Cash and bank balances	現金及銀行結存	21	10,950	8,662
			64,915	59,536
Current liabilities	流動負債			
Trade payables	貿易應付賬款	22	3,813	12,815
Accrued liabilities and other payables	應計負債及其他應付賬款		14,161	11,828
Deposits received	已收訂金		9,404	9,368
Obligation under finance lease – current portion	融資租賃的責任 – 流動部份	23	51	71
Interest-bearing bank loans	計息銀行貸款	24	–	2,146
Convertible notes	可換股票據	25	27,739	–
Deferred tax liabilities	遞延稅項負債	26	654	–
			55,822	36,228
Net current assets	流動資產淨值		9,093	23,308
Total assets less current liabilities	資產總值減流動負債		31,831	49,660

CONSOLIDATED STATEMENT OF 綜合財務狀況表 FINANCIAL POSITION

As at 30 June 2011

於二零一一年六月三十日

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Non-current liabilities	非流動負債			
Obligation under finance lease – non-current portion	融資租賃的責任 – 非流動部份	23	–	51
			–	51
Net assets	資產淨值		31,831	49,609
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	27	22,070	22,070
Reserves	儲備	29	7,673	25,264
			29,743	47,334
Non-controlling interests	非控股權益		2,088	2,275
Total equity	總權益		31,831	49,609

Han Xiao Yue

Director

韓曉躍

董事

Guo Yan Ni

Director

郭燕妮

董事

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

財務狀況表

於二零一一年六月三十日

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Interests in subsidiaries	於附屬公司的權益	16	13,000	29,691
Available-for-sale investments	可出售投資項目	18	16,850	18,700
			29,850	48,391
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	16	34,920	14,979
Deposits, prepayments and other receivables	訂金、預付款項及其他應收賬款		1,753	1,753
Cash and bank balances	現金及銀行結存	21	26	26
			36,699	16,758
Current liabilities	流動負債			
Amounts due to subsidiaries	應付附屬公司款項	16	4,111	10,191
Accrued liabilities and other payables	應計負債及其他應付賬款		721	547
Convertible notes	可換股票據	25	27,739	–
Deferred tax liabilities	遞延稅項負債	26	654	–
			33,225	10,738
Net current assets	流動資產淨值		3,474	6,020
Net assets	資產淨值		33,324	54,411
EQUITY	權益			
Share capital	股本	27	22,070	22,070
Reserves	儲備	29	11,254	32,341
Total equity	總權益		33,324	54,411

Han Xiao Yue

Director

韓曉躍

董事

Guo Yan Ni

Director

郭燕妮

董事

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2011

綜合現金流量表

截至二零一一年六月三十日止年度

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash flows from operating activities	經營業務的現金流量		
Loss before income tax expense	除所得稅開支前虧損	(23,502)	(18,898)
Adjustments for:	已就下列各項作出調整：		
Interest income	利息收入	(77)	(241)
Depreciation	折舊	1,376	1,795
Amortisation of intangible assets	無形資產攤銷	37	993
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	144	3
Impairment loss recognised in respect of trade receivables	就貿易應收賬款確認的減值虧損	594	-
Impairment loss recognised in respect of available-for-sale investment	就可出售投資項目確認的減值虧損	2,934	3,000
Impairment loss recognised in respect of other receivables	就其他應收賬款確認的減值虧損	2,590	1,101
Reversal of impairment loss on inventories	撥回存貨減值虧損	-	(1,330)
Provision for obsolete and slow-moving inventories	陳舊及滯銷存貨撥備	-	1,773
Dividend income from available-for-sale investments	可出售投資項目股息收入	-	(900)
Fair value loss on financial assets designated at fair value through profit or loss	指定為按公平值列賬及列入溢利或虧損的財務資產的公平值虧損	(644)	(1,245)
Finance costs	財務支出	57	62
Operating loss before working capital changes	未計營運資金變動的經營虧損	(16,491)	(13,887)
Decrease/(Increase) in inventories	存貨減少/(增加)	571	(7,134)
(Increase)/Decrease in trade receivables	貿易應收賬款(增加)/減少	(794)	512
Increase in deposits, prepayments and other receivables	訂金、預付款項及其他應收賬款增加	(7,888)	(1,699)
Decrease in pledged deposit	已抵押存款減少	20	-
(Decrease)/Increase in trade payables	貿易應付賬款(減少)/增加	(9,002)	9,073
Increase in accrued liabilities and other payables	應計負債及其他應付賬款增加	4,029	2,389
Increase in deposits received	已收訂金增加	36	442
Cash used in operations	經營已動用的現金	(29,519)	(10,304)
PRC corporate income taxes paid	已付中國企業所得稅	-	(1,106)
Interest paid	已付利息	(57)	(62)
Net cash used in operating activities	經營業務已用現金淨額	(29,576)	(11,472)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2011

綜合現金流量表

截至二零一一年六月三十日止年度

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash flows from investing activities	投資活動的現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(189)	(726)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	-	2
Proceeds from financial assets upon to maturity	財務資產到期的所得款項	2,480	-
Purchase of intangible assets	購買無形資產	-	(345)
Invest in available-for-sale investments	於可出售投資項目的投資	-	(3,333)
Interest received	已收利息	77	241
Net cash generated from/(used in) investing activities	投資活動產生/(已用)的現金淨額	2,368	(4,161)
Cash flows from financing activities	融資活動的現金流量		
Repayment of bank loans	償還銀行貸款	(2,146)	(354)
Repayment of obligation under finance lease	償還融資租賃的責任	(71)	(104)
Net proceeds from issue of convertible notes	發行可換股票據的所得款項淨額	30,000	-
Net cash generated from/(used in) financing activities	融資活動產生/(已用)的現金淨額	27,783	(458)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/(減少)淨額	575	(16,091)
Cash and cash equivalents at beginning of the year	年初的現金及現金等值物	8,662	23,291
Effect of foreign exchange rate changes	匯率變動的影響	1,713	1,462
Cash and cash equivalents at end of the year	年終的現金及現金等值物	10,950	8,662

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

綜合權益變動表

截至二零一一年六月三十日止年度

Attributable to owners of the Company

本公司擁有人應佔權益

		Attributable to owners of the Company										Non-controlling interests	Total equity
		Share capital	Share premium*	Statutory reserve*	Capital redemption reserve*	Capital reserve*	Translation reserve*	Convertible notes reserve*	Share option reserve*	Retained profits/ losses)*	Total		
		股本	股份溢價*	法定儲備*	贖回儲備*	資本儲備*	匯兌儲備*	可換股票據儲備*	購股權儲備*	滾存溢利/ (累積虧損)*	總額	非控股權益	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 July 2009	於二零零九年七月一日	22,070	56,260	8,789	29	28,764	8,197	-	8,619	(67,752)	64,976	2,235	67,211
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	1,462	-	-	(19,104)	(17,642)	40	(17,602)
Share option lapsed	已失效的購股權	-	-	-	-	-	-	-	(8,619)	8,619	-	-	-
At 30 June 2010	於二零一零年六月三十日	22,070	56,260	8,789	29	28,764	9,659	-	-	(78,237)	47,334	2,275	49,609
At 1 July 2010	於二零一零年七月一日	22,070	56,260	8,789	29	28,764	9,659	-	-	(78,237)	47,334	2,275	49,609
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	2,420	-	-	(23,315)	(20,895)	(187)	(21,082)
Issue convertible notes	發行可換股票據	-	-	-	-	-	-	3,958	-	-	3,958	-	3,958
Deferred tax liabilities on issue of convertible notes	發行可換股票據的遞延稅項負債	-	-	-	-	-	-	(654)	-	-	(654)	-	(654)
At 30 June 2011	於二零一一年六月三十日	22,070	56,260	8,789	29	28,764	12,079	3,304	-	(101,552)	29,743	2,088	31,831

* These reserve accounts comprise the consolidated reserves of HK\$7,673,000 (2010: HK\$25,264,000) in the consolidated statement of financial position.

* 以上儲備賬戶包括載於綜合財務狀況表中 7,673,000 港元的綜合儲備 (二零一零年: 25,264,000 港元)。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 February 2001 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company withdrew the listing of its shares on The Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 February 2003, and on the same date, by way of introduction, listed its entire issued share capital on the Main Board of the Stock Exchange.

The Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-111, Cayman Islands. The Company’s principal place of business is Suites 913-917, 9/F Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong during the year.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are manufacturing and trading of BIOenergy products, healthcare food products, multi-functional water generators and other healthcare products in the People’s Republic of China, excluding Hong Kong and Macau (the “PRC”).

The consolidated financial statements on pages 31 to 115 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

The consolidated financial statements for the year ended 30 June 2011 were approved and authorised for issue by the board of directors on 30 September 2011.

1. 一般資料

本公司於二零零一年二月十五日根據開曼群島公司法第22章（一九六一年第三法例，經綜合及修訂）於開曼群島註冊成立為獲豁免有限公司。於二零零三年二月十日，本公司撤銷其股份在香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）的上市地位，並於同日以介紹方式將其所有已發行股本在聯交所主板上上市。

本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-111, Cayman Islands。本公司於年內的主要營業地點為香港灣仔港灣道30號新鴻基中心9樓913-917室。

本公司的主要業務為投資控股。其附屬公司的主要業務是在中華人民共和國（不包括香港及澳門，「中國」）生產及買賣天年素系列產品、保健食品、多功能製水機及其他健康產品。

第31至第115頁的綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）編製。香港財務報告準則為一統稱，其中包括所有適用的個別香港財務報告準則、香港會計準則及詮釋。綜合財務報表同時亦載有香港公司條例及聯交所證券上市規則（「上市規則」）的適用披露規定。

截至二零一一年六月三十日止年度的綜合財務報表已於二零一一年九月三十日獲董事會批准及授權刊發。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRSs (Amendments)	Amendments to HKAS 27 and HKFRS 3 as part of Improvements to HKFRSs issued in 2010
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKAS 32 (Amendments)	Classification of Rights Issues
HK – Int 5	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

Other than as further explained below regarding the impact of HK Interpretation 5, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting HK Interpretation 5 is as follow:

Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ('HK Int 5') clarifies that term loans that include a clause that gives the lender the unconditional rights to call the loans at any time ('repayment on demand clause') should be classified by the borrower as current liabilities. The Group has applied HK Int 5 for the first time in the current year. Hong Kong Interpretation 5 requires retrospective application.

2. 新訂及經修訂香港財務報告準則的影響

於本年度，本集團已應用下列由香港會計師公會頒佈的新訂及經修訂準則、修訂及詮釋（「新訂及經修訂香港財務報告準則」）。

多項香港財務報告準則（修訂本）	二零零九年多項香港財務報告準則的改進
多項香港財務報告準則（修訂本）	香港會計準則第27號及香港財務報告準則第3號的修訂，作為於二零一零年頒佈的香港財務報告準則的改進
香港財務報告準則第1號（修訂本）	首次採納者的額外豁免
香港財務報告準則第1號（修訂本）	首次採納者於香港財務報告準則第7號披露比較資料的有限豁免
香港財務報告準則第2號（修訂本）	集團現金結算以股份為基礎付款的交易
香港會計準則第32號（修訂本）	供股的分類
香港 – 詮釋第5號	借款人對包含應要求償還條文的有期貨款分類
香港（國際財務報告詮釋委員會） – 詮釋第19號	以股本工具抵銷財務負債

除下文所進一步闡釋有關香港詮釋第5號的影響外，採納新訂及經修訂香港財務報告準則對該等財務報表並無重大財務影響。

採納香港詮釋第5號的主要影響如下：

香港詮釋第5號「財務報表的呈列 – 借款人對包含應要求償還條文的有期貨款分類」（「香港詮釋第5號」）澄清，有期貨款如包含賦予貸款人無條件權利隨時催還貸款的條文（「應要求償還條文」），則借款人應當將之分類為流動負債。本集團已於本年度首次應用香港詮釋第5號。香港詮釋第5號規定追溯應用。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

In order to comply with the requirements set out in the HK Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK Int 5, term loans with a repayment on demand clause are classified as current liabilities.

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK\$1,749,000 have been reclassified from non-current liabilities to current liabilities as at 30 June 2010 and 1 July 2010 respectively. As at 30 June 2011, the Group did not have bank loan. The application of HK Int 5 has had no impact on the reported profit or loss for the current year.

The above change has had no effect on the consolidated statement of comprehensive income. The effect on the consolidated statements of financial position of the Group at 1 July 2009, 30 June 2010 and 2011 is summarised as follow:

2. 新訂及經修訂香港財務報告準則的影響 (續)

為符合香港詮釋第5號所載規定，本集團已改變其有關對包含應要求償還條文的有期貸款分類的會計政策。過往該等有期貸款分類乃根據貸款協議所載協定預訂還款日期釐定。根據香港詮釋第5號，包含應要求償還條文的有期貸款分類為流動負債。

因此，於二零一零年六月三十日及二零一零年七月一日總賬面值為1,749,000港元包含應要求償還條文的銀行貸款已由非流動負債重新分類為流動負債。於二零一一年六月三十日，本集團並無銀行貸款。應用香港詮釋第5號對本年度的已呈報溢利或虧損並無影響。

上述變動對綜合全面收益表並無影響。對本集團於二零零九年七月一日、二零一零年及二零一一年六月三十日的綜合財務狀況表的影響概述如下：

	At 30 June 2011 於二零一一年 六月三十日 HK\$'000 千港元	At 30 June 2010 於二零一零年 六月三十日 HK\$'000 千港元	At 1 July 2009 於二零零九年 七月一日 HK\$'000 千港元
CURRENT LIABILITIES			
Increase in interest-bearing bank borrowing	-	1,749	-
NON-CURRENT LIABILITIES			
Decrease in interest-bearing bank borrowing	-	(1,749)	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

There was also no impact on the net assets of the Group.

The Group has not early applied the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective.

HKAS 1 (Amendments)	Presentation of items of Other Comprehensive Income ⁽¹⁾
HKAS 12 (Amendments)	Deferred Tax – Recovery of Underlying Assets ⁽⁵⁾
HKAS 19 (as revised in 2011)	Employee Benefits ⁽²⁾
HKAS 24 (as revised in 2009)	Related Party Disclosures ⁽³⁾
HKAS 27 (as revised in 2011)	Separate Financial Statements ⁽²⁾
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ⁽²⁾
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ⁽⁴⁾
HKFRS 9	Financial Instruments ⁽²⁾
HKFRS 10	Consolidated Financial Statements ⁽²⁾
HKFRS 11	Joint Arrangements ⁽²⁾
HKFRS 12	Disclosure of Interests in Other Entities ⁽²⁾
HKFRS 13	Fair Value Measurement ⁽²⁾
HKFRSs (Amendments)	Amendments to HKAS 1, HKAS 34, HKFRS 1, HKFRS 7 and HK(IFRIC) – Int 13 as part of improvements to HKFRSs issued in 2010 ⁽³⁾
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁽³⁾

- ⁽¹⁾ Effective for annual periods beginning on or after 1 July 2012.
⁽²⁾ Effective for annual periods beginning on or after 1 January 2013.
⁽³⁾ Effective for annual periods beginning on or after 1 January 2011.
⁽⁴⁾ Effective for annual periods beginning on or after 1 July 2011.
⁽⁵⁾ Effective for annual periods beginning on or after 1 January 2012.

2. 新訂及經修訂香港財務報告準則的影響 (續)

本集團的資產淨值亦不受影響。

本集團並無提早應用下列已頒佈但未生效的新訂及經修訂準則、修訂及詮釋。

香港會計準則第1號 (修訂本)	其他全面收益項目的呈列 ⁽¹⁾
香港會計準則第12號 (修訂本)	遞延稅項－收回相關資產 ⁽⁵⁾
香港會計準則第19號 (二零一一年經修訂)	僱員福利 ⁽²⁾
香港會計準則第24號 (二零零九年經修訂)	關連人士披露 ⁽³⁾
香港會計準則第27號 (二零一一年經修訂)	獨立財務報表 ⁽²⁾
香港會計準則第28號 (二零一一年經修訂)	聯營公司及合營企業的投資 ⁽²⁾
香港財務報告準則第7號 (修訂本)	披露－財務資產轉移 ⁽⁴⁾
香港財務報告準則第9號	金融工具 ⁽²⁾
香港財務報告準則第10號	綜合財務報表 ⁽²⁾
香港財務報告準則第11號	共同安排 ⁽²⁾
香港財務報告準則第12號	披露其他實體的權益 ⁽²⁾
香港財務報告準則第13號	公平值計量 ⁽²⁾
多項香港財務報告準則 (修訂本)	香港會計準則第1號、香港會計準則第34號、香港財務報告準則第1號、香港財務報告準則第7號及香港(國際財務報告詮釋委員會)－詮釋第13號的修訂，作為於二零一零年頒佈的香港財務報告準則的改進 ⁽³⁾
香港(國際財務報告詮釋委員會)－詮釋第14號 (修訂本)	最低資金要求的預付款項 ⁽³⁾

- ⁽¹⁾ 於二零一二年七月一日或之後開始的年度期間生效。
⁽²⁾ 於二零一三年一月一日或之後開始的年度期間生效。
⁽³⁾ 於二零一一年一月一日或之後開始的年度期間生效。
⁽⁴⁾ 於二零一一年七月一日或之後開始的年度期間生效。
⁽⁵⁾ 於二零一二年一月一日或之後開始的年度期間生效。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain assets and liabilities. The measurement bases are fully described in the accounting policies below.

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

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 30 June each year.

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

3. 主要會計政策概要

3.1 編製基準

編製該等綜合財務報表所採用的主要會計政策於下文概述。除另有指明外，該等政策已於所有呈列的年度貫徹應用。

除重估若干資產及負債外，綜合財務報表乃根據歷史成本基準編製。有關計量基準詳載於下列會計政策。

謹請留意，編製綜合財務報表時曾採用會計估計及假設。雖然此等估計乃根據管理層對現時事項及行動的最佳認識及判斷而作出，惟實際結果最終可能有別於此等估計。附註4披露涉及較多判斷或較複雜的範疇，或假設及估計對綜合財務報表而言屬重要的範疇。

3.2 綜合賬目基準

綜合財務報表包括本公司及其附屬公司截至各年度六月三十日止的財務報表。

附屬公司乃本集團對其財務及營運決策有控制權，以從其業務取得利益的實體。評估本集團是否控制另一實體時會考慮是否存在現時可行使的潛在表決權及其影響。附屬公司乃自控制權轉讓予本集團當日起全面綜合計算，並自控制權終止當日起不再綜合計算。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Subsidiaries

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

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the Company's statement of financial position, subsidiaries are carried at cost less impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivables at the end of the reporting period.

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

3. 主要會計政策概要 (續)

3.3 附屬公司

業務合併以收購法入賬，其中涉及按公平值重估於收購日期的所有可識別資產及負債，包括該附屬公司的或然負債，而不論該等資產及負債於收購前是否記錄於該附屬公司的財務報表中。於初步確認時，該附屬公司的資產及負債會按公平值計入綜合財務狀況表，而根據本集團的會計政策，公平值乃用作其後計量的基準。

編製綜合財務報表時，集團內的交易、結餘及集團公司間交易的未變現收益均予以對銷。除非交易提供證據顯示所轉讓資產出現減值，否則亦會對銷未變現虧損。

除非附屬公司乃為銷售而持有或列入出售組別，否則於本公司的財務狀況表中，附屬公司乃按成本減去任何減值虧損列賬。附屬公司的業績由本公司按照於報告期末的已收及應收股息基準入賬。

非控股權益指附屬公司的溢利或虧損及資產淨值中，並非由本集團擁有的股權所應佔，且並非本集團財務負債的部份。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Subsidiaries (continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total comprehensive income for the year between non-controlling interests and the owners of the company even if this results in the non-controlling interests having a deficit balance.

3.4 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to the statement of consolidated comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on the straight-line basis to write off the cost of property, plant and equipment, less any estimated residual values, over the following estimated useful lives:

Leasehold improvements	5 years or over the lease terms, whichever is shorter
Machinery and equipment	8 to 12 years
Furniture and office equipment	3 to 8 years
Motor vehicles	8 years

3. 主要會計政策概要 (續)

3.3 附屬公司 (續)

非控股權益會在綜合財務狀況表的權益項目中，與本公司擁有人應佔權益分開呈列。本集團業績中的非控股權益於綜合全面收益表以年內分配予非控股權益及本公司擁有人之間的全面收益總額呈列，即使此舉將導致非控股權益出現虧絀結餘。

3.4 物業、廠房及設備

除在建工程外，物業、廠房及設備乃按成本值減累計折舊及減值虧損列賬。資產成本包括其購買價及任何令資產達致其營運狀況及地點以作其擬定用途的直接應佔成本。其後成本僅會在與項目有關的未來經濟利益可能流入本集團且該項目成本能可靠計量時，視乎適用情況計入資產賬面值或確認為獨立資產。所有其他成本（如維修及保養）乃於產生的財政期間內於綜合全面收益表扣除。

折舊按以下的估計可使用年期以直線法撇銷物業、廠房及設備的成本，減去任何估計的剩餘價值計算：

租賃物業裝修	五年或按租約年期（以較短者為準）
機器及設備	八至十二年
傢具及辦公室設備	三至八年
汽車	八年

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment (continued)

The gain or loss arising on disposal or retirement of an item of property, plant and equipment recognised in the statement of comprehensive income is the difference between the net sales proceeds and the carrying amount of the relevant asset.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

3.5 Financial assets

Financial assets other than hedging instruments are classified into the following categories: loans and receivables, financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity investments.

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

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

3. 主要會計政策概要 (續)

3.4 物業、廠房及設備 (續)

於全面收益表內確認因出售或報廢物業、廠房及設備項目而產生的收益或虧損乃出售有關資產所得款項淨額與賬面值之間的差額。

資產的剩餘價值及可使用年期會於各報告期末檢討及調整(如適用)。

根據融資租賃所持資產於其預計可使用年內按與自置資產相同的基準折舊。

3.5 財務資產

對沖工具以外的財務資產列作以下類別：貸款及應收賬款、按公平值列賬及列入溢利或虧損的財務資產、可出售財務資產及持至到期投資。

管理層於首次確認財務資產時根據其購入目的決定其分類，並在容許及適當時，於每個報告日期重新評估有關分類。

所有財務資產均於(及僅於)本集團成為工具合約條文的訂約方時確認。財務資產初步按公平值加(如投資並非按公平值列賬及列入溢利或虧損)直接應佔交易成本計量。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Financial assets (continued)

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. At the end of each reporting period, financial assets are reviewed to assess whether there is objective evidence of impairment. If any of such evidence exists, impairment loss is determined and recognised based on the classification of the financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or

3. 主要會計政策概要 (續)

3.5 財務資產 (續)

當從投資收取現金流量的權利屆滿或已轉讓且所有權絕大部份風險及回報已轉讓，本集團會終止確認財務資產。本集團會於各報告期末審閱財務資產，以評估是否有減值的客觀證據。倘任何有關證據出現，減值虧損則根據財務資產的類別釐定及確認。

按公平值列賬及列入溢利或虧損的財務資產

按公平值列賬及列入溢利或虧損的財務資產包括持作交易財務資產及於首次確認時指定為按公平值列賬及列入溢利或虧損的財務資產。

財務資產如以短期賣出為目的而購買，則分類為持作交易財務資產。除非衍生工具（包括獨立的內含衍生工具）指定為有效的對沖工具或財務擔保合約，否則亦會分類為持作交易。

倘合約包括一項或多項內含衍生工具，則整項混合式合約或須指定為按公平值列賬及列入溢利或虧損的財務資產，惟若內含衍生工具對現金流量並無重大影響或明確禁止將內含衍生工具分開入賬則除外。

倘符合下列條件，則財務資產可於首次確認時指定為按公平值列賬及列入溢利或虧損：

- 該指定消除或顯著地減少按不同基準計量資產或確認其損益而出現不一致處理的情況；或

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Financial assets (continued)

Financial assets at fair value through profit or loss (continued)

- the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or
- the financial asset contains an embedded derivative that would need to be separately recorded.

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. At the end of each reporting period subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial assets is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in profit or loss in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. 主要會計政策概要 (續)

3.5 財務資產 (續)

按公平值列賬及列入溢利或虧損的財務資產 (續)

- 該資產為一組財務資產的一部份，該組財務資產按既定的風險管理策略管理，其表現以公平值來評估，而有關該組財務資產的資料則以該基準由內部向主要管理人員提供；或
- 該財務資產包含需分開列賬的內含衍生工具。

可出售財務資產

可出售財務資產為非衍生工具，指定或未歸類為按公平值列賬及列入溢利或虧損的財務資產、貸款及應收賬款或持至到期投資。於首次確認後各報告期末，可出售財務資產按公平值計量。公平值的變動於權益確認，直至該財務資產被出售或被釐定有所減值，屆時過往於權益確認的累計收益或虧損會自權益剔除，並於損益中確認。可出售財務資產的任何減值虧損於損益中確認。可出售股本投資的減值虧損將不會於以後期間撥回損益中。就可出售債務投資而言，倘投資的公平值增加能客觀地與確認減值虧損後發生的事件有聯繫，則會於隨後撥回減值虧損。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Financial assets (continued)

Available-for-sale financial assets (continued)

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investment, they are measured to cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the assets is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of comprehensive income, is transferred from equity to the statement of comprehensive income. A provision for impairment is made for available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement. In addition, the Group evaluates other factors, such as the share price volatility. Impairment losses on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

3. 主要會計政策概要 (續)

3.5 財務資產 (續)

可出售財務資產 (續)

就於活躍市場並無市場報價及公平值無法可靠計量的可出售股本投資，以及與該等並無市場報價的股本投資掛鈎並須以交付該等投資作結算的衍生工具而言，均於首次確認後各報告期末按成本減任何已識別減值虧損計量。當有客觀憑證顯示資產減值時，則於損益確認減值虧損。減值虧損的款額以資產賬面值與按類似財務資產的現行市場回報率折現的估計未來現金流量現值的差額計量。該等減值虧損將不會於往後期間撥回。

倘可出售資產出現減值，則包含其成本（扣除任何本金付款及攤銷）及其當前公平值的差額的款額會於扣除過往在全面收益表確認的任何減值虧損後，由權益轉移至全面收益表。倘公平值嚴重或長期下跌至低於其成本或有其他客觀證據顯示出現減值，則就可出售股本投資作出減值撥備。釐定是否「嚴重」或「長期」時需作出判斷。此外，本集團評估其他因素，如股價波動。分類為可出售股本工具的減值虧損不會透過全面收益表撥回。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Financial assets (continued)

Trade receivables

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

Impairment of financial assets

At the end of each reporting period, financial assets other than those at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment. If any such evidence exists, the impairment loss is measured and recognised as follows:

Trade receivables

If there is objective evidence that an impairment loss on trade receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in the statement of comprehensive income of the period in which the impairment occurs.

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

3. 主要會計政策概要 (續)

3.5 財務資產 (續)

貿易應收賬款

貿易應收賬款為擁有固定或可釐定付款但並無在活躍市場報價的非衍生財務資產。貿易應收賬款其後以實際利率法按攤銷成本減任何減值虧損計量。計算攤銷成本時計及任何收購折讓或溢價，並包括構成實際利率及交易成本不可或缺部份的費用。

財務資產減值

於各報告期末，本集團檢討並非按公平值列賬及列入溢利或虧損的財務資產，以確定是否存在減值的客觀證據。若出現任何此等證據，減值虧損則按下列情況計量及確認：

貿易應收賬款

倘出現客觀證據顯示以攤銷成本列賬的貿易應收賬款出現減值虧損，則按該資產的賬面值與以該財務資產原實際利率折現的估計未來現金流量的現值（不包括仍未產生的未來信用虧損）之間的差額計量虧損金額。虧損金額於減值發生期間於全面收益表確認。

倘若減值虧損金額於往後期間減少，而有關減幅可客觀地與確認減值後發生的事件有聯繫，則撥回過往確認的減值虧損，惟於撥回減值當日不得導致財務資產賬面值超過如無確認減值的原有攤銷成本。撥回金額於撥回發生期間在全面收益表中確認。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted average method and, in the case of work in progress and finished goods, comprise direct materials, where applicable, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

3.7 Intangible assets and research and development costs

Intangible assets

Intangible assets acquired separately are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses. Intangible assets are tested for impairment as described below in note 3.10. Amortisation commences when the intangible assets are available for use.

Patents and technical know-how are recognised as intangible assets and amortised on a straight line basis over their useful lives.

3. 主要會計政策概要 (續)

3.6 存貨

存貨以成本與可變現淨值兩者的較低者列賬。成本採用加權平均法釐定，而就在製品及製成品而言，成本包括直接材料（倘適用）、直接勞工及適當比例的間接成本。可變現淨值為日常業務過程中的估計售價減任何適用銷售開支。

3.7 無形資產及研發成本

無形資產

獨立收購的無形資產初步按成本確認。於初步確認後，可使用年期有限的無形資產按成本減累計攤銷及任何累計減值虧損列賬。可使用年期有限的無形資產於估計可使用年期內按直線法作攤銷撥備。

可使用年期無限的無形資產按成本減任何其後累計減值虧損列賬。誠如下文附註3.10所述，無形資產會進行減值測試。無形資產一旦可供使用即開始攤銷。

專利權及技術知識確認為無形資產，於可使用年期內按直線法攤銷。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Intangible assets and research and development costs (continued)

Research and development costs

Costs associated with research activities are expensed in the statement of comprehensive income as they occur. Costs that are directly attributable to the development phase are recognised as intangible assets provided they meet the following recognition requirements:

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) there is intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;
- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development along with an appropriate portion of relevant overheads. The costs of internally generated product developments are recognised as intangible assets. They are subject to the same subsequent measurement method as externally acquired intangible assets.

Development costs recognised as intangible assets are amortised on a straight-line basis over their useful lives.

All other development costs are expensed as incurred.

3. 主要會計政策概要 (續)

3.7 無形資產及研發成本 (續)

研發成本

與研究活動有關的成本於產生時在全面收益表內支銷。開發階段直接應佔的成本在符合以下確認要求時確認為無形資產：

- (i) 供內部使用或銷售的潛在產品的技術可行性得到證明；
- (ii) 有意圖完成並使用或出售無形資產；
- (iii) 顯示本集團有能力使用或出售無形資產；
- (iv) 無形資產將可能透過內部使用或銷售產生經濟利益；
- (v) 有足夠技術、財務及其他資源可供完成研發；及
- (vi) 無形資產應佔支出能可靠計量。

直接成本包括開發時產生的僱員成本及適當比例的相關間接成本。產品開發所產生的內部成本確認為無形資產。該等無形資產其後的計量方法與從外部收購的無形資產所使用者相同。

確認為無形資產的開發成本於可使用年期內按直線法攤銷。

所有其他開發成本於產生時支銷。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Income tax

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at the end of each 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. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

3. 主要會計政策概要 (續)

3.8 所得稅

本年度所得稅包括即期稅項及遞延稅項。即期所得稅資產及／或負債包括本期或過往報告期間（而於報告期末尚未支付），向稅務當局繳納稅款的責任或向稅務當局作出的申索。該等金額乃根據年內應課稅溢利按相關期間適用的稅率及稅法計算。即期稅項資產或負債的所有變動於全面收益表確認為稅項開支的一部份。

遞延稅項指綜合財務報表中資產及負債的賬面值與計算應課稅溢利時所採用的相應稅基之間的差額中，預計須繳納或可收回的稅項，並採用資產負債表負債法入賬。遞延稅項負債一般會就所有應課稅暫時差異確認，而遞延稅項資產則以在未來可能有應課稅溢利供利用可扣減暫時差異為前提確認。倘於交易中初步確認其他資產與負債所產生的暫時差異不會影響稅務溢利或會計溢利，則不會確認該項遞延稅項資產及負債。

遞延稅項負債就於附屬公司的投資所產生的應課稅暫時差異確認，惟本集團可控制暫時差異的撥回及暫時差異可能不會於可見將來撥回則除外。

本集團會於各報告期末審閱遞延稅項資產的賬面值，而倘未來不可能有足夠應課稅溢利令有關資產得以全部或部份回收時則相應扣減賬面值。被扣減的遞延稅項資產若將來可能出現足夠的應課稅溢利時，則予以撥回。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Income tax (continued)

Deferred tax assets and liabilities are not discounted. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3.9 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and other financial institutions, and short term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.10 Impairment of assets

Property, plant and equipment, intangible assets and interests in subsidiaries are subject to impairment testing.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

3. 主要會計政策概要 (續)

3.8 所得稅 (續)

遞延稅項資產及負債不予折現。遞延稅項按預期於負債清償或資產變現年度適用的稅率計算。遞延稅項均自全面收益表內扣除或計入全面收益表，惟倘遞延稅項與自權益中扣除或直接計入權益的項目有關，則亦將在權益中處理。

3.9 現金及現金等值物

現金及現金等值物包括銀行及手頭現金、銀行及其他金融機構的活期存款，以及短期及流動性高而原到期日為三個月或以內的投資，而該等投資可隨時兌換成可知數額的現金，且其價值變動風險僅屬輕微。

3.10 資產減值

物業、廠房及設備、無形資產及於附屬公司的權益須進行減值測試。

減值虧損按資產的賬面值超過其可收回金額的部份即時確認為開支。可收回金額為反映市況的公平值減去出售成本與使用價值兩者的較高者。於評估使用價值時，估計未來現金流量乃使用稅前折現率折現至現值，而有關折現率須反映市場現時對金錢時間價值及相關資產的特定風險的評估。

就評估減值而言，倘資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以獨立產生現金流入的最小資產類別（即現金產生單位）來釐定可收回金額。因此，部份資產個別進行減值測試，部份則在現金產生單位層次進行測試。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of assets (continued)

Impairment losses recognised for cash-generating units is charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is credited to the statement of comprehensive income in the period in which it arises.

3.11 Employee benefits

(i) Retirement benefits scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Retirement Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the Retirement Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of comprehensive income as they become payable in accordance with the rules of the Retirement Scheme. The assets of the Retirement Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the Retirement Scheme except for the Group's employer voluntary contributions, which are refunded to the Group when an employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the Retirement Scheme.

3. 主要會計政策概要 (續)

3.10 資產減值 (續)

就現金產生單位確認的減值虧損乃按比例自該現金產生單位資產中扣除，惟資產賬面值將不會調減至低於其個別公平值減出售成本或使用價值（如可釐定）外。

倘用以釐定資產可收回金額的估計出現有利變動，則會撥回減值，惟資產賬面值不得超過倘無確認減值虧損時原應釐定的賬面值（扣除折舊或攤銷）。撥回的減值虧損會計入進行撥回的相關期間的全面收益表內。

3.11 僱員福利

(i) 退休金計劃

本集團根據強制性公積金計劃條例設有定額供款強制性公積金退休福利計劃（「退休計劃」），對象為合資格參與退休計劃的僱員。供款額根據僱員基本薪金的某個百分比計算，並於根據退休計劃的規則到期應付時在全面收益表扣除。退休計劃的資產與本集團的資產分開持有，由獨立管理的基金管理。本集團向退休計劃作出僱主供款後，有關供款即全部屬僱員所有，惟本集團的自願僱主供款除外。倘若僱員於該等自願供款未全屬本身所有時不再受僱於本集團，有關供款則會根據退休計劃的規則退還予本集團。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Employee benefits (continued)

(i) Retirement benefits scheme (continued)

Pursuant to the relevant regulations of the government of the PRC, subsidiaries of the Group operating in the PRC are required to participate in an employee pension scheme operated by the relevant local government authorities in the PRC and to make contributions for employees who are registered as permanent residents in the PRC. Such contributions are charged to the statement of comprehensive income as they become payable.

(ii) Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. The value is appraised at the grant date and excludes the impact of any nonmarket vesting conditions.

All share-based compensation is recognised as an expense in the statement of comprehensive income, unless it qualifies for recognition as asset, with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally estimated.

3. 主要會計政策概要 (續)

3.11 僱員福利 (續)

(i) 退休金計劃 (續)

根據中國政府的有關規例，本集團在中國經營業務的附屬公司須參與中國有關地方政府當局所管理的僱員退休金計劃，並為登記為中國永久居民的僱員作出供款。該等供款於到期應付時在全面收益表扣除。

(ii) 以股份支付的僱員薪酬

本集團運作以權益結算並以股份支付的薪酬計劃為其僱員提供薪酬。

所有僱員用以交換任何以股份支付的薪酬的服務按公平值計量，並經參考已授出的購股權間接釐定。該等服務的價值於授出當日評定，且計及任何非市場歸屬條件的影響。

所有以股份支付的薪酬於全面收益表內確認為開支（若符合確認為資產除外），並相應計入購股權儲備。如歸屬期或其他歸屬條件適用，開支於歸屬期內根據對預期將歸屬的購股權數目的最佳有效估計確認。對預期將歸屬的購股權數目的假設包括非市場歸屬條件。倘有任何跡象表明預期將歸屬的購股權數目不同於之前估計，其後應對估計進行修訂。倘最終獲行使的購股權少於原先估計，於以往期間已確認的開支不予調整。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Employee benefits (continued)

(ii) *Share-based employee compensation (continued)*

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 or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

3.12 Equity-settled share-based payment transactions

(i) *Share options granted to employees*

Details of the accounting policy are set out in note 3.11 (ii)

(ii) *Share options granted to customers/suppliers*

Share options issued to customers/suppliers in exchange for goods or services are measured at the fair values of the goods or services received. The fair values of the goods or services received are recognised immediately as expenses, unless the goods or services qualify for recognition as assets.

3.13 Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in finance costs in the statement of comprehensive income.

3. 主要會計政策概要 (續)

3.11 僱員福利 (續)

(ii) *以股份支付的僱員薪酬 (續)*

購股權獲行使時，之前已於購股權儲備中確認的金額將轉撥至股份溢價。倘購股權遭沒收或於到期日仍未獲行使，之前已於購股權儲備中確認的金額將轉撥至滾存溢利。

3.12 以權益結算並以股份支付的交易

(i) *授予僱員的購股權*

會計政策詳情載於附註 3.11(ii)。

(ii) *授予客戶／供應商的購股權*

發行予客戶／供應商以換取貨品或服務的購股權按所獲貨品或服務的公平值計量。除非所獲貨品或服務符合資格確認為資產，否則貨品或服務的公平值即時確認為開支。

3.13 財務負債

財務負債於本集團成為該契約的合約協議訂約方時確認。所有與利息有關的開支於全面收益表中確認為財務支出項下的開支。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Financial liabilities (continued)

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional rights to defer settlement of the liability for at least 12 months after the end of the reporting period.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method.

3.14 Convertible notes

Convertible notes issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instruments. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

3. 主要會計政策概要 (續)

3.13 財務負債 (續)

借款初步按公平值扣除所產生的交易成本確認，其後按攤銷成本列賬。所得款項（扣除交易成本）與贖回價值間的任何差額於借款期間使用實際利息法於全面收益表內確認。

除非本集團擁有無條件權利延遲至報告期末後至少12個月清償負債，否則借款分類為流動負債。

貿易及其他應付賬款初步按公平值確認，其後使用實際利率法按攤銷成本計量。

3.14 可換股票據

本公司發行的可換股票據按照合約安排的內容及財務負債及股本工具的定義獨立分類為財務負債及權益部份。將以交換定額現金或涉及本公司定量股本工具的其他財務資產作結算的轉換期權為股本工具。

於發行日期，負債部份的公平值使用相類不可轉換工具的現時市場利率作估計。此金額使用實際利息法按攤銷成本基準入賬列為負債，直至獲轉換或於工具到期日時到期為止。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Convertible notes (continued)

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retain profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

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

3.15 Share capital

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

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

3. 主要會計政策概要 (續)

3.14 可換股票據 (續)

分類為權益的轉換期權以整體複合工具公平值減負債部份的數額後釐定，於權益確認及入賬（扣除所得稅影響），其後亦不會重新計量。此外，分類為權益的轉換期權將於權益保留，直至轉換期權獲行使為止；在此情況下，於權益確認的結餘將轉撥至股份溢價。倘轉換期權於可換股票據到期日仍未獲行使，於權益確認的結餘將轉撥至滾存溢利。轉換期權獲轉換或到期時不會於損益確認任何盈虧。

與發行可換股票據相關的交易成本按所得款項總額的分配比例分配至負債及權益部份。與權益部份相關的交易成本直接於權益確認。與負債部份相關的交易成本計入負債部份的賬面值，並使用實際利息法於可換股票據年期內攤銷。

3.15 股本

普通股分類為權益。股本按已發行股份的面值釐定。

如與發行股份有關的任何交易成本為股本交易直接應佔的遞增成本，則任何該等成本乃從股份溢價中扣除（減去任何相關所得稅利益）。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Income recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) Revenue from the sales of goods is recognised on the transfer of risks and rewards of ownership, provided that the Group maintains neither managerial involvement to the degree usually associated with the ownership, nor effective control over the goods sold;
- (ii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable; and
- (iii) Dividend income is recognised when the Group's rights as a shareholder to receive payment is established.

3.17 Related parties

Parties are considered to be related to the Group if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Group; or
 - has an interest in the Group that gives it significant influence over the Group; or
 - has joint control over the Group;

3. 主要會計政策概要 (續)

3.16 收入確認

當經濟利益有可能流向本集團，而有關收益能可靠計量時，按以下基準確認收益：

- (i) 銷售貨品的收益於所有權的風險及回報轉讓時確認，惟本集團不得再牽涉所有權通常附帶的管理事宜，亦不再對出售的貨品有任何實際控制權；
- (ii) 利息收入乃根據時間比例確認（經考慮未償還本金額及適用實際利率）；及
- (iii) 股息收入在確定本集團作為股東有權收取派發的款項時確認。

3.17 關連人士

被視為與本集團有關連的人士指：

- (i) 透過一個或多個中介人直接或間接：
 - 控制本集團、被本集團控制或與本集團受共同控制的人士；或
 - 於本集團擁有權益使其對本集團可施以重大影響力的人士；或
 - 於本集團有共同控制權的人士；

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Related parties (continued)

- (ii) the party is an associate or a jointly controlled entity;
- (iii) the party is a member of the key management personnel of the Group or its parent;
- (iv) the party is a close member of the family or any individual referred to in (i) or (iii);
- (v) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iii) or (iv); or
- (vi) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

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

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. 主要會計政策概要 (續)

3.17 關連人士 (續)

- (ii) 為一家聯營公司或共同控制實體的人士；
- (iii) 為本集團或其母公司主要管理人員的人士；
- (iv) 為第(i)或(iii)條所述任何個人的直系親屬的人士；
- (v) 為第(iii)或(iv)條所述任何個人直接或間接地控制、共同控制或有重大影響力或有重大投票權的實體的人士；或
- (vi) 為本集團或為其關連人士的任何實體的僱員的福利而設的離職後福利計劃的人士。

個人的直系親屬指預期在與該實體交易中影響該名個人或受該名個人影響的家族成員。

倘關連人士之間進行資源或責任轉移，則有關交易會被視為關連人士交易。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Leases

(i) *Operating leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(ii) *Finance leases*

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current liabilities. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

3. 主要會計政策概要 (續)

3.18 租賃

(i) *經營租賃*

經營租賃是指所有權的風險及回報大部份由出租人保留的租賃。根據經營租賃作出的付款在扣除自出租人收取的任何獎勵金後，於租賃期內以直線法在全面收益表中扣除。

(ii) *融資租賃*

本集團承租若干物業、廠房及設備。如本集團持有物業、廠房及設備所有權的絕大部份風險及回報，該等租賃分類為融資租賃。在租賃開始時，融資租賃按租賃資產的公平值與最低租賃付款現值兩者的較低者資本化。

每項租賃款項均分攤為負債及財務費用，以達到財務費用佔融資結欠額的常數比率。相應的租賃責任在扣除財務費用後計入流動及非流動負債內。財務支出的利息部份於租約期內在全面收益表扣除，以達到每個期間的負債餘額之常數定期利率。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Foreign currencies

The financial statements are presented in Hong Kong dollars (HK\$), which is also the functional currency of the Company.

In the separate financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the statement of comprehensive income.

In the consolidated financial statements, all separate financial statements of subsidiaries and jointly controlled entities originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rate at the balance sheet date. Income and expenses have been converted into Hong Kong dollars at the exchange rates ruling at the transaction dates, or the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been dealt with in the translation reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Hong Kong dollars at the closing rates.

3. 主要會計政策概要 (續)

3.19 外幣

財務報表以港元呈報，港元為本公司的功能貨幣。

各綜合實體各自的財務報表中，外幣交易按交易日當時的匯率換算為個別實體的功能貨幣入賬。於結算日，外幣計值的貨幣資產及負債以結算日的匯率換算。因結算該等交易及按年末匯率換算以外幣計值的貨幣資產及負債而產生的外匯收益及虧損於全面收益表中確認。

於綜合財務報表中，所有附屬公司及共同控制實體各自的財務報表原先如並非以本集團的呈報貨幣呈報，均已換算為港元。資產與負債按結算日的收市匯率換算為港元。收入及開支已按交易日的匯率或報告期間的平均匯率（如匯率並無重大變動）換算為港元。因此而產生的任何匯兌差額，在權益的匯兌儲備中處理。因收購一家海外實體產生的商譽及公平值調整已作為該海外實體的資產及負債處理，並按收市匯率換算為港元。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Financial guarantee contract, provisions and contingent liabilities

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. Where consideration is received or receivables for the issuance of guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivables, an immediate expense is recognised as investment in subsidiaries on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in the income statement over the term of the guarantee as income from financial guarantee issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount, where appropriate.

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

3. 主要會計政策概要 (續)

3.20 財務擔保合約、撥備及或然負債

財務擔保合約為一項要求發行人(或擔保人)作出特定付款,以付還持有人因特定欠債人未能根據一項債務工具的條款於債務到期時還款所蒙受的損失的合約。

倘本集團發出財務擔保,則該擔保的公平值首次確認為貿易及其他應付賬款內的遞延收入。倘就發行有關擔保已收取或應收取代價,則根據本集團適用於該類資產的政策確認有關代價。倘並無已收取或應收取的代價,則於首次確認任何遞延收入時確認即時開支為於附屬公司的投資。

首次確認為遞延收入的擔保款額,按擔保年期於收益表攤銷為所發出財務擔保的收入。此外,倘擔保持有人有可能根據擔保向本集團提出索償及對本集團提出的索償款額預期超過現時的賬面值(如適用),則確認撥備。

倘本集團須就過去事件而承擔現有責任,因而可能會導致經濟利益外流以履行責任,並可以作出可靠估計,本集團會確認撥備。倘貨幣時間值重大,則撥備會按預計履行責任的支出現值列賬。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Financial guarantee contract, provisions and contingent liabilities (continued)

Present obligation is disclosed as a contingent liability where it is not probable that an outflow of economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future event(s) is also disclosed as a contingent liability unless the probability of outflow of economic benefits is remote.

3.21 Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits or other distributable reserves, where appropriate, within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3. 主要會計政策概要 (續)

3.20 財務擔保合約、撥備及或然負債 (續)

倘經濟利益外流以履行責任的可能性不大，或無法對責任數額作出充份可靠估計，便會將該現有責任披露為或然負債。倘本集團因過往事件可能履行的責任須視乎某宗或多宗未來事件是否發生或不發生才能確定是否存在，除非經濟利益流出可能性極低，否則亦披露為或然負債。

3.21 股息

董事建議派發的末期股息於股東在股東大會批准派發前，乃列作財務狀況表權益項目內滾存溢利或其他可供分派儲備（如適用）的獨立分配。當該等股息獲股東批准並宣派，則會確認為負債。

中期股息乃於建議時同時宣派，概因本公司組織章程大綱及組織章程細則授予董事權力宣派中期股息。因此，中期股息於建議派發並宣派後隨即確認為負債。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

(A) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations as discussed below, which have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) *Impairment of assets*

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the management has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

(ii) *Income taxes*

Deferred tax is provided using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

4. 主要會計判斷及估計

(A) 判斷

於應用本集團會計政策的過程中，除下文討論涉及估計的判斷外，管理層已作出下列判斷，而該等判斷對綜合財務報表內所確認金額構成的影響最為重大。

(i) *資產減值*

於釐定資產是否已減值或過往導致減值的事件是否不再存在時，管理層需就資產減值作出判斷，尤其是評估：(1)是否發生可能影響資產價值的事件或該影響資產價值的事件是否不存在；(2)資產賬面值能否以未來現金流量淨現值作支持，而該淨現值乃根據持續使用資產或解除確認而作出估計；及(3)於編製現金流量預測時將採用的適當主要假設是否採用適當比率折現。管理層選擇以釐定減值程度的假設（包括用於現金流量預測的折現率或增長率假設）有所變動可能對減值測試所採用的淨現值產生重大影響。

(ii) *所得稅*

遞延稅項乃採用負債法於報告期末就財務報告所用資產與負債的課稅基礎與其賬面值的所有暫時差額作出撥備。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

(A) Judgements (continued)

(ii) *Income taxes (continued)*

Deferred tax assets are recognised for unused tax losses carried forward to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised, based on all available evidence. Recognition primarily involves judgement regarding the future performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that is probable that some portion or all of the deferred tax assets will ultimately be realised, such as existence of taxable temporary differences, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amount of deferred tax assets and related financial models and budgets are reviewed at the end of each reporting period and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilisation periods to allow utilisation of the carry forward tax losses, the asset balance will be reduced and charged to the statement of comprehensive income.

(B) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of the Group's assets and liabilities within the next financial year are discussed below.

4. 主要會計判斷及估計 (續)

(A) 判斷 (續)

(ii) *所得稅 (續)*

遞延稅項資產就結轉未動用稅務虧損而予以確認，惟以根據所有可獲取的憑證顯示可能有未來應課稅溢利可以未動用稅務虧損予以抵銷為限。確認主要涉及的判斷乃有關確認遞延稅項資產的特定法律實體或稅務組別的未來表現。於考慮是否有可信服的憑證顯示可能有部份或全部遞延稅項資產最終將獲變現時，將會評估多項其他因素，包括存在應課稅暫時差額、稅務規劃策略及可動用估計稅務虧損的期間。本集團會於各報告期末檢討遞延稅項資產的賬面值及有關財務模型與預算，而倘並無充份可信服的憑證顯示於動用期內將有足夠應課稅溢利以容許動用結轉的稅務虧損，則資產結存將會減少，並於全面收益表內扣除。

(B) 估計不明朗因素

於結算日有關未來的主要假設及估計不明朗因素的其他主要來源於下文論述，該等假設及不明朗因素涉及須對本集團於下個財政年度的資產及負債賬面值作出重大調整的重大風險。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

(B) Estimation uncertainty (continued)

(i) *Impairment test of assets*

The management determines whether an asset is impaired at least on an annual basis or where an indication of impairment exists. This requires an estimation of the value in use of the asset. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(ii) *Income taxes*

The management reviews the carrying amount of deferred tax assets at the end of each reporting period and reduces the amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised. This requires an estimation of the future taxable profits. Estimating the future taxable profits requires the management to make an estimate of the expected future earnings of the Group and also to choose a suitable discount rate in order to calculate the present value of the earnings.

(iii) *Depreciation of property, plant and equipment*

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account of their estimated residual value. The determination of the useful lives and residual values involve management's estimation. The management assesses annually the residual value and the useful life of the property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year the estimate is changed and the future period.

4. 主要會計判斷及估計 (續)

(B) 估計不明朗因素 (續)

(i) *資產減值測試*

管理層最少每年或於出現減值跡象時釐定資產是否已經減值。此舉需要對資產的使用價值作出估計，而估計使用價值需要管理層對預期資產所產生的未來現金流量作出估計，並選用適當折現率以計算該等現金流量的現值。

(ii) *所得稅*

管理層於各報告期末檢討遞延稅項資產賬面值，並以不再可能有足夠應課稅溢利以容許動用全部或部份遞延稅項資產為限扣減賬面值。此舉需對未來應課稅溢利作出估計，而估計未來應課稅溢利需要管理層對預期本集團所產生的未來盈利作出估計，並選用適當折現率以計算盈利現值。

(iii) *物業、廠房及設備的折舊*

物業、廠房及設備在計及估計剩餘價值後，按估計可使用年期以直線法折舊。釐定可使用年期及剩餘價值需管理層作出估計。管理層會每年評估物業、廠房及設備的剩餘價值及可使用年期，而倘預期與原定估計有差異，該差異可能對估計變動產生的年度及未來期間的折舊有所影響。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

(B) Estimation uncertainty (continued)

(iv) Amortisation of intangible assets

The Company amortises its intangible assets on a straight-line basis over the estimated useful life ranged from three to ten years, commencing from the date on which the intangible assets are available for use. The estimated useful life reflects the directors' estimate of the periods that the company intends to derive future economic benefits from its intangible assets.

5. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segment. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

Operating segments are identified on the basis of internal reports which provides information about components of the Group. These information are reported to and reviewed by the chief operating decision maker for the purposes of resource allocation and performance assessment.

4. 主要會計判斷及估計 (續)

(B) 估計不明朗因素 (續)

(iv) 無形資產攤銷

本公司以直線法於自其無形資產可供使用之日起計三至十年的估計可使用年期攤銷無形資產。估計可使用年期即董事估計本公司計劃使用其無形資產獲得未來經濟利益的期間。

5. 分部資料

由二零零九年四月一日起，本集團採納香港財務報告準則第8號營運分部。香港財務報告準則第8號乃一項披露準則，規定營運分部須按照主要營運決策者定期審閱的本集團各組成部份的內部報告劃分，以於各分部間分配資源及評估其表現。對比下，有關前身準則香港會計準則第14號「分部報告」規定，實體須使用風險及回報法劃分兩種分部（業務及地區）。過去，本集團主要呈報形式為業務分部。相比根據香港會計準則第14號所釐定的主要須予呈報分部，本集團的須予呈報分部並無因應用香港財務報告準則第8號而作出重列。

營運分部按提供本集團各組成部份資料的內部報告劃分。該等資料呈報予主要營運決策者，並由主要營運決策者審閱，以分配資源及評估表現。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

5. SEGMENT INFORMATION (continued)

(A) Segment revenue, results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segment. Head office and corporate expenses are not allocated to individual segments.

Segment assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment. All liabilities are allocated to unallocated corporate liabilities.

The four reportable operating segments are listed as follows:

- | | | |
|-------|-----------------------------------|--|
| (i) | BIOenergy products: | manufacturing and trading of bedding products, underclothing and body protection accessories containing the BIOenergy compound |
| (ii) | Healthcare food products: | trading of healthcare food products, including polypeptide products |
| (iii) | Multi-functional water generator: | manufacturing and trading of multi-functional water generator |
| (iv) | Others: | trading of other healthcare products and others |

5. 分部資料 (續)

(A) 分部收益、業績、資產及負債

為評估分部表現及於各分部間分配資源，本集團的主要營運決策者按以下基準監察各須予呈報分部應佔業績、資產及負債：

收益及開支乃經參考各須予呈報分部產生的銷售額及該等分部產生的開支或該等分部應佔資產折舊或攤銷產生的開支分配至各須予呈報分部。總辦事處及公司開支不會分配至個別分部。

分部資產主要包括各分部直接應佔所有有形資產、無形資產及流動資產。所有負債均分配至未分配公司負債。

四個須予呈報營運分部載列如下：

- | | | |
|-------|--------------|-----------------------------|
| (i) | 天年素系列
產品： | 生產及買賣含天年素複合物的床上用品產品、內衣及保健配件 |
| (ii) | 保健食品： | 買賣多肽產品等保健食品 |
| (iii) | 多功能
製水機： | 生產及買賣多功能製水機 |
| (iv) | 其他： | 買賣其他保健產品及其他 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

5. SEGMENT INFORMATION (continued)

(A) SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES (continued)

Business segments

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments:

	BIOenergy products		Healthcare food products		Multi-functional water generators		Others		Consolidated	
	天年素產品系列		保健食品		多功能製水機		其他		綜合	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue:										
Sales to external customer	9,816	10,646	6,660	16,089	8,269	39,614	2,472	1,191	27,217	67,540
Segment result	2,026	773	(104)	2,961	(1,211)	3,432	(12)	199	699	7,365
Unallocated other income									6,834	5,066
Unallocated expenses									(29,281)	(31,267)
Loss from operating activities									(21,748)	(18,836)
Finance cost									(1,754)	(62)
Loss before income tax expense									(23,502)	(18,898)
Income tax expense									-	(166)
Loss for the year									(23,502)	(19,064)

5. 分部資料 (續)

(A) 分部收益、業績、資產及負債 (續)

業務分部

下表呈列本集團業務分部的收益、業績及若干資產、負債及開支資料：

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

5. SEGMENT INFORMATION (continued)

(A) SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES (continued)

Business segments (continued)

		BIOenergy products 天年素產品系列		Healthcare food products 保健食品		Multi-functional water generators 多功能製水機		Others 其他		Consolidated 綜合	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Segment Assets	分部資產	22,087	12,551	14,985	9,899	22,017	34,678	5,560	1,136	64,649	58,264
Unallocated assets	未分配資產									23,004	27,624
Total assets	資產總值									87,653	85,888
Segment liabilities	分部負債	19,508	5,165	13,236	7,806	17,463	20,461	4,910	578	55,117	34,010
Unallocated liabilities	未分配負債									705	2,269
Total liabilities	負債總額									55,822	36,279
Other segment information:	其他分部資料:										
Depreciation	折舊	604	955	-	-	-	-	-	-	604	955
Unallocated amount of depreciation	未分配折舊金額									772	840
										1,376	1,795
Amortisation of intangible assets	無形資產攤銷	-	2	37	991	-	-	-	-	37	993
Capital expenditure	資本開支	23	869	-	-	-	-	-	-	23	869
Unallocated amounts of capital expenditure	未分配資本開支金額									166	201
										189	1,070

5. 分部資料 (續)

(A) 分部收益、業績、資產及負債 (續)

業務分部 (續)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

5. SEGMENT INFORMATION (continued)

(B) Geographical segments

A geographical analysis of the Group's revenue from external customers, certain asset and expenditure information is not presented as the Group's revenue and assets in geographical segments other than the PRC are less than 10% of the aggregate amount of all segments.

(C) Information about major customers

The Group has a very wide customer base, and no single customer contributed more than 10% of the Group's revenue for each of the years ended 30 June 2010 and 2011.

6. REVENUE AND OTHER INCOME

(A) Revenue

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts where applicable. All significant intra-group transactions have been eliminated on consolidation.

Turnover made in the PRC is subject to value added tax ("VAT") at a rate of 17% ("output VAT"). Such output VAT is payable after offsetting VAT paid by the Company on purchases ("input VAT").

5. 分部資料(續)

(B) 地區分部

由於本集團按地區分部(中國除外)的收益及資產少於全部分部合計款項的10%，故並無呈列本集團按地區劃分的來自對外客戶的收益、若干資產及開支資料分析。

(C) 主要客戶資料

本集團擁有非常廣泛的客戶基礎，於截至二零一零年及二零一一年六月三十日止年度各年，並無單一客戶佔本集團收益的10%以上。

6. 收益及其他收入

(A) 收益

收益，亦即為本集團的營業額，指已扣除退貨及貿易折扣(如適用)後的銷售貨品發票淨值。所有集團內部的重大交易已於綜合賬目時抵銷。

於中國取得的營業額須按17%稅率繳納增值稅(「增值稅」)(「銷項增值稅」)。該等銷項增值稅須於抵銷本公司購置時支付的增值稅(「進項增值稅」)後繳納。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

6. REVENUE AND OTHER INCOME

(continued)

(B) Other Income

6. 收益及其他收入(續)

(B) 其他收入

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Interest income	利息收入	81	241
Reversal of impairment loss on inventories	撥回存貨減值虧損	–	1,330
Reversal of accrued salaries	撥回應計薪金	4,516	–
Dividend income from available-for-sale investments	可出售投資項目股息收入	–	900
Fair value gain on financial assets designated at fair value through profit or loss	指定為按公平值列賬及列入溢利或虧損的財務資產的公平值收益	645	1,245
Others	其他	1,592	1,350
		6,834	5,066

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

7. LOSS FROM OPERATING ACTIVITIES

Loss from operating activities is arrived at after charging:

7. 經營虧損

經營虧損已扣除下列各項：

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Auditor's remuneration	核數師酬金		
Audit services	審核服務	600	438
Non-audit services	非審核服務	240	-
Cost of inventories sold	售出存貨成本	16,675	44,662
Staff costs	員工成本		
Directors' remuneration (note 13 (a))	董事酬金(附註13(a))	659	1,292
Wages and salaries	工資及薪金	11,876	16,018
Pension scheme contributions	退休金計劃供款	1,455	1,697
		13,990	19,007
Depreciation	折舊	1,376	1,795
Amortisation of intangible assets*	無形資產攤銷*	37	993
Exchange loss, net*	匯兌虧損淨額*	-	3
Operating lease charges in respect of land and buildings	根據土地及樓宇的經營租約開支	3,092	3,380
Provision for obsolete and slow-moving inventories*	陳舊及滯銷存貨撥備*	-	1,773
Impairment loss recognised in respect of trade receivables*	就貿易應收賬款確認的減值虧損*	594	-
Impairment loss recognised in respect of other receivables*	就其他應收賬款確認的減值虧損*	2,590	1,101
Impairment loss recognised in respect of available-for-sale investment*	就可出售投資項目確認的減值虧損*	2,934	3,000
Loss on disposal of property, plant and equipment*	出售物業、廠房及設備的虧損*	144	3

* included in other operating expenses

* 列入其他經營費用內

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

8. FINANCE COSTS

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Interest on bank loans wholly repayable within five years	須於五年內悉數償還的 銀行貸款利息	24	62
Interest on finance leases	融資租賃的利息	33	-
Interest on convertible notes	可換股票據的利息	1,697	-
		1,754	62

8. 財務支出

9. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Group had no assessable profits arising in Hong Kong during the year (2010: Nil). Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof during the year.

9. 所得稅開支

由於本集團於年內在香港並無產生應課稅溢利(二零一零年:無),故並無作出香港利得稅撥備。其他地方的應課稅溢利的稅項乃按本集團經營業務的司法權區當時的適用稅率根據年內有關該司法權區現有的法例、詮釋及慣例而計算。

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Current – PRC	即期 – 中國		
Charge for the year	本年度支出	-	166

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

9. INCOME TAX EXPENSE (continued)

Reconciliation between income tax expense and accounting loss at applicable tax rates is as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(23,502)	(18,898)
Tax at the applicable tax rates (Note a)	按適用稅率計算的稅項 (附註a)	(5,130)	(4,129)
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	1,606	1,401
Tax effect of non-taxable income	毋須課稅收入的稅務影響	(15)	(227)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務 影響	3,539	3,121
Income tax expense	所得稅開支	—	166

Notes:

- a. The applicable rates are the rates prevailing in the jurisdictions in which the Company and its subsidiaries operate.

附註：

- a. 適用稅率為本公司及其附屬公司經營業務的司法權區當時的稅率。

10. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the consolidated loss attributable to owners of the Company of approximately HK\$23,315,000 (2010: loss of HK\$19,104,000), a loss of approximately HK\$24,391,000 (2010: loss of HK\$6,445,000) has been dealt with in the financial statements of the Company.

10. 本公司擁有人應佔虧損

於約23,315,000港元(二零一零年：虧損19,104,000港元)的本公司擁有人應佔綜合虧損當中，本公司於財務報表內處理的虧損約為24,391,000港元(二零一零年：虧損6,445,000港元)。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

11. DIVIDENDS

No dividend has been paid or declared by the Company during the years presented in these financial statements.

11. 股息

於該等財務報表呈列的各年度，本公司並無派付或宣派任何股息。

12. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share is based on loss attributable to owners of the Company for the year ended 30 June 2011 of approximately HK\$23,315,000 (2010: HK\$19,104,000) and the adjusted number of 914,301,420 shares (2010: 914,301,420 shares, as adjusted for the effect of a rights issue subsequent to the reporting period). The comparative figure of basic loss per share for the year ended 30 June 2010 had been re-calculated to reflect the effect of a rights issue taken place on 18 July 2011.

The diluted loss per share for the years ended 30 June 2011 and 30 June 2010 has not been disclosed as the potential shares arising from the conversion of the Company's convertible notes and share options would decrease the loss per share of the Group for the years and is regarded as anti-dilutive.

12. 本公司擁有人應佔每股虧損

每股基本虧損乃根據截至二零一一年六月三十日止年度本公司擁有人應佔虧損約23,315,000港元(二零一零年: 19,104,000港元)及經調整股數914,301,420股(二零一零年: 就報告期後的供股調整後為914,301,420股)計算。截至二零一零年六月三十日止年度的每股基本虧損比較數字已重新計算，以反映於二零一一年七月十八日進行的供股的影響。

由於轉換本公司可換股票據及購股權產生的潛在股份可使本集團截至二零一一年六月三十日及二零一零年六月三十日止年度的每股虧損減少，並被視為具反攤薄影響，故並無披露該等年度的每股攤薄虧損。

13. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

(A) Directors' emoluments

The directors' remuneration disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance is as follows:

13. 董事及五名最高薪僱員的酬金

(A) 董事酬金

根據上市規則及香港公司條例第161條，董事酬金的披露如下：

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Fees	袍金	-	-
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	648	1,280
Pension scheme contributions	退休金計劃供款	11	12
		659	1,292

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

13. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

(continued)

(A) Directors' emoluments (continued)

The emoluments of each director, on a named basis, for the years ended 30 June 2011 and 2010 are set out below:

Year ended 30 June 2011

		Director fees	Salaries, allowance and benefits in kind	Pension scheme contributions	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Han Qing Yun	韓慶雲	-	-	-	-
Han Xiao Yue	韓曉躍	-	-	-	-
Chen Heng Long (Note 1)	陳恒龍 (附註1)	-	-	-	-
Guo Yan Ni	郭燕妮	-	-	-	-
Long Min Fei	龍明飛	-	-	-	-
Xu Nian Chun	徐念椿	-	-	-	-
Chan Yuk Tong (Note 2)	陳育棠 (附註2)	-	648	11	659
Li Xin Zhong	李新中	-	-	-	-
Zhang Wen	張文	-	-	-	-
Zhu Jing Hua	朱靜華	-	-	-	-
Total 2011	二零一一年合計	-	648	11	659

13. 董事及五名最高薪僱員的酬金 (續)

(A) 董事酬金 (續)

於截至二零一一年及二零一零年六月三十日止年度，每位董事的酬金按其姓名列述如下：

截至二零一一年六月三十日止年度

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

13. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

(continued)

(A) Directors' emoluments (continued)

Year ended 30 June 2010

		Director fees	Salaries, allowance and benefits in kind	Pension scheme contributions	Total
		董事袍金	薪金、津貼及實物利益	退休金計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Han Qing Yun	韓慶雲	-	-	-	-
Han Xiao Yue	韓曉躍	-	560	-	560
Chen Heng Long	陳恒龍	-	-	-	-
Guo Yan Ni	郭燕妮	-	-	-	-
Long Min Fei	龍明飛	-	-	-	-
Zhang He (Note 3)	張河(附註3)	-	-	-	-
Xu Nian Chun	徐念椿	-	-	-	-
Chan Yuk Tong	陳育棠	-	720	12	732
Li Xin Zhong	李新中	-	-	-	-
Zhang Wen	張文	-	-	-	-
Zhu Jing Hua	朱靜華	-	-	-	-
Total 2010	二零一零年合計	-	1,280	12	1,292

Note:

1. Resigned on 17 June 2011
2. Resigned on 24 May 2011
3. Resigned on 17 December 2009

There were no fees and other emoluments payable to the independent non-executive directors during the year (2010: Nil).

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 30 June 2011 and 2010.

During the year, no director (2010: Nil) has been granted with share options in respect of their services to the Group and further details of which were set out in note 26 to the financial statements.

(A) 董事酬金(續)

截至二零一零年六月三十日止年度

13. 董事及五名最高薪僱員的酬金(續)

	Director fees	Salaries, allowance and benefits in kind	Pension scheme contributions	Total
	董事袍金	薪金、津貼及實物利益	退休金計劃供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Han Qing Yun	-	-	-	-
Han Xiao Yue	-	560	-	560
Chen Heng Long	-	-	-	-
Guo Yan Ni	-	-	-	-
Long Min Fei	-	-	-	-
Zhang He (Note 3)	-	-	-	-
Xu Nian Chun	-	-	-	-
Chan Yuk Tong	-	720	12	732
Li Xin Zhong	-	-	-	-
Zhang Wen	-	-	-	-
Zhu Jing Hua	-	-	-	-
Total 2010	-	1,280	12	1,292

附註:

1. 於二零一一年六月十七日退任
2. 於二零一一年五月二十四日退任
3. 於二零零九年十二月十七日退任

年內並無應付獨立非執行董事的袍金及其他酬金(二零一零年:無)。

於截至二零一一年及二零一零年六月三十日止年度,並無董事放棄或同意放棄任何酬金的安排。

年內,概無董事(二零一零年:無)因彼等對本集團的服務而獲授購股權,其進一步詳情載於財務報表附註26。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

13. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

(continued)

(B) Five highest paid individuals

The five highest paid individuals in the Group during the year included one (2010: two) director, details of whose emoluments have been disclosed in note (a) above. The emoluments paid to the remaining four (2010: three) non-directors, highest paid individuals for the year are as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1890	1,584
Pension scheme contributions	退休金計劃供款	24	24
		1,914	1,608

The number of the remaining highest paid individuals whose emoluments fell within the following band is as follows:

		2011 二零一一年	2010 二零一零年
Nil to HK\$1,000,000	零至1,000,000港元	4	3

During the years ended 30 June 2011 and 2010, no emoluments were paid by the Group to the directors or any of the five highest paid employees of the Group as an inducement to join the Group or upon joining the Group or as compensation for loss of office.

13. 董事及五名最高薪僱員的酬金 (續)

(B) 五名最高薪人士

年內，本集團五名最高薪人士包括一名（二零一零年：兩名）董事，彼等的酬金詳情已於上文附註(a)披露。年內支付予其餘四名（二零一零年：三名）非董事、最高薪人士的酬金如下：

其餘酬金介乎以下範圍的最高薪人士的人數如下：

於截至二零一一年及二零一零年六月三十日止年度，本集團並無向董事或任何本集團五名最高薪僱員支付酬金，作為加入本集團或加入本集團後的獎勵或作為離職補償。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

14. PROPERTY, PLANT AND EQUIPMENT 14. 物業、廠房及設備

Group		本集團				
		Leasehold improvements	Machinery and equipment	Furniture and office equipment	Motor vehicles	Total
		租賃物業裝修 HK\$'000 千港元	機器及設備 HK\$'000 千港元	傢俱及 辦公室設備 HK\$'000 千港元	汽車 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 July 2009	於二零零九年 七月一日					
Cost	成本	14,780	1,706	17,886	3,701	38,073
Accumulated depreciation	累計折舊	(14,206)	(1,594)	(14,522)	(2,812)	(33,134)
Net book amount	賬面淨值	574	112	3,364	889	4,939
Year ended 30 June 2010	截至二零一零年 六月三十日止年度					
Opening net book amount	年初賬面淨值	574	112	3,364	889	4,939
Additions	添置	392	-	23	310	725
Disposal	出售	-	-	(5)	-	(5)
Reclassify	重新分類	706	-	(706)	-	-
Depreciation	折舊	(878)	(26)	(635)	(256)	(1,795)
Exchange realignment	匯兌調整	46	-	65	7	118
Net book amount	賬面淨值	840	86	2,106	950	3,982
At 30 June 2010 and 1 July 2010	於二零一零年 六月三十日及 二零一零年七月一日					
Cost	成本	15,651	1,706	15,572	4,293	37,222
Accumulated depreciation	累計折舊	(14,811)	(1,620)	(13,466)	(3,343)	(33,240)
Net book amount	賬面淨值	840	86	2,106	950	3,982
Year ended 30 June 2011	截至二零一一年 六月三十日止年度					
Opening net book amount	年初賬面淨值	840	86	2,106	950	3,982
Additions	添置	-	-	189	-	189
Disposal	出售	-	-	(126)	(18)	(144)
Depreciation	折舊	(415)	(28)	(283)	(650)	(1,376)
Exchange realignment	匯兌調整	90	7	376	59	532
Net book amount	賬面淨值	515	65	2,262	341	3,183
At 30 June 2011	於二零一一年 六月三十日					
Cost	成本	16,927	1,718	15,504	4,213	38,362
Accumulated depreciation	累計折舊	(16,412)	(1,653)	(13,242)	(3,872)	(35,179)
Net book amount	賬面淨值	515	65	2,262	341	3,183

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

15. INTANGIBLE ASSETS

15. 無形資產

Group

本集團

		Patents and technical know-how 專利權及 技術知識 HK\$'000 千港元	Deferred development costs 遞延 開發成本 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 July 2009	於二零零九年七月一日			
Cost	成本	5,989	7,510	13,499
Accumulated amortisation	累計攤銷	(5,068)	(7,499)	(12,567)
Net book amount	賬面淨值	921	11	932
Year ended 30 June 2010	截至二零一零年 六月三十日止年度			
Opening net book amount	年初賬面淨值	921	11	932
Additions	添置	345	–	345
Translation adjustment	匯兌調整	33	–	33
Amortisation	攤銷	(991)	(2)	(993)
Net book amount	賬面淨值	308	9	317
At 30 June 2010 and 1 July 2010	於二零一零年六月三十日及 二零一零年七月一日			
Cost	成本	6,541	7,510	14,051
Accumulated amortisation	累計攤銷	(6,233)	(7,501)	(13,734)
Net book amount	賬面淨值	308	9	317
Year ended 30 June 2011	截至二零一一年 六月三十日止年度			
Opening net book amount	年初賬面淨值	308	9	317
Translation adjustment	匯兌調整	24	(9)	15
Amortisation	攤銷	(37)	–	(37)
Net book amount	賬面淨值	295	–	295
At 30 June 2011	於二零一一年六月三十日			
Cost	成本	6,856	7,510	14,366
Accumulated amortisation	累計攤銷	(6,561)	(7,510)	(14,071)
Net book amount	賬面淨值	295	–	295

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

16. INTERESTS IN SUBSIDIARIES

16. 於附屬公司的權益

		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，按成本	39,952	39,952
Less: Provision for impairment	減：減值撥備	(26,952)	(10,261)
		13,000	29,691
Due from subsidiaries	應收附屬公司的款項	34,920	14,979
Due to subsidiaries	應付附屬公司的款項	(4,111)	(10,191)

As at 30 June 2011, the balances with subsidiaries are unsecured, interest-free and repayable on demand. Accordingly, the amounts due from/(to) subsidiaries are classified as current assets/liabilities.

於二零一一年六月三十日，附屬公司的結餘乃無抵押、免息及應要求償還。因此，應收／（應付）附屬公司的款項乃列為流動資產／負債。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

16. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries as at 30 June 2011 are as follows:

Name 名稱	Place of incorporation/ establishment and operations 註冊成立／成立及 經營地點	Particulars of issued capital/ registered capital 已發行股本／ 註冊股本詳情	Percentage of equity attributable to the Group 本集團應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Vitop Bioenergy Limited 天年生物工程有限公司	British Virgin Islands ("BVI") 英屬處女群島 〔英屬處女群島〕	1 share of US\$1 1股面值1美元的股份	100%	-	Investment holding 投資控股
Vitop Bioengery (China) Ltd* ("Vitop China") 天年生物(中國)有限公司* 〔天年中國〕	PRC 中國	Registered capital of HK\$95,000,000 註冊股本 95,000,000港元	-	100%	Manufacturing and trading of BIOenergy® products, and trading of multi-functional water generators, healthcare food products and other healthcare products 生產及銷售天年素®系列 產品、銷售多功能製水 機、保健食品及其他健 康產品
Vitop Healthcare Product Limited 天年健康產品有限公司	Hong Kong 香港	2 shares of HK\$1 each 2股每股面值 1港元的股份	-	100%	Trading of BIOenergy® product 銷售天年素®系列產品
合肥天年美菱環保科技 有限責任公司**	PRC 中國	Registered capital of RMB5,840,000 註冊股本人民幣 5,840,000元	-	80%	Manufacturing and trading of multi- functional water generators 生產及銷售多功能 製水機

* Registered as wholly-foreign owned enterprise ("WFOE") under the PRC law.

** Registered as Sino-foreign joint venture under the PRC law.

於二零一一年六月三十日，主要附屬公司的詳情如下：

* 根據中國法律註冊為外商獨資企業〔外商獨資企業〕。

** 根據中國法律註冊為中外合營企業。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

16. INTERESTS IN SUBSIDIARIES (continued)

The financial statements of the above subsidiaries are audited by PAN-CHINA (H.K.) CPA LIMITED for statutory purpose or Group consolidation purpose.

The above table lists the subsidiaries of the Company which have, in the opinion of the Company's directors, principally affected the results of the year or formed a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Company's directors, result in particulars of excessive length.

17. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

16. 於附屬公司的權益 (續)

上述附屬公司的財務報表乃由天健(香港)會計師事務所有限公司為法定目的或本集團綜合目的審核。

上表載列本公司的附屬公司，本公司董事認為，此等附屬公司主要影響本年度的業績或組成本集團資產及負債的重要部份。本公司董事認為，倘提供其他附屬公司詳細資料會導致個別項目過長。

17. 指定為按公平值列賬及列入溢利或虧損的財務資產

		Group 本集團 HK\$'000 千港元
Structured notes with embedded derivatives, at fair value	內含衍生工具的結構性票據，按公平值	
Balance at 1 July 2009	於二零零九年七月一日的結餘	591
Fair value gain	公平值收益	1,245
Balance at 30 June 2010 and 1 July 2010	於二零一零年六月三十日及二零一零年七月一日的結餘	1,836
Fair value gain	公平值收益	645
Maturity	到期	(2,481)
Balance at 30 June 2011	於二零一一年六月三十日的結餘	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

17. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

17. 指定為按公平值列賬及列入溢利或虧損的財務資產 (續)

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Represent:	相等於：		
- current	— 流動性	—	1,836
- non-current	— 非流動性	—	—
		—	1,836

The structured notes with embedded derivatives as at 30 June 2010 were classified as financial assets designated at fair value through profit or loss. Fair value of the structured notes with embedded derivatives as at 30 June 2010 has been determined by reference to the quotation provided by the bank.

於二零一零年六月三十日，內含衍生工具的結構性票據被列作指定為按公平值列賬及列入溢利或虧損的財務資產。於二零一零年六月三十日，內含衍生工具的結構性票據的公平值乃參考銀行提供的報價而釐定。

18. AVAILABLE-FOR-SALE INVESTMENTS

18. 可出售投資項目

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Equity securities:	股本證券：				
- Unlisted securities	— 非上市證券	25,033	25,033	21,700	21,700
Less: Accumulated impairment loss recognised	減：累計已確認 減值虧損	(5,934)	(3,000)	(4,850)	(3,000)
Exchange realignment	匯兌調整	161	—	—	—
		19,260	22,033	16,850	18,700

Available-for-sale financial assets of unlisted securities at the end of the reporting period represent investments in companies which were established in PRC. They are measured at cost less impairment at the end of each reporting period because 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.

於報告期末，非上市證券可出售財務資產指於在中國成立的公司的投資，而由於其合理估計公平值範圍龐大，本公司董事認為無法可靠計量其公平值，故按於各報告期末的成本減減值計量。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

19. INVENTORIES

19. 存貨

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Raw materials	原材料	5,660	5,406
Work in progress	在製品	5,739	6,312
Finished goods	製成品	14,709	14,730
		26,108	26,448
Less: Provision for obsolete and slow-moving finished goods	減：陳舊及滯銷製成品撥備	(4,807)	(4,807)
Foreign exchange translation losses	匯兌虧損	(231)	-
		21,070	21,641

20. TRADE RECEIVABLES

20. 貿易應收賬款

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade receivables	貿易應收賬款	10,415	9,228
Less: Provision for impairment	減：減值撥備	(9,132)	(8,146)
		1,283	1,082

Before accepting any new customers, the Group will assess the potential customer's credit quality. 46% (2010: 29%) of the trade receivables that are neither past due nor impaired have the best credit quality.

The credit terms that the Group offers to customers are generally not more than 90 days.

於接納任何新客戶之前，本集團將評估潛在客戶的信貸質素。46%（二零一零年：29%）尚未到期亦無減值的貿易應收賬款具備最佳信貸質素。

本集團一般為客戶提供不超過90日的信貸期。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

20. TRADE RECEIVABLES (continued)

An aged analysis of trade receivables is as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
0 – 30 days	0至30日	370	125
31 – 60 days	31至60日	215	193
61 to 180 days	61至180日	382	453
Over 180 days	逾180日	316	311
		1,283	1,082

Included in the balances are trade receivables with an aggregate carrying amount of HK\$698,000 (2010: HK\$764,000) which are past due at the reporting date for which the Group has not provided impairment loss as there has been no significant change in credit quality and the amounts are still considered fully recoverable. The Group does not hold any collateral over these balances. No interest is charged on the trade receivables.

Ageing of trade receivables which are past due but not impaired:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
61 to 180 days	61至180日	382	453
Over 180 days	逾180日	316	311
		698	764

貿易應收賬款的賬齡分析如下：

結餘中已計入於報告日期已到期而本集團尚未作出減值虧損撥備的賬面總值698,000港元(二零一零年:764,000港元)貿易應收賬款。本集團未作出減值虧損撥備的原因是信貸質素並無重大變動，且有關金額仍被視為可全數收回。本集團並無就該等結餘持有任何抵押品。貿易應收賬款並不計息。

已到期但並無減值的貿易應收賬款的賬齡如下：

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

20. TRADE RECEIVABLES (continued)

Movement in the allowance for doubtful debts

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	8,146	7,874
Foreign exchange translation losses	匯兌虧損	392	272
Impairment losses recognised on receivables	已確認應收款項減值虧損	594	-
		9,132	8,146

20. 貿易應收賬款(續)

呆賬撥備變動

21. CASH AND BANK BALANCES

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash at banks and in hand	銀行現金及手頭現金	10,950	5,271	26	26
Time deposits	定期存款	-	3,411	-	-
Total cash and bank balances	現金及銀行結存總額	10,950	8,682	26	26
Less: Pledged bank deposit for a bank loan facility	減：銀行貸款額度的已抵押銀行存款	-	(20)	-	-
		10,950	8,662	26	26

21. 現金及銀行結存

As at the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$7,355,000 (2010: HK\$7,612,000). The RMB is not freely convertible into other currencies. However, under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於報告期末，本集團以人民幣（「人民幣」）計值的現金及銀行結存約達7,355,000港元（二零一零年：7,612,000港元）。人民幣不得自由兌換為其他貨幣，惟根據中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

22. TRADE PAYABLES

The credit terms of trade payables varies according to the terms agreed with different suppliers. The ageing analysis of the Group's trade payables as at the balance sheet date is as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Outstanding balances with ages:	根據賬齡劃分的未償還餘額：		
Within 30 days	於30日內	437	480
Between 31 to 60 days	31至60日	437	7,168
Between 61 to 180 days	61至180日	525	3,919
Over 180 days	逾180日	2,414	1,248
		3,813	12,815

22. 貿易應付賬款

貿易應付賬款的信貸期因應與不同供應商協定的期限有異。本集團的貿易應付賬款於結算日的賬齡分析如下：

23. OBLIGATION UNDER FINANCE LEASE

As at 30 June 2011, the Group had obligation under finance lease repayable as follow:

		Minimum lease payments 最低租賃付款額		Present value of minimum lease payments 最低租賃付款額的現值	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Amounts payable:	應付款項：				
Within one year	一年內	52	80	51	71
In the second to fifth years	第二至五年	-	52	-	51
		52	132	51	122
Less: Future finance charge	減：日後融資費用	(1)	(10)	-	-
Present value of lease obligation	租賃承擔的現值	51	122	51	122

23. 融資租賃承擔

於二零一一年六月三十日，本集團的應償還融資租賃承擔如下：

The average lease term is about three year. No arrangements have been entered into for contingent rental payments.

平均租賃年期約為三年。概無就或有租金付款訂立任何安排。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

24. INTEREST-BEARING BANK LOANS

24. 計息銀行貸款

		Original currency 原幣	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Bank loans, secured	銀行貸款·有抵押	HK\$港元	—	2,146
Analysed into:	分析如下：			
Carrying amount repayable within one year	須於一年內償還的賬面值		—	397
Carrying amount bank loans that contain a repayment on demand clause:	載有須應要求償還條文的銀行貸款賬面值：			
– Repayable within one year from the end of reporting period	—須於報告期結束後一年內償還		—	409
– Not repayable within one year from the end of reporting period but shown under current liabilities (Note a)	—毋須於報告期結束後一年內償還，但計入流動負債項下(附註a)		—	1,340
			—	2,146
Less: Amounts due within one year shown under current liabilities	減：計入流動負債項下的一年內到期金額		—	(2,146)
Amounts shown under in non-current liabilities	計入非流動負債項下的金額		—	—

Note a: The amount due are based on scheduled repayment date set out in the loan agreement.

At 30 June 2011, the Group did not have any bank loans (2010: HK\$2,146,000) and bank loan facility (2010: HK\$5,000,000). All the assets secured for the bank loan facility were released.

For the year ended 30 June 2010, all bank loans of the Group are floating interest rate bank loans. The interest rates of the Group's bank loans was HIBOR+2% provided that if during any interest period HIBOR is lower than 1% p.a., then the rate of interest to be charged during such interest period shall be equivalent to 3% per annum.

附註a：到期金額以貸款協議所載預定還款日期為基準。

於二零一一年六月三十日，本集團並無任何銀行貸款(二零一零年：2,146,000港元)及銀行貸款額度(二零一零年：5,000,000港元)。所有就銀行貸款額度作出抵押的資產已獲解除抵押。

於截至二零一零年六月三十日止年度，本集團所有銀行貸款均為浮動利率銀行貸款。本集團銀行貸款的利率為香港銀行同業拆息加2%，惟倘於任何利息期間香港銀行同業拆息年利率低於1%，則該利息期間按年率3%計息。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

25. CONVERTIBLE NOTES

On 29 September 2010, the Company issued 30 million, 3% HK Dollar denominated convertible notes with the aggregate principal amount of HK\$30 million. Each note entitles the holder to convert to ordinary shares at a conversion price of HK\$0.25.

Conversion may occur at any time between 29 September 2010 and 30 March 2012. If the notes have not been converted, they will be redeemed on 30 March 2012 at HK\$30 million. Interest of 3% will be paid on the maturity date.

The convertible notes contain two components: liability and equity elements. The equity element is presented in equity heading "convertible notes reserve". The effective interest rate of the liability component on initial recognition is 13% per annum.

25. 可換股票據

於二零一零年九月二十九日，本公司發行3,000萬以港元計值的3%可換股票據，本金總額為3,000萬港元。每份票據賦予持有人權利按兌換價0.25港元兌換為普通股。

可換股票據可於二零一零年九月二十九日至二零一二年三月三十一日期間任何時間兌換。倘若票據未獲兌換，將於二零一二年三月三十一日按3,000萬港元的價格被贖回。3%的利息將於到期日支付。

可換股票據包括兩部份：負債及權益部份。權益部份呈列於權益中的「可換股票據儲備」。負債部份的實際利率於初步確認時為每年13%。

		HK\$'000 千港元
Proceeds of issue	發行所得款項	30,000
Equity component	權益部份	(3,958)
Liability component at date of issue	於發行日期的負債部份	26,042
Interest charge calculated at an effective interest rate of 13%	按實際利率13%計算的利息支出	1,697
Liability component at 30 June 2011	於二零一一年六月三十日的負債部份	27,739

The fair value of the convertible notes' liability component at 30 June 2011 has been arrived at on the basis of a valuation carried out by RHL Appraisal Ltd., an independent qualified professional valuer.

可換股票據負債部份於二零一一年六月三十日的公平值乃以由獨立合資格專業估值師永利行評值顧問有限公司進行的估值作基準計算。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

26. DEFERRED TAXATION

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

Deferred tax liabilities

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At 1 July	於七月一日	–	–
Recognised directly in equity in respect of convertible notes	就可換股票據直接於權益確認	(654)	–
At 30 June	於六月三十日	(654)	–

At the end of the reporting period, the Group has unused tax losses of HK\$62,693,000 (2010: HK\$55,324,000) available for offsetting against future taxable profits of the companies which incurred the losses. Deferred tax assets have not been recognised in respect of these losses due to the unpredictability of future profit streams.

於本年度及過往年度確認的主要遞延稅項結餘及其變動如下：

遞延稅項負債

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At 1 July	於七月一日	–	–
Recognised directly in equity in respect of convertible notes	就可換股票據直接於權益確認	(654)	–
At 30 June	於六月三十日	(654)	–

於報告期末，本集團擁有未動用稅務虧損62,693,000港元（二零一零年：55,324,000港元），可用作抵銷產生該等虧損的公司的未來應課稅溢利。由於未來溢利無法預測，因此，並無就該等虧損確認遞延稅項資產。

27. SHARE CAPITAL

27. 股本

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Authorised: 20,000,000,000 ordinary shares of HK\$0.025 each	法定： 20,000,000,000股 每股面值0.025港元 的普通股	500,000	500,000
Issued and fully paid: 882,785,961 (2010: 882,785,961) ordinary shares of HK\$0.025 each	已發行及繳足： 882,785,961股 (二零一零年： 882,785,961股) 每股面值0.025港元 的普通股	22,070	22,070

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

27. SHARE CAPITAL (continued)

A summary of movements in the authorised and issued share capital of the Company is as follows:

		Number of authorised shares 法定 股份數目	Number of shares issued 已發行 股份數目	Nominal value of shares issued 已發行 股份面值 HK\$'000 千港元
At 30 June 2010,	於二零一零年六月三十日、			
1 July 2010 and	二零一零年七月一日及			
30 June 2011	二零一一年六月三十日	20,000,000,000	882,785,961	22,070

27. 股本 (續)

本公司法定及已發行股本變動概要如下：

28. SHARE OPTION SCHEME

In connection with the listing of the Company's shares on the Main Board of the Stock Exchange, the Company conditionally adopted a share option scheme (the "Scheme") pursuant to an ordinary resolution passed by the shareholders of the Company on 23 January 2003. The Scheme became effective on 10 February 2003 upon the listing of the Company's shares on the Main Board of the Stock Exchange by way of introduction and, unless otherwise cancelled or amended, the Scheme remains in force for ten years from that date.

The purpose of the Scheme is to provide incentives or rewards to participants for their contribution to the Group or any entity in which the Group has an equity interest (the "Invested Entity") and/or to enable the Group or an Invested Entity to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or an Invested Entity.

The participants of the Scheme include: (a) any employee (whether full time or part time employee, including any executive director but not any non-executive director) of the Company, any of its subsidiaries or any Invested Entity; (b) any non-executive director (including any independent nonexecutive director) of the Company, any of its subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

28. 購股權計劃

就本公司股份於聯交所主板上市，本公司根據一項由本公司股東於二零零三年一月二十三日通過的普通決議案，有條件採納一項購股權計劃（「計劃」）。計劃已自本公司股份以介紹方式在聯交所主板上市後於二零零三年二月十日起生效，且計劃（除已註銷或經修訂外）由當日起計十年內一直有效。

計劃旨在向對本集團或本集團持有股本權益的任何實體（「投資實體」）有所貢獻的參與者提供獎勵或獎賞，及／或使本集團或投資實體有能力招攬及挽留高質素僱員，以及吸引寶貴人才加入本集團或投資實體。

計劃的參與者包括：(a)本公司、其任何附屬公司或任何投資實體的任何僱員（不論全職或兼職僱員，包括任何執行董事，惟不包括任何非執行董事）；(b)本公司、其任何附屬公司或任何投資實體的任何非執行董事（包括任何獨立非執行董事）；(c)本集團任何成員公司或任何投資實體的任何貨品或服務供應商；(d)本集團或任何投資實體的任何客戶；(e)向本集團或任何投資實體提供研究、開發或其他技術支援的任何人士或實體；及(f)本集團任何成員公司或任何投資實體的任何股東，或本集團任何成員公司或任何投資實體所發行任何證券的任何持有人。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

28. SHARE OPTION SCHEME (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their associates, are subject to approval in advance by independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, in any twelve-month period up to the date of grant, are subject to shareholders' approval in advance in a general meeting.

The total number of shares of the Company in respect of which options may be granted under the Scheme must not exceed 88,278,596 shares, being 10% of the total number of shares of the Company in issue on the date when the 10% Scheme limit has been refreshed. The 10% Scheme limit was refreshed at the extraordinary general meeting of the Company held on 30 October 2009.

The total number of shares of the Company issued and to be issued upon exercise of the options granted and to be granted to each participant (including exercised and outstanding options) in any twelve-month period up to the date of grant shall not exceed 1% of the total number of shares of the Company in issue as at the date of grant (the "Individual Limit"). Any further grant of options in excess of the Individual Limit must be subject to shareholders' approval in general meeting with such participant and his or her associates abstaining from voting.

An option may be exercised at any time during a period as the board of directors of the Company (the "Board") may determine which shall not be more than ten years from the date of grant of the option.

Save as determined by the Board, there is no minimum period for which an option must be held before it can be exercised.

The acceptance of an offer of the grant of an option must be made within 28 days from the date upon which such offer is made with a non-refundable payment of HK\$1.00 from the grantee to the Company by way of consideration for the grant thereof.

The subscription price of a share of the Company in respect of any option shall be such price as the Board in its absolute discretion shall determine, save that such price will not be lower than the highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a trading day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the option; and (c) the nominal value of the share.

28. 購股權計劃 (續)

向本公司董事、行政總裁或主要股東或彼等任何聯繫人授予的購股權須獲本公司獨立非執行董事事先批准。此外，於截至授出當日止任何12個月期間內授予本公司主要股東或獨立非執行董事或彼等任何聯繫人的任何購股權，如超逾本公司於任何時間的已發行股份0.1%，且根據本公司股份於授出當日的收市價計算所得總值超逾5,000,000港元，則須於股東大會上獲股東事先批准。

就根據計劃可授出的購股權而予以發行的本公司股份總數，不得超過88,278,596股，即於10%計劃限額更新當日本公司已發行股份總數的10%。10%計劃限額已於本公司二零零九年十月三十日舉行的股東特別大會上更新。

於截至授出當日止任何12個月期間內所授予及將授予各參與者的購股權（包括已行使及尚未行使的購股權）獲行使後已發行及將予發行的本公司股份總數，不得超逾授出當日本公司已發行股份總數的1%（「個人上限」）。凡進一步授出超逾個人上限的購股權，均須經股東在股東大會上批准，惟有關參與者及其聯繫人必須放棄投票。

購股權可於本公司董事會（「董事會」）可能決定的期間內隨時予以行使，惟購股權的行使期不得超逾授出購股權當日起計十年。

除董事會另有指定外，購股權在可予行使前並無任何最短持有期限。

授予購股權的建議必須於該建議提出日期起計28日內獲接納，承授人須向本公司支付1.00港元的不可退還款項，作為授予有關購股權的代價。

任何購股權所涉及的本公司股份的認購價均由董事會全權酌情釐定，惟不得低於以下各項的最高者：(a)於授出購股權當日（必須為交易日）聯交所每日報價表所列的股份收市價；(b)於緊接購股權授出日期前五個交易日聯交所每日報價表所列的股份平均收市價；及(c)股份面值。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

SHARE OPTION SCHEME (continued)

Subject to earlier termination of the Company by resolution in general meeting, the Scheme shall be valid and effective till 9 February 2013. After the expiry of such valid period, no further options will be offered but in all other respects the provisions of the Scheme shall remain in full force and effect.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The fair value of equity-settled share options granted was estimated as at the date of grant, using the Binominal option price model, taking into account the terms and conditions upon which the share options were granted. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessary be the actual outcome. No other feature of the share options granted was incorporated into the measurement of fair value.

The Company did not have any outstanding share options at 1 July 2010 and 30 June 2011. No share options were granted during the year ended 30 June 2011.

Particulars of the share options lapsed under the Scheme during the year ended 30 June 2010 were as follows:

Name or category of participant	Number of share options 購股權數目					At 30 June 2010 於二零一零年六月三十日	Date of grant* 授出日期*	Exercise period 行使期	Exercise price** 行使價** HK\$ 港元
	At 1 July 2009 於二零零九年七月一日	Granted during the year 年內已授出	Reclassification during the year 年內重新分類	Lapsed during the year 年內已失效	Exercised during the year 年內已行使				
Director: 董事:									
Han Xiao Yue 韓曉躍	5,584,000	-	-	(5,584,000)	-	- 10 Aug 2007 二零零七年八月十日	10 Aug 2007 to 9 Aug 2009 二零零七年八月十日 至 二零零九年八月九日	0.260	

28. 購股權計劃 (續)

直至二零一三年二月九日為止，計劃將一直有效，惟本公司可在股東大會上提呈決議案提早終止計劃。計劃的有效期限屆滿後，將不會提呈授出任何其他購股權，惟計劃的條款於所有其他方面將一直具有十足效力。

購股權並無賦予持有人收取股息或於股東大會上投票的權利。

計及購股權授出時的條款及條件下，已授出的以股權支付的購股權公平值乃於授出日期採用二項式購股權定價模型作出估計。預期波幅反映歷史波幅可指示日後趨勢的假設，但亦未必為實際結果。在計算公平值時，並無計及已授出購股權的其他特點。

於二零一零年七月一日及二零一一年六月三十日，本公司並無任何尚未行使購股權。於截至二零一一年六月三十日止年度內並無授出購股權。

於截至二零一零年六月三十日止年度，根據計劃已失效的購股權詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

28. SHARE OPTION SCHEME (continued)

28. 購股權計劃 (續)

Name or category of participant	Number of share options 購股權數目					At 30 June 2010 於二零一零年六月三十日	Date of grant*	Exercise period	Exercise price** 行使價** HK\$ 港元
	At 1 July 2009 於二零零九年七月一日	Granted during the year 年內已授出	Reclassification during the year 年內重新分類	Lapsed during the year 年內已失效	Exercised during the year 年內已行使				
Chen Heng Long 陳恒龍	5,584,000	-	-	(5,584,000)	-	- 10 Aug 2007 二零零七年八月十日	10 Aug 2007 to 9 Aug 2009 二零零七年八月十日 至二零零九年八月九日	0.260	
	1,000,000	-	-	(1,000,000)	-	- 28 Feb 2008 二零零八年二月二十八日	28 Feb 2008 to 27 Feb 2010 二零零八年二月二十八日 至二零一零年二月二十七日	0.217	
Zhang He 張河	5,584,000	-	-	(5,584,000)	-	- 10 Aug 2007 二零零七年八月十日	10 Aug 2007 to 9 Aug 2009 二零零七年八月十日 至二零零九年八月九日	0.260	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

28. SHARE OPTION SCHEME (continued)

28. 購股權計劃 (續)

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目					At 30 June 2010 於二零一零年 六月三十日	Date of grant* 授出日期*	Exercise period 行使期	Exercise price** 行使價** HK\$ 港元
	At 1 July 2009 於二零零九年 七月一日	Granted during the year 年內已授出	Reclassification during the year 年內重新分類	Lapsed during the year 年內已失效	Exercised during the year 年內已行使				
	1,000,000	-	-	(1,000,000)	-	-	28 Feb 2008 二零零八年 二月二十八日	28 Feb 2008 to 27 Feb 2010 二零零八年 二月二十八日 至二零一零年 二月二十七日	0.217
Chan Yuk Tong 陳育棠	4,250,000	-	-	(4,250,000)	-	-	5 Dec 2006 二零零六年 十二月五日	5 Dec 2006 to 4 Dec 2011 二零零六年 十二月五日 至二零一一年 十二月四日	0.100
	23,002,000	-	-	(23,002,000)	-	-			
Other employee: 其他僱員:									
In aggregate 總計	37,343,000	-	-	(37,343,000)	-	-	10 Aug 2007 二零零七年 八月十日	10 Aug 2007 to 9 Aug 2009 二零零七年 八月十日 至二零零九年 八月九日	0.260
In aggregate 總計	18,500,000	-	-	(18,500,000)	-	-	28 Feb 2008 二零零八年 二月二十八日	28 Feb 2008 to 27 Feb 2010 二零零八年 二月二十八日 至二零一零年 二月二十七日	0.217

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

28. SHARE OPTION SCHEME (continued)

28. 購股權計劃 (續)

Name or category of participant	At 1 July 2009 於二零零九年七月一日	Number of share options 購股權數目				At 30 June 2010 於二零一零年六月三十日	Date of grant*	Exercise period	Exercise price**
		Granted during the year	Reclassification during the year	Lapsed during the year	Exercised during the year				
參與者姓名或類別	七月一日	年內已授出	年內重新分類	年內已失效	年內已行使	授出日期*	行使期	行使價** HK\$ 港元	
In aggregate	4,000,000	-	-	(4,000,000)	-	- 3 Apr 2008	3 Apr 2008 to 2 Apr 2010	0.255	
總計						二零零八年四月三日	二零零八年四月三日 至二零一零年四月二日		
	59,843,000	-	-	(59,843,000)	-	-			
Suppliers: 供應商:									
In aggregate	6,000,000	-	-	(6,000,000)	-	- 28 Oct 2004	28 Oct 2004 to 27 Oct 2009	0.355	
總計						二零零四年十月二十八日	二零零四年十月二十八日 至二零零九年十月二十七日		
	6,000,000	-	-	(6,000,000)	-	-			
	88,845,000	-	-	(88,845,000)	-	-			

* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

* 購股權的歸屬期由授出日期起計直至行使期開始。

** 在供股或發行紅股或本公司股本出現其他類似變動的情況下，購股權的行使價或會調整。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

28. SHARE OPTION SCHEME (continued)

Share options and weighted average exercise price are as follows for the reporting periods presented:

		2011 二零一一年		2010 二零一零年	
		Number 數目	Weighted average exercise price 加權平均行使價	Number 數目	Weighted average exercise price 加權平均行使價
Outstanding at 1 July	於七月一日尚未行使	-	-	88,845,000	0.246
Lapsed	已失效	-	-	(88,845,000)	0.246
Outstanding at 30 June	於六月三十日尚未行使	-	-	-	-

28. 購股權計劃 (續)

於報告期間呈報的購股權及加權平均行使價如下：

29. RESERVES

Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 38 of the financial statements.

The share premium account of the Group mainly includes: (i) shares issued at a premium; and (ii) the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the reorganisation scheme (the "Group Reorganisation") in preparation for the public listing of the Company's shares on the GEM of the Stock Exchange over the nominal value of the share capital of the Company issued in exchange therefore.

The convertible notes reserve represents the value of the unexercised equity component of convertible notes issued by the Company recognised in accordance with the accounting policy adopted for convertible notes in note 3.14.

29. 儲備

本集團

本集團於本年度及過往年度的儲備數額及有關變動載於財務報表第38頁的綜合權益變動表內。

本集團股份溢價賬主要包括：(i)以溢價發行的股份；及(ii)根據為籌備本公司股份在聯交所創業板公開上市的重組計劃（「集團重組」）所收購附屬公司的股本面值與用作交換而發行的本公司股本面值的差額。

可換股票據儲備乃根據附註3.14就可換股票據採納的會計政策所確認，由本公司發行的可換股票據的未行使權益部份的價值。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

29. RESERVES (continued)

The option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3.11(ii).

The Group's capital reserve represented the amount of retained earnings of Vitop China applied for the increase in its registered and paid-up capital.

In accordance with the relevant PRC regulations applicable to WOFE, Vitop China, being the wholly-owned subsidiary of the Company, is required to transfer 10% of their profit after tax, if any, to the statutory reserve until the balance of the fund reach 50% of their respective registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory reserve may be used to offset against their respective accumulated losses.

Company

29. 儲備 (續)

購股權儲備乃根據附註3.11(ii)就以股份支付的僱員薪酬採納的會計政策所確認，授予本集團僱員及顧問的購股權的實際或估計未行使數目的公平值。

本集團的資本儲備指用作增加天年中國註冊及已繳資本的天年中國滾存溢利金額。

按照有關適用於外商獨資企業的中國規例，本公司全資附屬公司天年中國須轉撥其除稅後溢利（如有）的10%至法定儲備，直至基金結餘達至彼等各自的註冊資本的50%。根據有關中國規例所載的若干限制，法定儲備可用作抵銷彼等各自的累積虧損。

本公司

		Share premium	Capital redemption reserve	Convertible note reserve	Accumulated losses	Total
		股份溢價	資本贖回儲備	可換股票據儲備	累積虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 July 2009	於二零零九年七月一日	75,211	29	-	(36,454)	38,786
Loss for the year	本年度虧損	-	-	-	(6,445)	(6,445)
At 30 June 2010 and 1 July 2010	於二零一零年六月三十日及二零一零年七月一日	75,211	29	-	(42,899)	32,341
Loss for the year	本年度虧損	-	-	-	(24,391)	(24,391)
Issue of convertible notes	發行可換股票據	-	-	3,958	-	3,958
Deferred tax liabilities on issue of convertible notes	發行可換股票據的遞延稅項負債	-	-	(654)	-	(654)
At 30 June 2011	於二零一一年六月三十日	75,211	29	3,304	(67,290)	11,254

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

29. RESERVES (continued)

The share premium account of the Company mainly includes: (i) shares issued at a premium; and (ii) the difference between the nominal value of the share capital of the Company issued in exchange for the issued share capital of the subsidiaries and the value of the underlying net assets of the subsidiaries acquired pursuant to the Group Reorganisation. Under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

30. COMMITMENTS

(A) Operating lease commitment

The Group leases certain of its offices, factory and machinery and equipment under non-cancellable operating lease arrangements with lease terms ranging from one to five years. As at 30 June 2011, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		Group 本集團	
		2011 二零一一年	2010
		HK\$'000 千港元	HK\$'000 千港元
Within one year	一年內	1,965	1,299
In the second to fifth years	第二至第五年	1,588	1,909
		3,553	3,208

The Company did not have any significant operating lease arrangements as at the end of the reporting period (2010: Nil).

29. 儲備 (續)

本公司股份溢價賬主要包括：(i)以溢價發行的股份；及(ii)根據集團重組，用作交換附屬公司已發行股本而發行的本公司股本面值與所收購附屬公司相關資產淨值的差額。根據開曼群島公司法第22章（一九六一年第三法例，經綜合及修訂），只要在緊隨建議派發股息的日期後，本公司將有能力償還在日常業務過程中到期的債務，則股份溢價賬可分派予本公司股東。

30. 承擔

(A) 經營租賃承擔

本集團根據不可撤銷經營租賃安排租賃其若干寫字樓、工廠以及機器及設備，租賃年期介乎一至五年。於二零一一年六月三十日，不可撤銷經營租約的應付未來最低租金總額如下：

本公司於報告期末並無任何重大經營租賃安排（二零一零年：無）。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

31. CONTINGENT LIABILITIES

Neither the Group nor the Company had any significant contingent liabilities at the end of the reporting period.

32. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

Gearing ratio

The directors review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. During the year ended 30 June 2011, the Group's strategy, which was unchanged from previous years, was to reduce the gearing ratio. The ratio is calculated based on total debt and shareholders equity.

The gearing ratio at the year end was as follows:

31. 或然負債

於報告期末，本集團或本公司並無任何重大或然負債。

32. 資本風險管理

本集團管理資本的目標是為股東提供回報，為其他權益持有人謀取利益及維持最佳資本架構以減低資本成本。

本集團的資本架構包括債務及本公司擁有人應佔權益，其中包括已發行股本、儲備及滾存溢利。

資本負債比率

董事定期審閱資本架構。作為本審閱的一部份，董事會考慮資本成本及與各類資本相關的風險。於截至二零一一年六月三十日止年度，本集團的策略（與過往年度並無變化）為降低資本負債比率。資本負債比率乃以債務總額及股東權益計算。

於年結時的資本負債比率如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Total debt	債務總額	27,790	2,146
Shareholders' equity	股東權益	29,743	47,334
Gearing ratio	資本負債比率	93.43%	4.53%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

33. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these financial statements, the Group had the following material transactions with certain related parties:

(a)

	Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Rental expenses to – a minority equity holder of a subsidiary of the Company	付予以下人士的租金開支 – 本公司附屬公司的 少數權益持有人 (i)	529	579

Notes:

- (i) The Group's transaction with a non-controlling interest of a subsidiary of the Company was made in accordance with the mutually agreed terms.

(b) Compensation of key management personnel of the Group:

33. 關連人士交易

除於財務報表其他部份所披露者外，本集團與若干關連人士進行下列重大交易：

(a)

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Rental expenses to – a minority equity holder of a subsidiary of the Company	529	579

附註：

- (i) 本集團與本公司附屬公司的非控股權益間進行的交易乃按照各方協定的條款進行。

(b) 本集團主要管理人員的薪酬：

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Total remuneration of Directors and other members of key management during the year		
– Short term employee benefits	2,538	2,864
– Pension scheme contribution	35	36
	2,573	2,900

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Financial assets	財務資產		
Available-for-sale investments	可供出售投資	19,260	22,033
Financial assets designated at fair value through profit or loss	指定為按公平值列賬及列入溢利或虧損的財務資產	–	1,836
Trade receivables	貿易應收賬款	1,283	1,082
Deposits and other receivables	訂金及其他應收賬款	25,871	20,574
Pledged bank deposit	已抵押銀行存款	–	20
Cash and bank balances	現金及銀行結存	10,950	8,662
		57,364	54,207
Financial liabilities	財務負債		
Trade payables	貿易應付賬款	3,813	12,815
Accrued liabilities and other payables	應計負債及其他應付賬款	14,161	11,828
Deposits received	已收訂金	9,404	9,368
Obligation under finance lease	融資租賃之責任	51	122
Convertible notes	可換股票據	27,739	–
Interest-bearing bank loans	計息銀行貸款	–	2,146
		55,168	36,279

(b) Financial risk management objectives and policies

The main risks arising from the Group's financial instruments are market risk (including interest rate risk, foreign exchange risk and other price risk), credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks and they are summarised below.

(b) 金融風險管理目標及政策

本集團金融工具的主要風險為市場風險（包括利率風險、外匯風險及其他價格風險）、信貸風險及流動資金風險。管理層審閱並協定管理每項該等風險的政策。該等政策概述如下。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity prices.

Market risk exposures are measured by sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Interest rate risk management

Except as disclosed below, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's cash flow interest-rate risk mainly arises from bank balances. The Group regularly seeks out the most favourable interest rates available for its bank balances. Bank balances issued at variable rates expose the Group to cash flow interest rate risk. Information relating to the interest rates and terms of the Group's bank balances are disclosed in Notes 21. As at 30 June 2011, if the market interest rates had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been HK\$54,000 (2010: HK\$32,000) lower/higher, mainly as a result of higher/lower interest income on bank balances and cash net off with higher/lower interest expense on floating rate borrowings.

The Group's financial liabilities are issued at fixed interest rate which merely comprise convertible notes and finance lease. Accordingly, management considers the Group has no significant fair value interest rate risk from financial liabilities.

The Group has not entered into any interest rate swaps to hedge its exposure to interest rate risks.

34. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險

本集團的活動主要面臨外幣匯率、利率及股票價格變動所產生的金融風險。

市場風險以敏感度分析計量。本集團所承受的市場風險或本集團管理及計量風險的方式並無改變。

利率風險管理

除下文所披露者外，本集團的收入及經營現金流量絕大部份均獨立於市場利率變動。

本集團的現金流量利率風險主要因銀行結存產生。本集團定期為其銀行結存尋求最優惠的利率。按不同利率作出的銀行結存令本集團須承受現金流量利率風險。有關本集團的銀行結存的利率及條款的資料已於附註21披露。於二零一一年六月三十日，倘市場利率增加／減少50個基點，而所有其他變數維持不變，則本年度除稅後溢利將減少／增加54,000港元（二零一零年：32,000港元），主要由於銀行結存及現金的利息收入增加／減少被浮動利率借款的利息開支增加／減少抵銷所致。

本集團的財務負債僅包括可換股票據及融資租賃，按固定利率發行。因此，管理層認為本集團有關財務負債的公平值利率風險並不重大。

本集團並無訂立任何利率掉期對沖其利率風險。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Foreign exchange risk management

Several subsidiaries of the Group have foreign currency sales and purchases, which expose the Group to foreign currency risk. The Group's sales and purchases are denominated primarily in Renminbi, which expose the Group to foreign currency risk. The Group does not have any formal hedging policy.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

34. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

外匯風險管理

本集團若干附屬公司有以外幣進行的買賣，令本集團承受外幣風險。本集團的買賣主要以人民幣計值，亦令本集團承受外幣風險。本集團並無任何正式對沖政策。

本集團於報告日期以外幣計值的貨幣資產及貨幣負債的賬面值如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Assets	資產		
RMB	人民幣	59,039	46,618
Liabilities	負債		
RMB	人民幣	39,046	39,570

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Foreign exchange risk management (continued)

Sensitivity analysis on foreign currency risk management

The following table details the Group's sensitivity to a 5% increase and decrease in the Hong Kong dollars against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items, and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A negative number below indicates a decrease in profit where the Hong Kong dollars strengthen 5% against the relevant currency. For a 5% weakening of the Hong Kong dollars against the relevant currency, there would be an equal and opposite impact on the profit and the balances below would be positive.

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Impact of RMB Profit and loss#	人民幣的影響 溢利及虧損#	1,000	352

This is mainly attributable to the exposure outstanding on receivables and payables denominated in RMB.

34. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

外匯風險管理 (續)

外幣風險管理的敏感度分析

下表詳列本集團對港元兌相關外幣升值及貶值5%的敏感度。於向內部主要管理人員報告外幣風險時所採用的敏感度比率為5%，其為管理層評估可能合理出現的匯率變動。敏感度分析包括尚未平倉的外幣計值貨幣項目，對彼等於期末的換算在匯率上作出5%的調整。敏感度分析亦包括外部貸款及本集團內海外業務所獲的貸款，而有關貸款須以借出方或借入方貨幣以外的貨幣計值。下文中的負數顯示港元兌相關貨幣升值5%時溢利的減少數額。倘港元兌相關貨幣貶值5%，溢利將會出現相反方向的等額變動，而下列結餘將為正數。

主要來自以人民幣計值的尚未收取或償還的應收賬款及應付賬款所產生的風險。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Other price risks

The Group is exposed to price risks through its holding of non-current investments.

Other price sensitivity

The sensitivity analyses below have been determined based on the exposure to price risks at the reporting date. If the market price of the non-current investments has been 10% higher/lower while all other variables were held constant, the profit for the year ended 30 June, 2011 would increase/decrease by approximately HK\$1,926,000 (2010: HK\$2,205,000) for the Group. This is mainly due to changes in fair value of non-current investments.

Credit risk

As at 30 June 2011, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group has put in place policies to ensure that sales of products are made to customers with an appropriate credit history and the Group performs period credit evaluations of its customers. In addition, the Group reviews the recoverable amount of each individual trade debt and debt investments at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

34. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

其他價格風險

本集團因持有非流動投資而承受價格風險。

其他價格的敏感度

以下敏感度分析乃根據於報告日期所承受的價格風險而釐定。倘非流動投資的市價上升/下跌10%而所有其他變數維持不變，則截至二零一一年六月三十日止年度本集團的溢利將增加/減少約1,926,000港元(二零一零年：2,205,000港元)。此乃主要由於非流動投資的公平值變動所致。

信貸風險

於二零一一年六月三十日，本集團因交易對手未有履行責任而會導致財務損失的最大信貸風險，是來自綜合財務狀況表所述各項已確認財務資產的賬面值。

本集團有一套政策確保產品乃銷售予信貸記錄良好的客戶，而本集團會定期評估其客戶的信貸狀況。此外，本集團於每個報告期末均檢討每項個別貿易債項及債務投資的可收回金額，以確保就不可收回金額作出足夠減值虧損撥備。在此方面，本公司董事認為本集團的信貸風險已大大減少。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due.

The Group measures and monitors its liquidity through the maintenance of prudent ratio regarding to the liquidity structure of the overall assets, liabilities loans and commitments as the Group. The Group also monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operation and mitigate the effects of fluctuations in cash flows. In addition, standby credit facilities are established to provide contingent liquidity support.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

34. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險 (續)

由於交易對手是獲國際信貸評級機構給予高度信貸評級的銀行，故流動資金的信貸風險有限。

除因流動資金存放於獲高度信貸評級的數間銀行而承受信貸集中風險外，本集團並無任何其他重大信貸集中風險。

流動資金風險

流動資金風險指本集團未能應付現有到期債項的風險。

本集團透過維持與本集團整體資產、負債、貸款及承擔的流動資金架構相關的審慎比率，計量及監察其流動資金狀況。本集團亦會監察及維持現金及現金等值物處於管理層認為充足的水平，以撥付本集團的營運及減低現金流量波動的影響。此外，本集團亦設立備用信貸額以提供緊急流動資金支援。

下表詳列本集團餘下的財務負債的合約到期日。此表乃根據本集團於可被要求償還財務負債的最早日期財務負債的未折現現金流量編製。此表包括利息及本金的現金流量。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

The Group

		Weighted average effective interest rate 加權平均實際利率 %	Within 1 year 一年內 HK\$'000 千港元	2 to 5 year 第二至五年 HK\$'000 千港元	Total undiscounted cash flows 未折現現金流量總額 HK\$'000 千港元	Carrying value 賬面值 HK\$'000 千港元
At 30 June 2011	於二零一一年六月三十日					
Non-interest bearing	不計息	-	27,378	-	27,378	27,378
Variable interest raise instruments	可變利率集資工具	13	30,051	-	30,051	27,790
			57,429	-	57,429	55,168

		Weighted average effective interest rate 加權平均實際利率 %	Within 1 year 一年內 HK\$'000 千港元	2 to 5 year 第二至五年 HK\$'000 千港元	Total undiscounted cash flows 未折現現金流量總額 HK\$'000 千港元	Carrying value 賬面值 HK\$'000 千港元
At 30 June 2010	於二零一零年六月三十日					
Non-interest bearing	不計息	-	24,643	-	24,643	24,643
Variable interest raise instruments	可變利率集資工具	3.86	468	1,800	2,268	2,094
			25,111	1,800	26,911	26,737

34. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

本集團

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Fair value of financial instruments

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

- (i) the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- (ii) the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

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

35. FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: Fair value measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Fair value measurements based on valuation techniques that include inputs for the asset or liability are not based on observable markets data (unobservable inputs)

34. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

金融工具的公平值

財務資產及財務負債的公平值按以下方式釐定：

- (i) 受標準條款及條件規管及於活躍流動市場交易的財務資產及財務負債的公平值乃參考所報市場價格釐定；及
- (ii) 其他財務資產及財務負債的公平值乃根據以可觀察的現時市場交易的價格或利率為輸入數據的折現現金流量分析，按公認計價模型釐定。

董事認為，於綜合財務報表內記錄的財務資產及財務負債的賬面值與其公平值相若。

35. 公平值等級

本集團使用以下等級以釐定及披露金融工具的公平值：

- 第一等級：公平值乃根據相同資產或負債於活躍市場的報價（未經調整）計量；
- 第二等級：公平值乃根據第一等級所包含資產及負債的直接（即價格）或間接（即由價格產生）可觀察報價以外的輸入數據計量；及
- 第三等級：公平值乃根據並非基於可觀察市場數據（不可觀察的輸入數據）的資產或負債輸入數據的估值技術計量

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

35. FAIR VALUE HIERARCHY (continued)

Financial assets measured at fair value:

		Level 1 第一等級 HK\$'000 千港元	Level 2 第二等級 HK\$'000 千港元	Level 3 第三等級 HK\$'000 千港元	Total 合共 HK\$'000 千港元
As at 30 June 2011	於二零一一年六月三十日				
Financial assets	財務資產				
Deivative financial assets	衍生財務資產	-	-	-	-
		-	-	-	-

		Level 1 第一等級 HK\$'000 千港元	Level 2 第二等級 HK\$'000 千港元	Level 3 第三等級 HK\$'000 千港元	Total 合共 HK\$'000 千港元
As at 30 June 2010	於二零一零年六月三十日				
Financial assets	財務資產				
Deivative financial assets	衍生財務資產	-	1,835	-	1,835
		-	1,835	-	1,835

During the year ended 30 June 2011, there were no transfers of fair value measurements between Level 1 and Level 2.

截至二零一一年六月三十日止年度，公平值計量並無於第一等級及第二等級之間轉移。

36. EVENTS AFTER THE REPORTING PERIOD

On 18 July 2011, the Company has completed a rights issue. 294,261,987 rights shares on the basis of one rights share for every three Shares held were issued pursuant to the rights issue.

Details of the above are set out in the Company's circular and announcement dated 24 June 2011 and 15 July 2011.

36. 報告期後事項

於二零一一年七月十八日，本公司完成供股。根據供股按每持有三股股份可獲配一股供股股份的基準發行294,261,987股供股股份。

上述事項的詳情載於本公司日期分別為二零一一年六月二十四日及二零一一年七月十五日的通函及公佈。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

財務報表附註

截至二零一一年六月三十日止年度

36. EVENTS AFTER THE REPORTING PERIOD (continued)

On 2 August 2011, the Company entered into an agreement for the acquisition of 90% shareholding in a company called Express Time Enterprises Limited at the consideration of HK\$108,500,000.

Details of the above are set out in the Company's announcement dated 5 August 2011.

37. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the current year's accounts presentation.

36. 報告期後事項 (續)

於二零一一年八月二日，本公司訂立協議收購一間名為Express Time Enterprises Limited的公司的90%股權，代價為108,500,000港元。

上述事項的詳情載於本公司日期為二零一一年八月五日的公佈。

37. 比較數字

若干比較數字已重新分類，以符合本年度的賬目呈報方式。

SUMMARY OF FINANCIAL INFORMATION

For the year ended 30 June 2011

財務資料概要

截至二零一一年六月三十日止年度

		Year ended 30 June 截至六月三十日止年度				
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Revenue	收益	27,217	67,540	88,062	111,137	104,247
Loss before Income tax	除所得稅前虧損	(23,502)	(18,898)	(6,132)	(9,356)	(12,047)
Income tax expenses	所得稅開支	–	(166)	(172)	(679)	(174)
Loss for the year	本年度虧損	(23,502)	(19,064)	(6,304)	(10,035)	(12,221)
Attributable to:	下列人士應佔：					
Owners of the Company	本公司擁有人	(23,315)	(19,104)	(6,440)	(10,225)	(12,681)
Non-controlling interests	非控股權益	(187)	40	136	190	460
		23,502	(19,064)	(6,304)	(10,035)	(12,221)

		At 30 June 於六月三十日				
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Assets and liabilities	資產及負債					
Total assets	資產總值	87,653	85,888	92,834	84,102	75,357
Total liabilities	負債總額	(55,822)	(36,279)	(25,623)	(26,292)	(31,413)
Non-controlling interests	非控股權益	(2,088)	(2,275)	(2,235)	(2,099)	(1,909)
Equity attributable to Owners of the Company	本公司擁有人應佔權益	29,743	47,334	64,976	55,711	42,035

VITOP BIOENERGY HOLDINGS LIMITED
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