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NORTH ASIA RESOURCES
北亞資源

北亞資源控股有限公司

NORTH ASIA RESOURCES HOLDINGS LIMITED

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

Stock Code 股份代號 : 0061

Annual Report 2010 二零一零年年報



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Chairman's Statement

主席報告

Dear Fellow Shareholders,

On behalf of the Board, I would like to thank all the shareholders and investors for their support of North Asia Resources Holdings Limited and its subsidiaries (the "Group"). It is my pleasure as the Chairman to present the Annual Report on the Group's business activities for the year ended 31st December, 2010. In particular, this Report sets out the work the Group has undertaken over the past year to develop our new portfolio of businesses in the mining sector.

On the capital front, the Group has managed to achieved several milestones during the year, including a successful placement in February 2010 and subsequently securing the financial support from China Construction Bank International Limited last September by way of a convertible bond issue. This has provided the Group with the financial impetus to move ahead in its mining operation.

2010 has been a challenging year for the Group's operation attributed to the exceptionally cold winter in Mongolia for the first and second quarter of 2010 and the prolonged production schedule due to the additional time needed to obtain the necessary approval of water usage from the local government for the required scale of operation. However, the Group has been able to continue to explore and develop its iron ore mine (the "Oyut Ovoo Mine"). During the year, the Group has seen the initial blasting at the Oyut Ovoo mine and the trial production of its alluvial gold. Furthermore, through our excellent networking in Mongolia, we had the opportunity to invest in an attractive and exciting coal trading business.

各位股東：

本人謹代表董事會，衷心感謝所有股東及投資者對北亞資源控股有限公司及其附屬公司（「本集團」）之支持。作為集團主席，本人欣然提呈公司年報，以匯報截至二零一零年十二月三十一日止年度內本集團各項業務之表現。本年報特別闡述了過去一年本集團為發展嶄新之採礦行業業務組合而開展之工作。

資本方面，本集團於年內成功邁進多項里程碑，包括於二零一零年二月成功進行配售，其後於同年九月透過發行可換股債券獲China Construction Bank International Limited之財務支持。本集團因而獲得財務動力推動其開採業務。

儘管二零一零年首兩季蒙古出現異常寒冬，加上需要更長時間就所須營運規模取得地方政府有關用水之必要批文，令生產時間延長，導致本集團營運於二零一零年面對重重挑戰，本集團仍能繼續開採及開發鐵礦（「遊遊敖包礦區」）。年內，本集團於遊遊敖包礦區進行首次噴砂，並投入試產砂金。再者，透過本集團在蒙古的優越網絡，本集團有機會投資於極具吸引力且前景甚佳之煤炭貿易業務。

Chairman's Statement

主席報告

Our Banking and finance systems integration services business continued to decline as compared with previous years as a result of the highly competitive conditions in the self-service equipment sector. In view of the continuing challenging environment in the future, the Group will closely monitor and assess this division's prospects and viability.

As China's GDP continue to grow on a year-on-year basis, steaming with industrial demands and rapid urbanization, we remain confident of the mineral resources and mining sectors across the North Asia region. The Group will continue to proactively seek potential mergers and acquisition opportunities, in particular in these sectors that would be in the interests of the Company and the shareholders as a whole.

I would like to take this opportunity to thank the management and staff of the Group, especially our dedicated staff stationed in Mongolia for their loyalty and support under such challenging environment. I would also like to thank all our stakeholders, especially our shareholders and business partners for their trust and confidence in the Group's management.

2011 will continue to be a year of challenges for the Group, but with our concerted effort and experience gained from the past year, I believe we will be able to deliver on our promises. I am looking forward to reporting more positive news to our shareholders in the coming months.

Tse Michael Nam
Chairman

Hong Kong, 28th March, 2011

自助服務設備市場之競爭非常劇烈，故與去年比較，本集團銀行與金融系統集成服務業務之表現持續轉差。鑑於未來之營商環境仍然挑戰重重，本集團將密切監察及評估此部門之前景及發展。

鑑於中國國內生產總值繼續較去年有所增長，加上工業需求及急速城市化，本集團對北亞地區礦物資源及採擴業仍然充滿信心。本集團將繼續主動尋求符合本公司及股東整體利益之潛在併購機會，尤其是在該等行業內。

本人謹藉此機會，對本集團管理層及員工，尤其是駐於蒙古之員工，於極具挑戰之環境下忠誠服務、竭力支持，衷心致謝。本人亦感謝所有權益關涉人，特別是股東及業務夥伴，對本集團管理層之信任及信賴。

二零一一年對本集團將繼續充滿挑戰，但憑着本集團齊心協力以及往年汲取之經驗，本人深相本集團將能信守承諾。本人期待於未來數月向股東匯報更多好消息。

主席
謝南洋

香港，二零一一年三月二十八日



Management Discussion & Analysis

管理層討論及分析



RUSSIA 俄羅斯

MONGOLIA 蒙古

CHINA 中國



Management Discussion & Analysis

管理層討論及分析

FINANCIAL PERFORMANCE

The Group's continuing operations delivered a turnover of approximately HK\$31,922,000 for the year ended 31st December, 2010 (2009: approximately HK\$51,705,000), which was mainly contributed by the banking and finance systems integration businesses. The 38.3 % year-on-year decrease in turnover was mainly attributed to intense price competition in the market during the year.

As a result, the gross profit from continuing operations decreased by 15.6% year on year to approximately HK\$10,144,000 (2009: approximately HK\$12,019,000) for the year to 31st December, 2010. However, there was an improvement in the gross profit ratio which increased from 24% to 32% due to the exercise of better control on costing during the year in review.

The Group recorded a loss attributable to equity holders of approximately HK\$3,009,777,000 mainly as a result of the impairment of goodwill amounting to HK\$2,653,767,000 and an impairment loss recognized in respect of mining right for iron of approximately HK\$287,500,000 as a result of the decrease in the business enterprise value of Golden Pogada LLC ("Golden Pogada"). The fair value of the business of Golden Pogada was based on the valuation report issued by Greater China Appraisal Limited ("Greater China"), an independent professional valuer. The decision to impair the carrying amounts of the goodwill and mining right was made by the Board after taking into consideration Greater China's report and the challenges encountered by the mining operation during the year as a result of prolonged production schedule due to the additional time needed to obtain the necessary approval of water use from the local government for the required scale of production. This represents an increase of 16.2 times as compared to a loss of approximately HK\$186,108,000 last year.

Loss per share for the year to 31st December, 2010 was HK438.10 cents, compared with a loss per share of HK70.81 cents for 2009.

During the year in review, the mining business has commenced a trial production but not yet generated any income.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31st December, 2010 (2009: Nil).

財務表現

截至二零一零年十二月三十一日止年度內，本集團之持續經營業務錄得營業額約為31,922,000港元（二零零九年：約51,705,000港元），主要來自銀行及金融系統集成業務。營業額按年下跌38.3%，主要源於年內市場價格競爭激烈。

因此，截至二零一零年十二月三十一日止年度內，來自持續經營業務之毛利按年減少15.6%至約10,144,000港元（二零零九年：約12,019,000港元）。然而，毛利率因於回顧年度內更有效控制成本而由24%上升至32%。

本集團錄得權益持有人應佔虧損約3,009,777,000港元，主要由於商譽減值2,653,767,000港元所致；另外亦因Golden Pogada LLC（「Golden Pogada」）之企業價值下跌而就採鐵權確認減值虧損約287,500,000港元。Golden Pogada業務之公平值乃以獨立專業估值師漢華評估有限公司（「漢華評估」）發出之估值報告為基礎。董事會乃於考慮漢華評估之報告，以及由於需要額外時間就所需生產規模向當地政府取得用水之必要批准，導致年內採礦作業因生產期延長而遇到之挑戰後，決定商譽及採礦權之賬面值減值。權益持有人應佔虧損比較去年錄得之虧損約186,108,000港元增加16.2倍。

截至二零一零年十二月三十一日止年度之每股虧損為438.10港仙，比較二零零九年之每股虧損為70.81港仙。

於回顧年度內，礦業業務已投入試產，但仍未帶來任何收入。

末期股息

董事會不建議派發截至二零一零年十二月三十一日止年度之末期股息（二零零九年：無）。

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW

Resources Businesses

Iron ore mining

In April 2010, the Group further consolidated its interests in the Oyut Ovoo mine (the “Oyut Ovoo Mine”) through the acquisition of an additional 9.999% equity interest in Golden Pogada LLC (“Golden Pogada”) by way of the issue of new shares in the Company to China Railway Mongolia Investment LLC (“CRMI”), a subsidiary of China Railway Resources Group Co., Ltd. The Company now holds a 99.990% interest in Golden Pogada.

The first and second quarters of 2010 were exceptionally cold in Mongolia which posed some challenges on the operation of the Oyut Ovoo Mine. In September 2010, after the successful completion of the mine design and dry processing equipment installation, the Oyut Ovoo Mine saw the initial blasting of 20,000 tonnes of iron ore ready for trial production, paving the way for scaled iron ore production expected to commence in the first half of 2011. During the financial year in review, the iron ore mine has not yet generated any income.

Since the Group has repositioned its focus on resources development in Mongolia, transportation solution has become the main emphasis for the Group because it is a critical element to the success of mining and developing bulk mineral resources in Mongolia. As part of this solution, the Group has secured an international throughput quota with CRMI for the transportation of iron ore products from Mongolia through to China. CRMI is also at the stage of completing the overall construction of a transit and loading dock, which is located in close proximity to the train station of Choir, Govisumber aimag in Mongolia. Choir is a transportation hub along the Trans-Mongolian Railway closest to the Oyut Ovoo Mine. The construction of a rail extension line linking the dock to the main rail line of the Choir station is near completion.

業務回顧

資源業務

鐵礦開採

二零一零年四月，本集團成功透過向中鐵蒙古有限責任公司（「中鐵蒙古」，為中鐵資源集團有限公司之附屬公司）發行本公司新股份，收購Golden Pogada LLC（「Golden Pogada」）額外9.999%股本權益，並進一步鞏固其於遨遊敖包礦區（「遨遊敖包礦區」）之權益。本公司目前持有Golden Pogada 99.990%權益。

二零一零年首兩季蒙古異常寒冷，導致遨遊敖包礦區之營運面臨重重挑戰。二零一零年九月，遨遊敖包礦區成功完成礦區設計及安裝乾法處理設備，並於其後進行首次噴砂，取得20,000噸鐵礦石用於試產，為預期於二零一一年上半年開始之大規模鐵礦石生產鋪路。於回顧財政年度內，鐵礦尚未產生任何收入。

隨着本集團將業務重心轉向於蒙古之資源開發，而運輸方案是於蒙古開採及開發大宗礦物資源之成功關鍵，故運輸方案業已成為本集團關注重點。作為運輸方案其中一環，本集團已穩奪中鐵蒙古從蒙古裝運鐵礦石產品至中國之國際聯運配額。中鐵蒙古亦正完成轉運裝卸場之整體工程。裝卸場鄰近蒙古戈壁蘇木貝爾省喬伊爾市火車站。喬伊爾市為最接近遨遊敖包礦區之跨蒙古鐵路交通樞紐。而連接裝卸場及喬伊爾市站鐵路幹線之鐵路延線亦已接近完工。

Management Discussion & Analysis

管理層討論及分析

Gold mining

In end of April 2010, the Group completed the acquisition of the entire interest in Dadizi Yuan LLC* (“Dadizi Yuan”). Dadizi Yuan holds mining and exploration licenses in respect of two alluvial gold mines located in Khar Yamaat (the “Gold Mines”), Khongor and Sharin Gol Soum of Darkhan Uul aimag, Mongolia.

The Gold Mines have a total mining area of approximately 20.03 sq km on which 35 drill holes with total drilling of 1,500 m covering a 1.5-sq-km area were completed.

A ground breaking ceremony for the Gold Mines was held in June 2010 in the presence of local government officials and community members. For the second half of the year, the majority of the effort has been spent on removing top soil in order to reach the alluvial gold strata. Towards the end of the year, the Group has commenced and successfully recovered approximately 1,200 grams of raw alluvial gold from the licensed area. The Group is positioned to commence commercial production of its alluvial gold after the winter months.

Furthermore, as the windfall tax on gold in Mongolia is to be lifted from 1st January 2011, the Group is in a position to better capture this revenue source in the near future.

During the financial year in review, the Gold Mines has not yet commence generating any income for the Group.

New Business – Coal trading

As part of the Group’s strategy to become a gateway for resources between China and Mongolia, the Group decided to expand into the coal trading business, leveraging on the transportation strength of CRMI. Together, we established a jointly invested company in December 2010. Under the shareholders’ agreement governing the establishment and operations of the jointly invested company, CRMI is responsible for procuring sufficient transportation and throughput quota for 2011 from the Lin-Ce Railway Co., Ltd. to be allocated to the jointly invested company. Furthermore, the Group has signed a coal supply agreement with SouthGobi Sands LLC, a subsidiary of SouthGobi Resources Ltd., for the purchase of 450,000 tonnes of coal in 2011. The Group is currently in discussion with other coal mining companies to diversify its supply source. The scale of this business segment is expected to grow significantly once the Group has established long-term relationships with the coal suppliers.

The Management expects this business segment to contribute a healthy cash-flow to the Group in 2011 and beyond.

金礦開採

本集團於二零一零年四月底完成收購蒙古大地公司*（「蒙古大地」）之所有權益。蒙古大地持有兩個砂金礦之採礦及探礦許可權，分別位於蒙古達爾汗烏勒省洪戈爾市爾雅瑪特及夏林郭勒縣（「金礦」）。

金礦總採礦面積約20.03平方公里，覆蓋面積為1.5平方公里範圍之35個鑽孔已完成鑽探，共鑽探1,500米。

金礦之動土儀式已於二零一零年六月舉行，得到當地政府官員及社區代表支持。年內第二季之工作重心則為清除表土，以便露出砂金礦層。於年底前，本集團已開始於許可範圍內回收砂金原礦，並成功獲得近1,200克。本集團已整裝待發，可於踏入春季後開始砂金商業生產。

再者，由於蒙古於二零一一年一月一日起取消對黃金徵收之暴利稅，故本集團將更於短期內受惠於此收益來源。

於回顧財政年度內，金礦尚未開始為本集團帶來任何收入。

新業務－煤炭貿易

作為本集團成為中蒙兩國資源通道之策略的其中一環，本集團決定運用中鐵蒙古之運力拓展煤炭貿易業務。二零一零年十二月，兩公司聯手成立合資公司，根據規管合資公司成立及營運之股東協議，中鐵蒙古負責促成臨策鐵路有限責任公司於二零一一年向合資公司分配足夠運輸及聯運配額。此外，本集團亦與南戈壁資源有限公司之附屬公司SouthGobi Sands LLC就於二零一一年度採購450,000噸煤炭訂立供煤協議。本集團現正與其他煤炭開採公司磋商分散供應來源。本集團預期，一旦成功與煤炭供應商達成長期合作關係，此業務分部之規模將可顯著擴大。

管理層預料此業務分部在二零一一年及往後可為本集團帶來穩健之現金流貢獻。

* For identification purpose only

* 僅供識別

Management Discussion & Analysis

管理層討論及分析

Agricultural Businesses

In consideration of the unsatisfactory and slower-than-expected pace of development of the agro-conservation and bio-energy businesses, and in order to focus on the new resources businesses, the Group disposed of the agro-conservation and bio-energy operations in March 2010.

Banking and finance systems integration services Businesses

The banking and finance systems integration services businesses of the Group is carried out by its wholly-owned subsidiary, Topasia Computer Limited and its subsidiaries (“TopAsia Group”).

Affected by the monetary easing measures implemented across the world, the PRC experienced asset price and labor cost hikes, increasing pressure of inflation and severe business environment in 2010. Against such backdrop, the TopAsia Group’s performance from its operation of the banking and finance systems integration services businesses continued to decline as compared to previous years. Competition within the industry led to a drop in the maintenance cost per machine. On the other hand, the renewal of maintenance contracts was affected by the replacement of obsolete equipment by the customers. Furthermore, equipment manufacturers flocked to the after-sales market for better return as the profit from sales of hardware has diminished, further intensifying existing competition. These factors presented major threats to the business of the TopAsia Group.

The outlook for the TopAsia Group for 2011 remains uncertain. The main goals for the TopAsia Group will be to continue with its costs control measures and maintain its long term clients.

OUTLOOK

The Board expects 2011 to be an exciting year for the resources business as the Group shifts from the preparation stage to the production stage for both of the Group’s mines. Through the trials and challenges that were experienced in 2010, the Group is confident of commencing scaled production for both the Oyut Ovoo Mine and the Gold Mines in the second quarter of 2011.

Once the rail extension line linking the dock to the main rail line of the Choir station has been completed, the Group intends to fully utilize facility for the transportation of the minerals from its mine to Choir station.

農業業務

鑑於農產保育及生物能源業務不理想及發展速度較預期緩慢，並為將注意力集中於新的資源業務，本集團已於二零一零年三月出售農產保育及生物能源業務。

銀行及金融系統集成服務業務

本集團之銀行與金融系統集成服務業務由其全資附屬公司冠亞電腦有限公司及其附屬公司（「冠亞集團」）經營。

受全球寬鬆貨幣政策影響，二零一零年國內資產價格上漲，勞動力成本上升，通脹加劇，企業經營面臨相當壓力。在此背景下，冠亞集團在銀行自助設備的銷售和維修服務業務方面之營運表現與去年比較持續轉差。同業競爭引致單台維修價格下滑；客戶方面部分設備因使用年份長而淘汰，影響到維修合約續簽；設備生產廠家鑒於硬件銷售利潤下降轉向售後服務市場尋求回報使競爭更趨激烈，這些因素對冠亞集團業務構成較大影響。

二零一一年冠亞集團的前景仍存在不明朗因素。冠亞集團的主要目標將為繼續實施控制成本措施，並繼續與客戶保持長遠業務關係。

前景

隨着本集團各礦區均由籌備步入投產階段，董事會預期二零一一年將為資源業務發展激增的一年。經過二零一零年種種磨煉與挑戰，本集團有信心遨遊敖包礦區及金礦均可於二零一一年第二季展開大規模生產。

於連接裝卸場及喬伊爾市站鐵路幹線之鐵路延線落成後，本集團計劃充份運用設施從礦區將礦物運往喬伊爾市站。

Management Discussion & Analysis

管理層討論及分析

The Group's newly invested coal trading business is an exciting project that will help to diversify its revenue stream and also strengthen the Group's position as an international supplier of primary steelmaking resources to China. China's demand for steel will very likely continue to increase, which will continue to generate strong demand for the two main feedstocks, iron ore and coking coal. The coal trading and iron ore business synergism will enhance services for its end consumers and generate greater returns for its shareholders.

The Board remains confident in the prospects of the mining and resources businesses, while it acknowledges the challenges and difficulties of operating in this sector. By expanding into other businesses such as coal trading, the Group strives to maintain a diversified income stream, while positioning itself to maximize shareholders' return by continuing to be active in identifying other attractive investment opportunities.

LIQUIDITY AND FINANCIAL RESOURCES

Net assets

At 31st December 2010, the Group recorded total assets of approximately HK\$1,716,600,000 (2009: approximately HK\$4,442,141,000), which were financed by liabilities of approximately HK\$488,885,000 (2009: HK\$663,014,000) and equity of approximately HK\$1,227,715,000 (2009: HK\$3,779,127,000). The Group's net asset value as at 31st December 2010 decreased by 66.30% to HK\$1,227,285,000 as compared to approximately HK\$3,642,297,000 as at 31st December 2009.

Liquidity

The Group had total cash and bank balances of approximately HK\$259,086,000 as at 31st December 2010 (2009: HK\$27,049,000). The net cash balance as at 31st December 2010 was approximately HK\$259,086,000 (2009: HK\$27,049,000), as the Group does not have any bank borrowings (2009: nil).

As explained in the "Subsequent Events" section of this report, the Group has breached certain convertible loan notes conditions which would entitle the subscriber of the convertible loan notes to request for early redemption of the convertible loan notes with total principal amount outstanding of approximately HK\$335,400,000 and respective unpaid accrued interest. The Group has net cash balance of approximately HK\$259,086,000 as at 31st December 2010. The Group is confident that by accepting and fulfilling the additional conditions requested by the subscriber of the convertible loan notes, it will be able to achieve a successful outcome on its ongoing negotiations with the subscribers of the convertible loan note. The Group may also seek appropriate external resources providers to bring in funds and/or viable assets into the Group.

本集團新投資之煤炭貿易業務發展亦令人振奮，相信將有助本集團收益多元化，並鞏固其作為向中國供應煉鋼主要原材料之國際供應商之地位。中國對鋼材之需求很有可能持續攀升，繼而推動兩項主要原材料鐵礦石及焦煤之強勁需求。煤炭貿易及鐵礦業務將產生協同效應，為終端客戶提供更佳服務，為股東帶來更大回報。

儘管董事會明白經營採礦及資源業務具挑戰性及困難，惟對該業務前景仍然充滿信心。本集團致力透過拓展煤炭貿易等其他業務，維持多元化收入來源，同時準備就緒繼續積極物色其他具吸引力之投資機會，為股東尋求最佳利益。

流動資金及財務資源

資產淨值

於二零一零年十二月三十一日，本集團之資產總值約為1,716,600,000港元（二零零九年：約4,442,141,000港元），乃透過負債約488,885,000港元（二零零九年：663,014,000港元）及權益約1,227,715,000港元（二零零九年：3,779,127,000港元）融資。本集團於二零一零年十二月三十一日之資產淨值為1,227,285,000港元，二零零九年十二月三十一日則約為3,642,297,000港元，減幅為66.30%。

流動資金

本集團於二零一零年十二月三十一日之現金及銀行結餘總額約為259,086,000港元（二零零九年：27,049,000港元）。由於本集團並無任何銀行借貸（二零零九年：無），故本集團於二零一零年十二月三十一日之淨現金結餘約為259,086,000港元（二零零九年：27,049,000港元）。

如本報告「結算日後事項」一節所述，本集團違反可換股貸款票據之若干條件，賦予可換股貸款票據認購人權利要求提早贖回未償還本金總額約335,400,000港元之可換股貸款票據以及相關應計未付利息。本集團於二零一零年十二月三十一日之現金結餘淨額約為259,086,000港元。本集團有信心透過接納並履行可換股貸款票據認購人所要求之額外條件，其與可換股貸款票據認購人之間正進行之磋商將可達致成功結果。本集團亦可尋求適當之外部資源來源，為本集團引入資金及/或可用資產。

Management Discussion & Analysis

管理層討論及分析

As at 31st December 2010, the current ratio was 5.75 (2009: 2.27) and gearing ratio was 0.24 (2009: 0.01) which was defined as the Group's convertible loan notes over its equity attributable to equity holders of the Company.

Charges on assets

At 31st December 2010, the entire issued shares of Green Paradise Enterprises Ltd. was pledged to convertible loan noteholders. At 31st December 2009, no fixed deposits were pledged to banks to secure banking facilities.

Treasury policies

The Group generally finances its operations with internally generated resources, proceeds from the disposal of its available-for-sale investments, from equity fund raising activities and from raising convertible loan notes. All financing methods, including equity, debt and other means, will be considered so long as such methods are beneficial to shareholders as a whole. Subsidiaries in the PRC and Mongolia use internally generated resources to finance their working capital requirements. Bank deposits are mainly in Hong Kong dollars ("HK\$"), Renminbi ("RMB") and United States dollars ("US\$").

Contingent liabilities and capital commitments

The Group had no material contingent liability as at 31st December, 2010.

The Group had capital commitments for the acquisition of plant and machinery which were contracted but not provided for totaling HK\$18,453,000 (2009: nil) and other commitments for an investment in a cooperation project which were contracted but not provided for totaling HK\$6,552,000 (2009: HK\$21,034,000).

Foreign exchange exposure

For the year ended 2010, the Group mainly earns revenue in Renminbi and incurs costs in HK\$, RMB and US\$. Although, the Group currently does not have any foreign currency hedging policies, it does not foresee any significant currency exposure in the near future since the HK\$ and US\$ are pegged. However, any permanent or significant changes in the pegged system or the exchange rates of RMB against HK\$, may have possible impact on the Group's results and financial positions.

Employee and remuneration policies

As at 31st December 2010, the Group employed approximately 240 full time staff in the Mainland China, Hong Kong and Mongolia. The Group remunerates its employees based on their performance, working experience and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

於二零一零年十二月三十一日之流動比率為5.75(二零零九年:2.27),而資產負債比率則為0.24(二零零九年:0.01),計算方法為本集團可換股貸款票據除以本公司權益持有人應佔權益。

資產抵押

於二零一零年十二月三十一日, Green Paradise Enterprises Ltd.全部已發行股份已抵押予可換股貸款票據持有人。於二零零九年十二月三十一日,本集團並無將定期存款抵押予銀行,以作為獲授銀行融資之抵押。

庫務政策

本集團一般透過內部產生資源、出售可供出售投資、股本集資活動及以可換股貸款票據集資所得款項撥付其業務運作所需資金。所有集資方法,包括股本、債務及其他形式,只要對本公司的股東整體有利,均會被列入考慮範圍。本集團之中國及蒙古附屬公司使用內部產生資源撥付其營運所需資金。銀行存款主要以港元、人民幣及美元為單位。

或然負債及資本承擔

於二零一零年十二月三十一日,本集團並無重大或然負債。

本集團就收購廠房及設備已訂約但未撥備資本承擔合共為18,453,000港元(二零零九年:無),以及就合作項目投資已訂約但未撥備其他承擔合共為6,552,000港元(二零零九年:21,034,000港元)。

外匯風險

截至二零一零年止年度,本集團所賺取收益主要以人民幣結算,所產生費用則主要以港元、人民幣及美元結算。儘管本集團目前並無採納外幣對沖政策,惟由於港元與美元掛鈎,故本集團預見不久將來不會有任何重大外匯風險。然而,人民幣兌港元匯率之掛鈎制度之任何永久或重大變動,均可能對本集團業績及財務狀況構成影響。

僱員及薪酬政策

於二零一零年十二月三十一日,本集團在中國內地、香港及蒙古僱用約240名全職員工。本集團根據僱員之表現、工作經驗及當時市價釐定彼等之薪酬。其他僱員福利包括強制性公積金、保險及醫療津貼、培訓計劃及購股權計劃。

Management Discussion & Analysis

管理層討論及分析

Subsequent Events

After the year end, the Company issued a circular to Shareholders dated 2 February 2011 (the “First Circular”) in relation to, among others, the alterations of the terms of the US\$30m convertible loan notes (the “US\$30m Convertible Loan Notes”), the proposed specific mandate to be granted to the Directors to allot and issue up to 178,846,153 shares, being the total number of shares which may be issued upon conversion of the US\$30m Convertible Loan Notes and the convening of a special general meeting on 23 February 2011 to vote on the resolutions. Please refer to the First Circular for further details.

Subsequent to the despatch of the First Circular, the Company has on 9th February 2011 received a letter (the “Letter”) from the subscriber (the “Subscriber”) of the US\$30m Convertible Loan Notes and the US\$10m convertible loan notes (together, the “Convertible Loan Notes”) notifying the Company of the alleged breach of the terms and conditions (the “Conditions”) of the Convertible Loan Notes.

Both Mr. King and Mr. Chan resigned from the directorship of the Company with effect from 27th January 2011 (the “Resignation”). It was alleged by the Subscriber that the Resignation had constituted a breach of and an event of default under, the Conditions, which would entitle the Subscriber to give notice to the Company that each of the Convertible Loan Notes is due and payable at its principal amount. In addition, it was further alleged by the Subscriber that the resignation of Mr. King had also constituted a change of control event as defined in the Conditions, which would entitle the Subscriber to require the Company to redeem all or some of the Convertible Loan Notes.

However, as a gesture of goodwill and support to the Company, the Subscriber stated in the Letter that it may not exercise its right to give notice to the Company that each of the Convertible Loan Notes is due and payable at its principal amount or the right to require the Company to redeem all or some of the Convertible Loan Notes until 31st December 2011 (or a later time as the Subscriber and the Company will mutually agree) on the following conditions:

- (i) the Company shall notify the Subscriber immediately on each occasion after the Company has withdrawn US\$1,000,000 or more out of the bank account (the “Account”) where proceeds from the Convertible Loan Notes are credited; and
- (ii) the Company shall submit to the Subscriber a copy of the bi-weekly electronic bank statements in relation to the Account within 3 business days after the end of each of the aforesaid reporting period.

On 10th February 2011, the Company decided to accept the above conditions. On 18th February 2011, the Company announced its decision to adjourn the special general meeting and to issue a supplemental circular (the “Supplemental Circular”) to provide Shareholders with further information on the change of circumstances. Please refer to the announcements of the Company dated 10th February 2011 and 18th February 2011 and the Supplemental Circular for further details.

結算日後事項

於年結日後，本公司於二零一一年二月二日向股東刊發一份通函（「首份通函」），內容有關（其中包括）三千萬美元可換股貸款票據（「三千萬美元可換股貸款票據」）條款之修改、向董事授出配發及發行最多達178,846,153股股份（即三千萬美元可換股貸款票據兌換時可予發行之股份總數）之建議特別授權及於二零一一年二月二十三日召開股東特別大會以就決議案投票。其他詳情請參閱首份通函。

於寄發首份通函後，本公司於二零一一年二月九日接獲三千萬美元可換股貸款票據及一千萬美元可換股貸款票據（統稱「可換股貸款票據」）認購人（「認購人」）之函件（「函件」），通知本公司指稱違反可換股貸款票據之條款及條件（「條件」）。

金先生及陳先生均已辭任本公司董事職務，由二零一一年一月二十七日起生效（「辭任」）。因此，認購人指稱辭任構成違反條件以及條件下之違約事件，賦予認購人權利向本公司發出各份可換股貸款票據已到期及須按其本金額付款之通知。此外，認購人進一步指稱金先生辭任同時構成條件所界定之控制權變動事件，賦予認購人權利要求本公司贖回所有或部分可換股貸款票據。

然而，作為善意表現及對本公司之支持，認購人於函件中表示，倘符合下列條件，則認購人未必會於二零一一年十二月三十一日或之前（或認購人與本公司將相互同意之較後時間）行使其向本公司發出各份可換股貸款票據已到期及須按其本金額付款之通知之權利，或要求本公司贖回全部或部分可換股貸款票據之權利：

- (i) 本公司須於本公司每次於銀行賬戶（「賬戶」，即存入可換股貸款票據所得款項之處）提取1,000,000美元或以上後，即時知會認購人；及
- (ii) 本公司須於上述各申報期結束後三個營業日內向認購人提交賬戶之雙週電子銀行結單副本。

於二零一一年二月十日，本公司決定接納上述條件。於二零一一年二月十八日，本公司公佈決定延遲舉行股東特別大會，並發出一份補充通函（「補充通函」）向股東提供有關狀況變動之進一步資料。其他詳情請參閱本公司日期為二零一一年二月十日及二零一一年二月十八日之公佈以及補充通函。

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Tse Michael Nam (Chairman and acting Chief Executive Officer)

Mr. Yang Xiaoqi

(appointed 22nd October 2010)

Non-executive Director

Mr. Wu Chi Chiu (Deputy Chairman) (appointed 22nd October 2010)

Independent Non-executive Directors

Mr. Lim Yew Kong, John

Mr. Mak Ping Leung

Mr. Leung Po Wing, Bowen Joseph, *GBS, JP*

COMPANY SECRETARY

Ms. Ng Jenna Bee Ching (appointed 24th March 2011)

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 2001-2, 20th Floor, Li Po Chun Chambers

189 Des Voeux Road Central

Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited

5th Floor Standard Chartered Bank Building

4-4A Des Voeux Road Central

Hong Kong

Bank of China (Hong Kong)

2A Des Voeux Road Central

Hong Kong

SOLICITORS

Michael Li & Co.

14th Floor, Printing House

6 Duddell Street, Central

Hong Kong

董事會 執行董事

謝南洋先生 (主席兼代理行政總裁)

楊曉琪先生

(於二零一零年十月二十二日獲委任)

非執行董事

胡志釗先生 (副主席)

(於二零一零年十月二十二日獲委任)

獨立非執行董事

Lim Yew Kong, John先生

麥炳良先生

梁寶榮先生 *GBS, JP*

公司秘書

黃美真女士

(於二零一一年三月二十四日獲委任)

註冊辦事處

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

總辦事處及主要營業地點

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德輔道中189號

李寶椿大廈20樓2001-2室

主要往來銀行

渣打銀行(香港)有限公司

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律師

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香港

中環都爹利街6號

印刷行14樓

Corporate Information 公司資料

AUDITOR

SHINEWING (HK) CPA Limited
43/F., The Lee Gardens,
33 Hysan Avenue,
Causeway Bay, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

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

<http://www.northasiaresources.com>

核數師

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利園43樓

主要股份登記及過戶處

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香港股份登記及過戶分處

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Boards' and Management Profile

董事及管理人員簡介

EXECUTIVE DIRECTORS

Mr. Tse Michael Nam, aged 53, is the current Chairman, acting Chief Executive Officer and an Executive Director of the Company. Mr. Tse has over 25 years of experience in corporate management in the agriculture, manufacturing, mining and M&A sectors. Mr. Tse was a registered consultant to Asian Development Bank and has held key positions in several Hong Kong listed companies such as being Executive Director of Asia Coal Limited (stock code 835) and as the Vice Chairman and Managing Director of Asia Aluminum (a company previously listed on the HKEx under stock code 930). Mr. Tse holds a Bachelor of Science degree in Biological Science from the University of California, Berkeley and a Master of Business Administration degree from the University of San Francisco.

Mr. Yang Xiaoqi, aged 51, is an Executive Director of the Company. Mr. Yang joined the Group as an associate director in September 2010. Mr. Yang is also the General Director of China Railway Mongolia Investment LLC ("China Railway Mongolia"). Mr. Yang has over 20 years' experience in the field of corporate management, railway infrastructure and transportation. He first entered Mongolia in 2005 and established China Railway Mongolia in 2007. Mr. Yang holds a Master of Business Administration degree from the University of Science and Technology Beijing and an Executive Master of Business Administration degree from Preston University.

執行董事

謝南洋先生，53歲，本公司主席、代理行政總裁兼執行董事，主要負責新採礦業務之物業安排及運輸。謝先生於農業、生產、採礦及併購行業擁有超過25年企業管理經驗。謝先生曾任亞洲開發銀行之註冊顧問，亦曾於多間香港上市公司出任要職，包括亞洲煤業有限公司（股份代號835）之執行董事，及先前於香港聯交所上市之亞洲鋁業控股有限公司之副主席兼董事總經理。謝先生持有加州大學伯克萊分校生物科學及海洋生物學學士學位及三藩市大學工商管理碩士學位。

楊曉琪先生，51歲，為本公司執行董事。楊先生於二零一零年九月加入本集團為聯席董事。楊先生現亦為中鐵蒙古有限責任公司（「中鐵蒙古」）之董事總經理。楊先生在企業管理、基礎設施建設及鐵路貨運站台投資運輸行業積逾二十年經驗。彼於二零零五年開始進駐蒙古國，並於二零零七年創立中鐵蒙古。楊先生持有北京科技大學工商管理碩士學位及美國普萊斯頓大學行政人員工商管理碩士學位。

Boards' and Management Profile 董事及管理人員簡介

NON-EXECUTIVE DIRECTOR

Mr. Wu Chi Chiu, aged 48, is the Deputy Chairman and the Non-Executive Director of the Company. Mr. Wu has been an executive director of China Motion Telecom International Limited (stock code: 0989), a company listed on the Main Board of the Stock Exchange, since February 2006 and the vice chairman and the chief executive officer of the same company since March 2006 and is responsible for business management of that group. He had been an independent non-executive director of Sustainable Forest Holdings Limited (stock code: 0723) (formerly known as Bright Prosperous Holdings Limited), a company listed on the Main Board of the Stock Exchange, from August 2007 to August 2008. Mr. Wu holds a Bachelor of Science degree from the University of Toronto, Canada.

非執行董事

胡志釗先生，48歲，為本公司非執行董事。胡先生自二零零六年二月起為於聯交所主板上市之潤迅通信國際有限公司（股份代號：0989）之執行董事並自二零零六年三月起為該公司之副主席兼行政總裁，負責該集團之業務管理。彼於二零零七年八月至二零零八年八月期間曾任於聯交所主板上市之永保林業控股有限公司（股份代號：0723）（前稱晉盈控股有限公司）之獨立非執行董事。胡先生持有加拿大多倫多大學理學士學位。



Boards' and Management Profile

董事及管理人員簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lim Yew Kong, John, aged 49, is an Independent Non-Executive Director of the Company. Mr. Lim is currently a director of AXIA Equity Pte Ltd, a Singapore based Company involved in providing corporate advisory services. Prior to this and since 1991, Mr. Lim was involved extensively in private equity investments, having managed several private equity funds covering primarily the ASEAN region. Between 1984 and 1991, Mr. Lim worked in Dowell Schlumberger in the United Kingdom and Arthur Andersen & Co.; London. Mr. Lim is also currently an independent non-executive director of The Style Merchants Limited (formerly known as Netelusion Limited), Karin Technology Holdings Limited and Radiance Group Limited, all of which are companies listed on the Singapore Stock Exchange. Mr. Lim graduated with a Bachelor's Degree in Economics from the London School of Economics and Political Science in the United Kingdom. He is a qualified chartered accountant from the Institute of Chartered Accountants in England and Wales.

Mr. Mak Ping Leung, aged 61, is an Independent Non-Executive Director of the Company. Mr. Mak is currently the Managing Director of Hong Kong Economic Times Holdings Limited ("HKET") and the Publisher of HKET. He is also the honorary advisor to the Hong Kong Institute of Marketing and a Director of Hong Kong Copyright Licensing Association Limited. Mr. Mak has over 30 years of extensive experience in the media and publishing industry. Prior to the founding of HKET in 1987, he was the Bureau Chief of Wen Wei Po, European Bureau in London, and was later promoted to the Deputy General Manager of Wen Wei Po. Mr. Mak obtained his Bachelor of Arts degree from The University of Hong Kong and had attended a journalism programme "Journalists in Europe" in France. In 1988, he was elected as one of the Ten Outstanding Young Persons of Hong Kong.

Mr. Leung Po Wing, Bowen Joseph (GBS, JP), aged 61, is an Independent Non-Executive Director of the Company. Mr. Leung is currently serving as an independent non-executive director for two other companies listed on the Hong Kong Stock Exchange namely Paliburg Holdings Limited and PYI Corporation Limited. Mr. Leung previously served as the Director of the Office of the Government of the Hong Kong Special Administrative Region in Beijing until his retirement in November 2005. During his tenure with the Government, Mr. Leung has served in various senior positions including the Deputy Secretary for District Administration (later re-titled as Deputy Secretary of Home Affairs), Deputy Secretary for Planning, Environment and Lands, Private Secretary, Government House, and Secretary for Planning Environment and Lands. Mr. Leung has extensive experience in corporate leadership and public administration. Mr. Leung was conferred with the Gold Bauhinia Star honour in 2004 and appointed as a Justice of Peace in 2007, for his very distinguished services to the Hong Kong community.

獨立非執行董事

Lim Yew Kong, John先生，49歲，為本公司獨立非執行董事。Lim先生現為AXIA Equity Pte Ltd之董事，該公司以新加坡為基地，提供企業顧問服務。於此之前，彼自一九九一年起參與管理多個主要位於東盟地區之私人證券基金，於私人股權投資方面擁有豐富經驗。於一九八四年至一九九一年，Lim先生於英國Dowell Schlumberger及倫敦Arthur Andersen & Co.工作。Lim先生現時亦為新加坡證券交易所上市公司The Style Merchants Limited（前稱Netelusion Limited）、Karin Technology Holdings Limited及Radiance Group Limited之獨立非執行董事。彼持有英國倫敦政治經濟學院經濟學學士學位，亦為英格蘭及威爾斯特許會計師公會之合資格特許會計師。

麥炳良先生，61歲，為本公司獨立非執行董事。麥先生為香港經濟日報集團有限公司（「香港經濟日報」）現任董事總經理兼香港經濟日報社長。彼亦為香港市務學會之榮譽顧問及香港複印授權協會有限公司董事。麥先生在傳媒及出版行業積逾30年豐富經驗。於一九八七年創辦香港經濟日報前，彼為文匯報倫敦歐洲分社經理，其後擢升為文匯報副總經理。麥先生持有香港大學文學士學位，曾修讀法國「歐洲新聞工作者」新聞課程。於一九八八年，麥先生獲選為香港十大傑出青年之一。

梁寶榮先生(GBS, JP)，61歲，為本公司獨立非執行董事。梁先生現任其他兩家香港聯交所上市公司百利保控股有限公司及保華集團有限公司之獨立非執行董事。梁先生以往任香港特別行政區政府駐北京辦事處主任，於二零零五年十一月退休。在政務職系服務期間，梁先生曾任職多個高層職位，包括：副政務司（後改稱民政事務局副秘書長）、副規劃環境地政司、總督府私人秘書及規劃環境地政司。梁先生於企業領導及公共管理饒富經驗。因其對香港社區十分傑出服務，梁先生於二零零四年獲授金紫荊星章及於二零零七年獲頒太平紳士銜。

Boards' and Management Profile

董事及管理人員簡介

INTERNATIONAL ADVISORY BOARD

Mr. David C. Owens, aged 57, is currently a technical and business development consultant based in Singapore. Mr. Owens' 32-year career in the mining industry, out of which 17 years were in Asia, covers mineral exploration, mine operations, corporate management, finance, business development and entrepreneurship. Mr. Owens has been actively working in Mongolia since 2001. He acquired his core technical and management skills working in large base metal mines in Arctic Canada during his 11-year stint with a mining company. Subsequently, Mr. Owens founded and listed two public mining companies, Asia Minerals and Asia Gold, to develop precious metal, base metal and coal mining opportunities in China, Mongolia and Indonesia. Under his leadership, Asia Minerals obtained the first State Council approved business license for a foreign gold mining joint venture in China and a majority stake in Asia Gold was acquired by Ivanhoe Mines to carry out the mining of a large coal deposit discovered in the Gobi region of Mongolia. Mr. Owens is a graduate in Mining Geology from the Imperial College, London University, holds a diploma in Canadian Financial Management from the University of Toronto and is a registered Professional Geologist in the province of British Columbia, Canada.

Mr. Sean Hinton, aged 44, has more than 22 years of experience in Mongolia and speaks fluent Mongolian, having lived there from 1988 to 1995 and having served as Mongolia's Honorary Consul-General in Australia for four years from 1996. Mr. Hinton founded a private company in 2007 to provide strategic and investment advisory services in North Asia, and currently divides his time between Beijing and Ulaanbaatar. He has experience in advising international companies on cross-border transactions and IPO's, primarily in the energy and minerals sector in China, Mongolia, Australia and Africa. He has also undertaken advisory work for the governments of Mongolia and South Africa. In recent years he has advised on transactions of more than US\$11.5 billion. Mr. Hinton's recent roles include: Senior Independent Advisor to Goldman Sachs (Asia) (ongoing); Special Advisor to the CEO of SOHO China on their IPO; and Chairman of China Networks Ltd. a regional TV roll-up. Prior to the founding of the private company, Mr. Hinton was a partner and principal at Media Entertainment Advisors, a boutique investment bank in London, where he advised private investors and corporate clients including public broadcasters, distributors, banks, hedge funds and government agencies. He sat on the investment committee of the Creative Capital Fund, a London-based venture-capital fund, and on the board of advisors of a number of online start-up companies. Mr. Hinton started his career working with McKinsey & Company for 5 years from 1995, working in their Sydney and London offices. Mr. Hinton was trained at the Guildhall School of Music and Drama (A.G.S.M.), University of Cambridge (M.Phil. Ethnomusicology) and the MIT Sloan School of Management (Sloan Visiting Fellow).

國際顧問委員會

David C. Owens先生，57歲，為駐新加坡之技術及業務拓展顧問，於採礦業積逾三十二年經驗，其中十七年涉及亞洲，涵蓋探礦、礦區運作、企業管理、財務、業務拓展及創業。Owens先生自二零零一年起一直在蒙古工作。彼於任職礦業公司十一年間，在加拿大極地大型鐵礦工作，取得主要技術及管理技能，其後創立兩間公眾採礦公司Asia Minerals及Asia Gold並上市。該兩間公司中國、蒙古及印尼開發貴金屬、基本金屬及煤礦機會。在彼之領導下，Asia Minerals成為首個取得國務院批出商業牌照的中國外資採金合營企業。Ivanhoe Mines購入Asia Gold大部分股權以於蒙古戈壁地區大規模煤礦區進行開採。Owens先生畢業於倫敦大學英皇書院(Imperial College)採礦地質系，並持有多倫多大學之加拿大財務管理文憑，另為加拿大英屬哥倫比亞省註冊專地質學家。

Sean Hinton先生，44歲，於蒙古擁有逾22年經驗，操流利蒙古語，自一九八八年至一九九五年間居住於蒙古，並自一九九六年起曾任駐澳洲蒙古名譽總領事四年。Hinton先生於二零零七年創辦私人公司，以於北亞提供策略及投資顧問服務。彼於北京及烏蘭巴托兩地居住。Hinton先生擁有就跨國交易及首次公開發售向跨國公司提供意見之經驗，主要集中於中國、蒙古、澳洲及非洲之能源及礦物方面。彼亦曾為蒙古及南非政府進行顧問工作。於過去數年間，彼曾就超過11,500,000,000美元之交易提供意見。Hinton先生近期曾擔任的職務包括一直出任Goldman Sachs (Asia)高級獨立顧問、SOHO中國首次公開招股時出任其行政總裁特別顧問以及亞太區電視公司總匯China Networks Ltd.之主席。創辦私人公司前，Hinton先生曾為倫敦小型投資銀行Media Entertainment Advisors之合夥人及主事人，為私人投資者及企業客戶提供意見，包括公眾廣播公司、發行商、銀行、對沖基金以致政府機關。彼曾任倫敦基金Creative Capital Fund投資委員會以及多個網上創業公司顧問委員會的委員。Hinton先生於一九九五年在麥肯錫公司開展其事業，曾於悉尼及倫敦辦事處任職五年。Hinton先生曾受訓於Guildhall School of Music and Drama (A.G.S.M.)、University of Cambridge (民族音樂學哲學碩士)及MIT Sloan School of Management (Sloan Visiting Fellow)。

Boards' and Management Profile

董事及管理人員簡介

SENIOR MANAGEMENT

Mr. Chan Ka Kit, aged 36, is the Group's Financial Controller. Mr. Chan has over 13 years of working experience in auditing and accounting in Hong Kong and People's Republic of China. Prior to joining the Company, he has worked for an international audit firm for more than seven years. He previously held financial controller position in a pharmaceutical group and as chief financial controller and company secretary position in Spark Roll Group Limited (stock code: 970). Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountant (UK). Mr. Chan holds a Bachelor of Arts (Hons) in Accountancy from The City University of Hong Kong.

Mr. Zhou Zhiyong, aged 39, is the Group's General Manager for the operations in Mongolia. Mr. Zhou has over 17 years of experience in mining and geological exploration, resources development and project management and has worked in Inner Mongolia, China and Mongolia. Prior to joining to the Group, he has been the Deputy General Manager, the mining project manager, the Chief Engineer and the head of geological technician for the mining operations of Baotou Iron and Steel (Group) Co., Ltd, an iron and steel state-owned enterprise in Inner Mongolia, China. Mr. Zhou holds a Bachelor of Engineering in Geology from The Northeast University at Qinhuangdao Campus (東北大學秦皇島分校).

Mr. Zhang Guohua, aged 46, is the Mine Manager of the Group's Oyut Ovoo iron mine. Mr. Zhang has over 20 years of experience in mining and geological exploration. Prior to joining the Group, Mr. Zhang was the general manager and chief mine engineer of Xinjiang Tumushuke Haitian Mining Xiaohaizi Iron Ore Mine (新疆圖木蘇克市海天礦業小海子鐵礦), and deputy general manager and mine manager of Western Mining Ximeng Hunan Anhua Province Antimony Company Ltd (西部礦業西蒙公司湖南安化縣同心銻業有限公司). Mr. Zhang graduated in mine engineering in Shenyang College of Gold Mining (瀋陽黃金專科學校).

Mr. Chen Bo, aged 44, is the Group's Deputy Mine Director and Senior Mining Engineer. Mr. Chen graduated from the Central South University specializing in open-pit mining. Mr. Chen has over 20 years of experience in mining work, including over 8 years of managing experience of alluvial gold mines. Mr. Chen has worked as a mining technician, mining engineer and supervisor/director of production safety and technology. Prior to joining the Group, Mr. Chen has been the mining director of the Tukuzbuy gold deposit (托庫孜巴依金礦) of 新疆阿勒泰正元國際礦業有限公司, as well as the deputy manager of the Yuncaishan Iron Mine (雲彩山鐵礦) of 河北青龍盛華北方礦業有限公司.

高級管理人員

陳家傑先生，36歲，為本集團財務總裁。陳先生於香港及中華人民共和國具備超過13年審計及會計經驗。並在加入本公司前，陳先生曾經在一間國際知名會計師行任職超過七年。陳先生曾擔任一間藥業集團之財務總監及於香港聯交所上市之股份代號970之耀萊集團有限公司之財務總裁兼公司秘書。陳先生為香港會計師公會及英國特許公認會計師公會會員。陳先生持有香港城市大學之會計學文學學士(榮譽)學位。

周智勇先生，39歲，為本集團蒙古業務之總經理。周先生於開採及地質勘查、資源開發及專案管理方面擁有逾17年經驗，曾于中國內蒙古及蒙古國工作。周先生曾在包頭鋼鐵(集團)有限責任公司(為一家中國內蒙古之鋼鐵國有企業)之礦山業務先後擔任常務副總經理、鐵礦專案組組長、總工程師、地質專業技術帶頭人等職務。周先生持有東北大學(秦皇島分校)之地質系工學學士學位。

張國華先生，46歲，為本集團遊遊敖包銅鐵礦礦長。張先生從事礦業20多年，擁有豐富的礦山開採與地質勘查的經驗。加入本集團前，張先生曾擔任新疆圖木蘇克市海天礦業小海子鐵礦總經理兼總工程師，和西部礦業西蒙公司湖南安化縣同心銻業有限公司副總經理兼同心銻礦礦長。張先生于瀋陽黃金專科學校礦山系採礦工程專業畢業。

陳博先生，44歲，為本集團砂金礦礦長，畢業於中南大學露天開採專業。陳先生有著20多年的採礦工作經驗，其中有8年多的砂金礦管理經驗。陳先生曾先後擔任過採礦技術員、採礦工程師及生產安全技術科長/部長。加入本集團前，陳先生曾在新疆阿勒泰正元國際礦業有限公司的托庫孜巴依金礦擔任礦長，在河北青龍盛華北方礦業有限公司雲彩山鐵礦擔任副總經理。

Reports of the Directors

董事會報告

The Board of Directors (the “Directors”) of the Company is pleased to present their report and the Audited Financial Statements of the Company and its subsidiaries (the “Group”) for the year ended 31st December 2010.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. As discussed in the Chairman’s Statement and the Management Discussion and Analysis sections of the Company’s 2009 Annual Report, the Group entered into the new mining business in Mongolia through the acquisition of North Asia Resources Group Limited and its subsidiary on 16th December 2009 and disposed of its agro-conservation and bio-energy businesses in early 2010. In May 2010, the Group further acquired 2 alluvial gold mines. Details of the material activities of the Group’s principal subsidiaries are set out in note 42 to the consolidated financial statements. Apart from the new mining businesses, there were no other significant changes in the nature of the Group’s principal activities during 2010.

RESULTS

The Group’s results for the year ended 31st December 2010 and the state of affairs of the Company and of the Group at that date are set out in the Financial Statements on pages 46 to 144.

SUMMARY FINANCIAL INFORMATION

The following is a summary of the published consolidated results and the assets, liabilities and minority interests of the Group, prepared on the basis set out in the notes to the consolidated financial statements. This summary does not form part of the audited financial statements.

本公司董事（「董事」）會欣然提呈其報告以及本公司及其附屬公司（「本集團」）截至二零一零年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。誠如本公司二零零九年年報之主席報告及管理層討論及分析所述，本集團透過於二零零九年十二月十六日收購北亞資源集團有限公司及其附屬公司進入蒙古之新採礦業務，並於二零一零年初出售農產保育及生物能源業務。於二零一零年五月，本集團進一步收購兩個砂金礦。有關本集團各主要附屬公司之主要業務詳情載於綜合財務報表附註42。除新採礦業務外，本集團之主要業務性質於二零一零年度並無任何其他重大變動。

業績

本集團截至二零一零年十二月三十一日止年度之業績與本公司及本集團於該日之財務狀況載於第46至第144頁之財務報表。

財務資料概要

以下為本集團按照綜合財務報表附註所載基準編製之已公佈綜合業績以及資產、負債及少數股東權益概要。此概要並不構成經審核財務報表其中部分。



Reports of the Directors

董事會報告

RESULTS

業績

| | | 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 | 2006 二零零六年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| TURNOVER | 營業額 | | | | | |
| Continuing operations | 持續經營業務 | 31,922 | 51,705 | 109,154 | 66,635 | 58,740 |
| Discontinuing operations | 已終止業務 | - | - | 569 | 5,617 | - |
| | | 31,922 | 51,705 | 109,723 | 72,252 | 58,740 |
| LOSS BEFORE TAX | 除稅前虧損 | | | | | |
| Continuing operations | 持續經營業務 | (3,038,980) | (31,478) | (32,935) | (40,763) | (11,633) |
| Discontinuing operations | 已終止業務 | 257 | (156,250) | (196,441) | 4,715 | - |
| | | (3,038,723) | (187,728) | (229,376) | (36,048) | (11,633) |
| TAX | 稅項 | 28,486 | (508) | 30,053 | (1,209) | 1,642 |
| LOSS BEFORE MINORITY INTERESTS | 未計少數股東權益前虧損 | (3,010,237) | (188,236) | (199,323) | (37,257) | (9,991) |
| MINORITY INTERESTS | 少數股東權益 | 460 | 2,128 | 1,417 | (422) | - |
| NET LOSS ATTRIBUTABLE TO SHAREHOLDERS | 股東應佔淨虧損 | (3,009,777) | (186,108) | (197,906) | (37,679) | (9,991) |

ASSETS, LIABILITIES AND MINORITY INTERESTS

資產、負債及少數股東權益

| | | 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 | 2006 二零零六年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | 1,400,130 | 4,175,616 | 274,583 | 406,367 | 48,880 |
| CURRENT ASSETS | 流動資產 | 316,470 | 266,525 | 217,337 | 114,382 | 190,519 |
| CURRENT LIABILITIES | 流動負債 | (55,082) | (117,320) | (85,754) | (77,732) | (68,407) |
| NET CURRENT ASSETS | 流動資產淨值 | 261,388 | 149,205 | 131,583 | 36,650 | 122,112 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總值減流動負債 | 1,661,518 | 4,324,821 | 406,166 | 443,017 | 170,992 |
| NON-CURRENT LIABILITIES | 非流動負債 | (433,803) | (545,694) | (71,310) | (117,667) | - |
| MINORITY INTERESTS | 少數股東權益 | (430) | (136,830) | (2,855) | (2,555) | - |
| | | 1,227,285 | 3,642,297 | 322,001 | 322,795 | 170,992 |

Reports of the Directors

董事會報告

PLANT AND EQUIPMENT

Details of movements in the plant and equipment of the Company and of the Group during the year are set out in note 17 to the consolidated financial statements.

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 for such movements, are set out in notes 29 and 33, respectively, to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 41 to the consolidated financial statements and in the consolidated statement of changes in equity on page 50, respectively.

DISTRIBUTABLE RESERVES

At 31st December 2010, the Company had no retained profits available for cash distribution or distribution in specie. Subject to the Companies Act 1981 of Bermuda (the "Act"), the Company's contributed surplus of approximately HK\$458,561,000 is distributable. The contributed surplus and the Company's share premium account following a reduction thereof in compliance with the Act and the approval of Shareholders of the Company, in the amount of approximately HK\$3,940,400,000 at 31st December 2010, may be set off against the accumulated losses of the Company. Thereafter, any balance in the share premium account of the Company may be distributed in the form of fully paid bonus shares.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE AND REDEMPTION OF SHARES

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

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 31% of the Group's total sales in 2010.

Purchases from the Group's five largest suppliers accounted for 95% of the total purchases for in 2010 and purchases from the largest supplier included therein amounted to 39% of the Group's total purchases for the year.

None of the Directors, any of their associates, or any of the substantial shareholders of the Company (which are disclosed to the Directors) had any beneficial interest in the Group's five largest customers and suppliers.

廠房及設備

本公司及本集團之廠房及設備於年內之變動詳情載於綜合財務報表附註17。

股本及購股權

本公司股本及購股權於年內之變動詳情連同變動理由分別載於綜合財務報表附註29及33。

儲備

本公司及本集團儲備於年內之變動詳情分別載於綜合財務報表附註41及第50頁之綜合權益變動表。

可分派儲備

於二零一零年十二月三十一日，本公司並無留存溢利可作現金分派或實物分派。在符合百慕達一九八一年公司法（「公司法」）之情況下，本公司約458,561,000港元之繳入盈餘可予分派。繳入盈餘及本公司於二零一零年十二月三十一日約3,940,400,000港元之股份溢價賬（於根據公司法及本公司股東之批准削減後）可用於抵銷本公司之累積虧損。其後，本公司股份溢價賬中之任何結餘可作為繳足紅股分派。

優先認股權

本公司之公司細則或本公司註冊成立之司法權區百慕達之法例均無載有本公司必須按比例向其現有股東發售新股份之優先認股權規定。

購買、出售及贖回股份

本公司或其任何附屬公司概無於年內購買、贖回或出售本公司任何上市證券。

主要客戶及供應商

向本集團五名最大客戶作出之銷售佔本集團於二零一零年銷售總額約31%。

本集團向五名最大供應商作出之採購佔二零一零年採購總額95%，而其中向最大供應商作出之採購佔本集團本年度採購總額39%。

董事、彼等任何聯繫人士或已向董事披露之本公司主要股東概無於本集團五大客戶或供應商擁有任何實益權益。

Reports of the Directors 董事會報告

DIRECTORS

The Directors of the Company during 2010 and up to the date of this report were as follows:

EXECUTIVE DIRECTORS

Mr. Tse Michael Nam (Chairman and acting Chief Executive Officer) (resigned as Chairman on 1st January 2010, resigned as Chief Executive Officer on 26th March 2010, appointed as Deputy Chairman and acting Chief Executive Officer on 22nd October 2010 and re-designated as Chairman on 15th March 2011)

Mr. Yang Xiaoqi
(appointed on 22nd October 2010)

Mr. King Jun Chih, Joseph (Chairman)
(appointed on 1st March 2010 and resigned from the Board on 27th January 2011)

Mr. Chan Kwan Hung (Deputy Chairman and Chief Executive Officer)
(appointed on 26th March 2010 and resigned from the Board on 27th January 2011)

Mr. Puongpun Sananikone (Deputy Chairman and Executive Director)
(resigned from the Board 26th March 2010)

NON-EXECUTIVE DIRECTORS

Mr. Wu Chi Chiu (Deputy Chairman)
(appointed as the Non-Executive Director on 22nd October 2010 and appointed as Deputy Chairman on 15th March 2011)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lim Yew Kong, John

Mr. Mak Ping Leung
(appointed on 1st March 2010)

Mr. Leung Po Wing, Bowen Joseph, *GBS, JP*
(appointed on 26th March 2010)

Mr. Albert Theodore Powers
(term of appointment expired 1st March 2010)

Mr. Pang Seng Tuong
(resigned from the Board 26th March 2010)

董事

於二零一零年及截至本報告日期止之本公司董事如下：

執行董事

謝南洋先生(主席兼代理行政總裁)
(於二零一零年一月一日辭任主席，於二零一零年三月二十六日辭任行政總裁，於二零一零年十月二十二日獲委任為副主席兼代理行政總裁並於二零一一年三月十五日調任為主席)

楊曉琪先生
(於二零一零年十月二十二日獲委任)

金潤之先生(主席)
(於二零一零年三月一日獲委任及於二零一一年一月二十七日從董事會辭任)

陳均鴻先生(副主席兼行政總裁)
(於二零一零年三月二十六日獲委任及於二零一一年一月二十七日從董事會辭任)

Puongpun Sananikone先生
(副主席兼執行董事)
(於二零一零年三月二十六日從董事會辭任)

非執行董事

胡志釗先生(副主席)
(於二零一零年十月二十二日獲委任為非執行董事及於二零一一年三月十五日獲委任為副主席)

獨立非執行董事

Lim Yew Kong, John先生

麥炳良先生
(於二零一零年三月一日獲委任)

梁寶榮先生 *GBS, JP*
(於二零一零年三月二十六日獲委任)

Albert Theodore Powers先生
(任期於二零一零年三月一日屆滿)

Pang Seng Tuong先生
(於二零一零年三月二十六日從董事會辭任)

Reports of the Directors

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In accordance with Bye-Law 111(A) of the Company's Bye-Laws and the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Mr. Tse Michael Nam and Mr. Lim Yew Kong, John will retire by rotation at the forthcoming annual general meeting. In accordance with Bye-Law 115, Mr. Yang Xiaoqi and Mr. Wu Chi Chiu will retire from their offices at the forthcoming annual general meeting. Being eligible, each of Mr. Tse Michael Nam, Mr. Lim Yew Kong, John, Mr. Yang Xiaoqi and Mr. Wu Chi Chiu will offer himself for re-election as a Director.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the current Directors and of the senior management of the Group (the "Management") are set out on pages 14 to 18 of this Annual Report.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

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

At 31st December 2010, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of Listed Companies (the "Model Code"), were as follows:

(i) Long position in the shares

| Name of Director 董事姓名 | Nature of interest 權益性質 | No. of shares held 所持股份數目 | Position 持倉 | Approximate percentage of issued share capital as at 31st December 2010 佔於二零一零年 十二月三十一日之 已發行股本概約百分比 |
|--|----------------------------|------------------------------|----------------|---|
| Mr. Tse Michael Nam 謝南洋先生 | Beneficial owner 實益擁有人 | 11,531,642 | Long 好倉 | 1.35% |
| Mr. Lim Yew Kong, John Lim Yew Kong, John先生 | Beneficial owner 實益擁有人 | 839,178 | Long 好倉 | 0.10% |

根據本公司之公司細則第111(A)條及香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載企業管治常規守則(「守則」), 謝南洋先生及Lim Yew Kong, John先生將於應屆股東週年大會輪值告退。根據公司細則第115條, 楊曉琪先生及胡志釗先生將於應屆股東週年大會告退。謝南洋先生、Lim Yew Kong, John先生、楊曉琪先生及胡志釗先生各自符合資格並願意重選連任為董事。

董事與高級管理人員之履歷

在任董事與本集團高級管理人員(「管理層」)之履歷載於本年報第14至第18頁。

董事於合約之權益

概無董事在本公司或其任何附屬公司於年內訂有且對本集團業務有重大影響之合約中, 直接或間接擁有重大實益權益。

董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於二零一零年十二月三十一日, 本公司董事及最高行政人員於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中, 擁有本公司根據證券及期貨條例第352條須存置之登記冊所記錄, 或根據上市公司董事進行證券交易的標準守則(「標準守則」)已知會本公司及聯交所之權益及淡倉如下:

(i) 股份之好倉

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(ii) Long position in the underlying shares

(ii) 相關股份之好倉

| Name of Director 董事姓名 | Nature of interest 權益性質 | No. of underlying shares 相關股份數目 | Position 持倉 | Approximate percentage of issued share capital as at 31st December 2010 佔於二零一零年 十二月三十一日之 已發行股本概約百分比 |
|--|----------------------------|---------------------------------------|----------------|---|
| Mr. King Jun Chih, Joseph 金潤之先生 | Interest of spouse 配偶權益 | 100,000 (Note 1) (附註1) | Long 好倉 | 0.01% |
| Mr. Tse Michael Nam 謝南洋先生 | Beneficial owner 實益擁有人 | 2,003,157 (Note 2) (附註2) | Long 好倉 | 0.235% |
| Mr. Lim Yew Kong, John Lim Yew Kong, John先生 | Beneficial owner 實益擁有人 | 2,560,822 (Note 3) (附註3) | Long 好倉 | 0.301% |
| Mr. Mak Ping Leung 麥炳良先生 | Beneficial owner 實益擁有人 | 1,000,000 (Note 4) (附註4) | Long 好倉 | 0.11% |
| Mr. Leung Po Wing, Bowen Joseph (GBS, JP) 梁寶榮先生(GBS, JP) | Beneficial owner 實益擁有人 | 1,000,000 (Note 5) (附註5) | Long 好倉 | 0.11% |

Notes:

- Ms. Kung Lui ("Ms. Kung"), the wife of Mr. King Jun Chih, Joseph ("Mr. King"), an Executive Director, held share options of the Company entitling her to subscribe for 100,000 Shares at a subscription price of HK\$1.00 per Share. By virtue of the SFO, Mr. King was deemed to be interested in those share options held by Ms. Kung.
- Mr. Tse Michael Nam, the Chairman and acting Chief Executive Officer, held share options of the Company entitling him to subscribe for 100,964 Shares, 902,193 Shares and 1,000,000 Shares at a subscription price of HK\$6.51, HK\$2.40 and HK\$2.34 per Share respectively.
- Mr. Lim Yew Kong, John, an Independent Non-Executive Director, held share options of the Company entitling him to subscribe for 60,822 Shares, 1,500,000 and 1,000,000 Shares at a subscription price of HK\$3.55, HK\$2.34 and HK\$1.49 per Share respectively.
- Mr. Mak Ping Leung, an Independent Non-Executive Director, held share options of the Company entitling him to subscribe for 1,000,000 Shares at a subscription price of HK\$1.49 per Share.
- Mr. Leung Po Wing, Bowen Joseph, an Independent Non-Executive Director, held share options of the Company entitling him to subscribe for 1,000,000 Shares at a subscription price of HK\$1.49 per Share.

附註:

- 執行董事金潤之先生(「金先生」)之妻子龔蕾女士(「龔女士」)持有本公司購股權，有權以認購價每股股份1.00港元認購100,000股股份。根據證券及期貨條例，金先生被視為於龔女士持有之該等購股權中擁有權益。
- 主席兼代理行政總裁謝南洋先生持有本公司購股權，有權分別以認購價每股股份6.51港元、2.40港元及2.34港元認購100,964股、902,193股及1,000,000股股份。
- 獨立非執行董事Lim Yew Kong, John先生持有本公司購股權，有權分別以認購價每股股份3.55港元、2.34港元及1.49港元認購60,822股、1,500,000股及1,000,000股股份。
- 獨立非執行董事麥炳良先生持有本公司購股權，有權以認購價每股股份1.49港元認購1,000,000股股份。
- 獨立非執行董事梁寶榮先生持有本公司購股權，有權以認購價每股股份1.49港元認購1,000,000股股份。

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In addition to the above, as at 31st December 2010, certain Directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Except as disclosed above, as at 31st December 2010, neither the Chief Executive Officer nor any of the Directors of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Except as disclosed above and in note 33 to the consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any of the Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by any of them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEMES

Concerning the share options granted during the year to the Directors and employees as detailed above and in note 33 to the consolidated financial statements, the Directors do not consider it appropriate to disclose any theoretical value of the options granted because, in the absence of a readily available market value of the share options in the ordinary shares of the Company, the Directors were unable to arrive at an accurate assessment of the value of the share options.

除上述者外，於二零一零年十二月三十一日，為符合公司最少股東人數之規定，若干董事代本公司持有若干附屬公司之非實益個人股本權益。

除上文披露者外，於二零一零年十二月三十一日，本公司之最高行政人員或董事概無於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中，擁有或被視為擁有：(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之任何權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益或淡倉）；或(ii)根據證券及期貨條例第352條須記錄於該條例所述登記冊之任何權益或淡倉；或(iii)根據標準守則須知會本公司及聯交所之任何權益或淡倉。

董事購入股份或債券之權利

除上文及綜合財務報表附註33披露者外，於年內任何時間，本公司概無向董事或彼等各自之配偶或未滿18歲之子女授出可藉購入本公司股份而獲益之權利，彼等亦無行使任何該等權利；本公司或其任何附屬公司亦無參與任何安排，致使董事可於任何其他法人團體獲取該等權利。

購股權計劃

就上文及綜合財務報表附註33所詳述有關年內授予董事及僱員之購股權而言，由於市場並無有關本公司普通股之購股權市值供參考，董事未能就該等購股權之價值作出準確估值，故董事認為，並不適宜披露已授出購股權之理論價值。

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董事會報告

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

Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and Substantial Shareholders

So far as is known to the Directors, as at 31st December 2010, the following persons (not being Directors or the Chief Executive Officer of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

(i) Interests in the shares and underlying shares

主要股東及其他人士於股份及相關股份之權益及淡倉

擁有須根據證券及期貨條例第XV部第2及3分部披露之權益或淡倉之人士及主要股東

據董事所知，於二零一零年十二月三十一日，下列人士（並非本公司董事或行政總裁）於股份或相關股份中，擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露之權益或淡倉，或直接或間接擁有附有權利可於任何情況在本集團任何成員公司之股東大會表決之任何類別股本面值10%或以上之權益：

(i) 股份及相關股份之權益

| Name of substantial shareholder 主要股東姓名／名稱 | Nature of Interest 權益性質 | No. of shares and/or underlying shares held 所持股份及／或相關股份數目 | | Position 持倉 | Approximate percentage of issued share capital as at 31st December 2010 佔於二零一零年十二月三十一日之已發行股本概約百分比 |
|---|--|--|-------------|----------------|--|
| | | | | | |
| Mr. Yu Tsung Chin, William (Note 1) 于宗謹先生(附註1) | Interest of controlled corporation 受控法團權益 | 1,954,300,373 | Long 好倉 | 229.54% | |
| | | 765,605,736 | Short 淡倉 | 89.92% | |
| Mr. Zhang Wei (Note 1) 張煒先生(附註1) | Interest of controlled corporation 受控法團權益 | 1,954,300,373 | Long 好倉 | 229.54% | |
| | | 765,605,736 | Short 淡倉 | 89.92% | |
| Mountain Sky Resources (Mongolia) Limited 山天能源(蒙古)有限公司 | Beneficial owner 實益擁有人 | 1,095,411,737 | Long 好倉 | 128.66% | |
| | | 765,605,736 | Short 淡倉 | 89.92% | |

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| Name of substantial shareholder 主要股東姓名／名稱 | Nature of Interest 權益性質 | No. of shares and/or underlying shares held 所持股份及／或相關股份數目 | Position 持倉 | Approximate percentage of issued share capital as at 31st December 2010 佔於二零一零年十二月三十一日之已發行股本概約百分比 |
|---|--|--|----------------|--|
| Ultra Asset International Ltd. (Note 1) | Beneficial owner 實益擁有人 | 858,888,636 | Long 好倉 | 100.88% |
| Ultra Asset International Ltd. (附註1) | Interest of controlled corporation 受控法團權益 | 1,095,411,737 | Long 好倉 | 128.66% |
| | | 765,605,736 | Short 淡倉 | 89.92% |
| Extra Right Group Limited (Note 1) | Interest of controlled corporation 受控法團權益 | 1,954,300,373 | Long 好倉 | 229.54% |
| Extra Right Group Limited (附註1) | | 765,605,736 | Short 淡倉 | 89.92% |
| Great Metal Group Limited Great Metal Group Limited | Beneficial owner 實益擁有人 | 50,690,000 | Long 好倉 | 5.95% |
| China Railway Mongolia Investment LLC (Note 2) 中鐵蒙古有限責任公司 (附註2) | Interest of controlled corporation 受控法團權益 | 50,690,000 | Long 好倉 | 5.95% |
| Grandwin Enterprises Limited Grandwin Enterprises Limited | Beneficial owner 實益擁有人 | 67,595,764 | Long 好倉 | 7.93% |
| Mr. Leung Pak To (Note 3) 梁伯韜先生 (附註3) | Interest of controlled corporation 受控法團權益 | 67,595,764 | Long 好倉 | 7.93% |
| Business Ally Investments Limited Business Ally Investments Limited | Beneficial owner 實益擁有人 | 893,811,644 | Long 好倉 | 104.98% |
| CCB International Asset Management Ltd. (Note 4) CCB International Asset Management Ltd. (附註4) | Interest of controlled corporation 受控法團權益 | 893,811,644 | Long 好倉 | 104.98% |

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| Name of substantial shareholder 主要股東姓名／名稱 | Nature of Interest 權益性質 | No. of shares and/or underlying shares held 所持股份及／或相關股份數目 | Position 持倉 | Approximate percentage of issued share capital as at 31st December 2010 佔於二零一零年十二月三十一日之已發行股本概約百分比 |
|---|--|--|----------------|--|
| CCB International Asset Management (Cayman) Ltd. (Note 4) | Interest of controlled corporation 受控法團權益 | 893,811,644 | Long 好倉 | 104.98% |
| CCB International Asset Management (Cayman) Ltd. (附註4) | | | | |
| CCB International (Holdings) Limited (Note 4) | Interest of controlled corporation 受控法團權益 | 893,811,644 | Long 好倉 | 104.98% |
| CCB International (Holdings) Limited (附註4) | | | | |
| CCB Financial Holdings Limited (Note 4) | Interest of controlled corporation 受控法團權益 | 893,811,644 | Long 好倉 | 104.98% |
| CCB Financial Holdings Limited (附註4) | | | | |
| CCB International Group Holdings Limited (Note 4) | Interest of controlled corporation 受控法團權益 | 893,811,644 | Long 好倉 | 104.98% |
| CCB International Group Holdings Limited (附註4) | | | | |
| China Construction Bank Corporation (Note 4) 中國建設銀行股份有限公司 (附註4) | Interest of controlled corporation 受控法團權益 | 893,811,644 | Long 好倉 | 104.98% |
| Central Huijin Investment Ltd. (Note 4) 中央滙金投資有限責任公司 (附註4) | Interest of controlled corporation 受控法團權益 | 893,811,644 | Long 好倉 | 104.98% |
| Treerun Investments Ltd. (Note 5) Treerun Investments Ltd. (附註5) | Beneficial Owner 實益擁有人 | 163,889,345 | Long 好倉 | 19.25% |
| Mr. Fan Wenshuang (Note 5) 范文雙先生 (附註5) | Interest of controlled corporation 受控法團權益 | 163,889,345 | Long 好倉 | 19.25% |

Reports of the Directors

董事會報告

Notes:

1. Mountain Sky Resources (Mongolia) Limited ("MSR Mongolia") beneficially owns 155,350,000 Shares and 827,254,327 Convertible Preference Shares ("CPS") (long position) and 673,733,049 CPS (short position) which are convertible into 940,061,735 Shares and 765,605,738 Shares, respectively. MSR Mongolia is beneficially owned as to 81.19% by Ultra Asset International Limited ("UAI"). By virtue of the SFO, UAI was deemed to be interested in the Shares and CPS held by MSR Mongolia.

UAI beneficially owns 70,820,000 Shares and 693,500,400 CPS which are convertible into 788,068,636 Shares. UAI is beneficially owned as to 60% by Extra Right Group Limited ("ERG") and as to 40% by Mr. Zhang Wei ("Mr. Zhang"). ERG is in turn, wholly and beneficially owned by Mr. Yu Tsung Chin, William ("Mr. Yu"). By virtue of the SFO, Mr. Yu, Mr. Zhang and ERG were deemed to be interested in the Shares and CPS held by MSR Mongolia and UAI.

附註:

1. 山天能源(蒙古)有限公司(「山天能源蒙古」)實益擁有155,350,000股股份以及827,254,327股可換股優先股(「可換股優先股」)(好倉)及673,733,049股可換股優先股(淡倉),分別可轉換為940,061,735股及765,605,738股股份。山天能源蒙古由Ultra Asset International Limited(「UAI」)實益擁有81.19%權益。根據證券及期貨條例, UAI被視為於山天能源蒙古持有之股份及可換股優先股中擁有權益。

UAI實益擁有70,820,000股股份及693,500,400股可換股優先股,可轉換為788,068,636股股份。UAI分別由Extra Right Group Limited(「ERG」)及張煒先生(「張先生」)實益擁有60%及40%權益。ERG則由于宗謹先生(「于先生」)全資實益擁有。根據證券及期貨條例,于先生、張先生及ERG被視為於山天能源蒙古及UAI持有之股份及可換股優先股中擁有權益。

Reports of the Directors

董事會報告

2. Great Metal Group Limited (“GMG”) beneficially owns 50,690,000 Shares. GMG is wholly and beneficially owned by China Railway Mongolia Investment LLC (“CRMI”). By virtue of the SFO, CRMI was deemed to be interested in the Shares held by GMG.
3. Grandwin Enterprises Limited (“GEL”) beneficially owns 67,595,764 Shares. GEL is wholly and beneficially owned by Mr. Leung Pak To (“Mr. Leung”). By virtue of SFO, Mr. Leung was deemed to be interested in the Shares held by GEL.
4. Business Ally Investments Limited (“BAI”) beneficially owns 893,811,644 Shares. BAI is wholly and beneficially owned by CCB International Asset Management Ltd. (“CCB-IAM”). By virtue of the SFO, CCB-IAM was deemed to be interested in the Shares held by BAI.

CCB-IAM, is in turn wholly and beneficially owned by CCB International Asset Management (Cayman) Ltd. (“CCB-IAMC”). By virtue of the SFO, CCB-IAMC was deemed to be interested in the Shares which CCB-IAM was interested.

2. Great Metal Group Limited (「GMG」) 實益擁有 50,690,000 股股份。GMG 由中鐵蒙古有限責任公司 (「中鐵蒙古」) 全資實益擁有。根據證券及期貨條例，中鐵蒙古被視為於 GMG 持有之股份中擁有權益。
3. Grandwin Enterprises Limited (「GEL」) 實益擁有 67,595,764 股股份。GEL 由梁伯韜先生 (「梁先生」) 全資實益擁有。根據證券及期貨條例，梁先生被視為於 GEL 持有之股份中擁有權益。
4. Business Ally Investments Limited (「BAI」) 實益擁有 893,811,644 股股份。BAI 由建銀國際資產管理有限公司 (「建銀國際資產」) 全資實益擁有。根據證券及期貨條例，建銀國際資產被視為於 BAI 持有之股份中擁有權益。

建銀國際資產則由 CCB International Asset Management (Cayman) Ltd. (「CCB-IAMC」) 全資實益擁有。根據證券及期貨條例，CCB-IAMC 被視為於建銀國際資產擁有權益之股份中擁有權益。

Reports of the Directors

董事會報告

CCB-IAMC is in turn wholly and beneficially owned by CCB International (Holdings) Limited ("CCB-IH"). By virtue of the SFO, CCB-IH was deemed to be interested in the Shares which CCB-IAMC was interested.

CCB-IH is in turn wholly and beneficially owned by CCB Financial Holdings Limited ("CCB-FH"). By virtue of the SFO, CCB-FH was deemed to be interested in the Shares which CCB-IH was interested.

CCB-FH is in turn wholly and beneficially owned by CCB International Group Holdings Limited ("CCB-IGH"). By virtue of the SFO, CCB-IGH was deemed to be interested in the Shares which CCB-FH was interested.

CCB-IGH is in turn wholly and beneficially owned by China Construction Bank Corporation ("CC Bank"). By virtue of the SFO, CC Bank was deemed to be interested in the Shares which CCB-IGH was interested.

CC Bank is in turn wholly and beneficially owned by Central Huijin Investment Ltd. ("Central Huijin"). By virtue of the SFO, Central Huijin was deemed to be interested in the Shares which CC Bank was interested.

5. Treerun Investments Ltd. ("Treerun") beneficially owns 144,222,624 CPS which are convertible into 163,889,345 Shares. Treerun is wholly and beneficially owned by Mr. Fan Wenshuang ("Mr. Fan"). By virtue of the SFO, Mr. Fan was deemed to be interested in the Shares and CPS held by Treerun.

CCB-IAMC則由建銀國際(控股)有限公司(「建銀國際(控股)」)全資實益擁有。根據證券及期貨條例,建銀國際(控股)被視為於CCB-IAMC擁有權益之股份中擁有權益。

建銀國際(控股)則由CCB Financial Holdings Limited(「CCB-FH」)全資實益擁有。根據證券及期貨條例,CCB-FH被視為於建銀國際(控股)擁有權益之股份中擁有權益。

CCB-FH則由CCB International Group Holdings Limited(「CCB-IGH」)全資實益擁有。根據證券及期貨條例,CCB-IGH被視為於CCB-FH擁有權益之股份中擁有權益。

CCB-IGH則由中國建設銀行股份有限公司(「建行」)全資實益擁有。根據證券及期貨條例,建行被視為於CCB-IGH擁有權益之股份中擁有權益。

建行則由中央匯金投資有限責任公司(「中央匯金」)全資實益擁有。根據證券及期貨條例,中央匯金被視為於建行擁有權益之股份中擁有權益。

5. Treerun Investments Ltd. (「Treerun」)實益擁有144,222,624股可換股優先股,可轉換為163,889,345股股份。Treerun由范文雙先生(「范先生」)全資實益擁有。根據證券及期貨條例,范先生被視為於Treerun持有之股份及可換股優先股中擁有權益。

Reports of the Directors

董事會報告

(ii) Interests in shares of associated corporations of the Company

(ii) 於本公司相聯法團股份之權益

| Name of subsidiary 附屬公司名稱 | Name of entity 實體名稱 | Class and no. of securities 證券類別及數目 | Percentage shareholdings 股權百分比 |
|------------------------------|------------------------|---|--------------------------------------|
| BMC Software (China) Ltd. | BMC Software (HK) Ltd. | 1 ordinary share of HK\$1 (L) 1股面值1港元之普通股(L) | 10% |

L: represents a long position in the securities

L: 代表證券之好倉

Except as disclosed above and so far as the Directors are aware, as at 31st December 2010, no other party had any interest or short position in the shares, the underlying shares or debentures of the Company which would be required to be disclosed to the Company under provisions of Division 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to herein.

除上文披露者外，據董事所知，於二零一零年十二月三十一日，並無其他人士於本公司股份、相關股份或債券中，擁有須根據證券及期貨條例第XV部第2及3分部條文向本公司披露，或須根據證券及期貨條例第336條記入該條所指登記冊之權益或淡倉。

CORPORATE GOVERNANCE

Throughout the year ended 31st December 2010, the Company has complied with the code provisions and recommended best practices of the Code, except for certain deviations. Details of corporate governance are set out in the section headed "Corporate Governance Report" in this Annual Report.

企業管治

除若干偏離情況外，本公司於截至二零一零年十二月三十一日止年度內一直遵守守則之守則條文及建議最佳常規。有關企業管治之詳情載於本年報「企業管治報告」一節。

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 12 June 1999 with clear written terms of reference. For the year ended 31st December 2010 and as at the date of this report, the Audit Committee was comprised of three members, all of whom were Independent Non-Executive Directors. The composition of the Audit Committee as at the date of this report was Mr. Lim Yew Kong, John, (Chairman of the Audit Committee), Mr. Mak Ping Leung and Mr. Leung Po Wing, Bowen Joseph, GBS, JP. Mr. Lim Yew Kong, John, the Chairman of the Audit Committee is a qualified chartered accountant from the Institute of Chartered Accountants in England and Wales. None of the members of the Audit committee is a partner or former partner of SHINEWING (HK) CPA Limited, the Company's external auditors.

審核委員會

本公司於一九九九年六月十二日成立審核委員會（「審核委員會」），並清楚書面列明其職權範圍。於截至二零一零年十二月三十一日止年度及本報告日期，審核委員會由三名成員組成，全部均為獨立非執行董事。於本報告日期，審核委員會成員包括Lim Yew Kong, John先生（審核委員會主席）、麥炳良先生及梁寶榮先生GBS, JP。審核委員會主席Lim Yew Kong, John先生為英格蘭及威爾斯特許會計師公會之合資格特許會計師。概無審核委員會成員為本公司外聘核數師信永中和（香港）會計師事務所有限公司之合夥人或前合夥人。

Reports of the Directors

董事會報告

The Audit Committee meets at least twice a year to review the annual and interim results and the accompanying auditor's reports, the accounting policies and practices adopted by the Company, and the financial and internal control systems of the Company.

The Audit Committee has reviewed the Group's audited financial statements for the year ended 31st December 2010, including the auditor's report thereon, and has submitted its views to the Board.

AUDITORS

The audited financial statements of the Company for the year ended 31st December 2010 have been audited by SHINEWING (HK) CPA Limited, who will retire and being eligible, offer themselves for reappointment as auditors at the forthcoming annual general meeting of the Company.

ON BEHALF OF THE BOARD

Mr. Tse Michael Nam

Chairman

Hong Kong, 28 March, 2011

審核委員會每年最少舉行兩次會議，以審閱年度及中期業績以及隨附之核數師報告、檢討本公司採納之會計政策及慣例，以及檢討本公司財務及內部監控制度。

審核委員會已審閱本集團截至二零一零年十二月三十一日止年度之經審核財務報表，包括當中所載之核數師報告，並已向董事會提呈其意見。

核數師

本公司截至二零一零年十二月三十一日止年度之經審核財務報表已經由信永中和（香港）會計師事務所有限公司審核，其將任滿告退並符合資格及願意於本公司應屆股東週年大會獲重聘連任。

代表董事會

主席

謝南洋先生

香港，二零一一年三月二十八日



Corporate Governance Report

企業管治報告

The Board of Directors (the “Board”) and Management of the Company are highly committed to maintaining good corporate governance practices and transparency in fulfilling their corporate responsibility and accountability to the Company’s Shareholders. The Board and Management recognize that the maintenance of good corporate governance practices is an essential factor in achieving financial success and enhancing shareholder value.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

(a) Corporate Governance Practices

Throughout the year ended 31st December 2010, the Company has complied with the code provisions and recommended best practices of the Code except for certain deviations as set out below. The Board will continue to review and monitor the Company’s corporate governance practices to ensure compliance with the Code.

(b) Director’s Securities Transactions

The Model Code has been adopted as the code for Directors’ securities transaction for the Company. After having made specific enquiry of all the Directors, each of the Directors confirms that he has complied with the Model Code for the year ended 31st December 2010.

(c) Board of Directors

Currently, the Board is composed of six members comprising two Executive Directors (including the Chairman), one non-Executive Director who is also the Deputy Chairman and three Independent Non-Executive Directors. The biographical details of the current members of the Board are set out on pages 14 to 16 of the Annual Report.

For approximately two and half months during the year ended 31st December 2010, there were eight board members comprising four Executive Directors (including the Chairman and Deputy Chairman), one non-Executive Director and three Independent Non-Executive Directors.

Save for being a Director, each of the Director do not have any other relationship with each other, senior management or substantial or controlling shareholders (as defined in the Rules (the “Listing Rules”) governing the Listing of Securities on the Stock Exchange) of the Company.

董事會（「董事會」）及本公司管理層一直致力維持良好企業管治常規及高透明度，以履行本身之企業責任及對本公司股東之問責性。董事會及管理層瞭解維持優秀企業管治常規乃取得豐碩成果及為股東帶來更高價值之重要因素。

遵守企業管治常規守則

(a) 企業管治常規

除下文所載若干偏離情況外，本公司於截至二零一零年十二月三十一日止年度一直遵守守則之守則條文及建議最佳常規。董事會將繼續檢討及監控本公司之企業管治常規，以確保符合守則規定。

(b) 董事之證券交易

本公司已採納標準守則作為本公司董事進行證券交易之守則。經向全體董事作出具體查詢後，各董事確認，彼等於截至二零一零年十二月三十一日止年度一直遵守標準守則。

(c) 董事會

董事會現時由六名成員組成，包括兩名執行董事（包括主席）、一名非執行董事（兼任副主席）及三名獨立非執行董事。董事會現任成員之履歷詳情載於年報第14至第16頁。

於截至二零一零年十二月三十一日止年度，董事會有約兩個半月時間由八名成員組成，包括四名執行董事（包括主席及副主席）、一名非執行董事及三名獨立非執行董事。

除作為董事外，各董事彼此之間及與本公司高級管理層、主要股東或控股股東（定義見聯交所證券上市規則（「上市規則」））並無任何其他關係。

Corporate Governance Report

企業管治報告

The Board is tasked with the responsibility of directing and supervising the Company's businesses and affairs and promoting its success and growth. The Board is collectively responsible for the management and operations of the Company and is responsible for directing and supervising the overall management of the Company with regards to the implementation and maintenance of internal control procedures and ensuring compliance with relevant statutory requirements, the Stock Exchange Listing Rules and other rules and regulations.

The day to day management of the Company is the responsibility of the Management of the Company.

The Board meets regularly. During the year, four regular Board meetings were held. Notices for regular Board meetings were given to all Directors at least 14 days prior to the meetings.

Prior to each Board meeting (for regular meetings, at least 3 days prior), the Chairman, with the support of the Company Secretary, ensures that every Director has been properly briefed on issues and provided with the agenda and accompanying Board papers containing adequate information to enable them to make informed decisions at the meeting. Every member of the Board has an opportunity to propose matters in the agenda for discussion at each Board meeting.

Minutes of Board meetings and meetings of committees are taken by the Company Secretary and maintained at the Company's premises. Minutes of the Board and committee meetings record in sufficient detail the matters considered by the Board or committee and decisions reached, including any concerns raised by the Directors or dissenting views expressed. Drafts and final versions of minutes are sent to all Directors for their comments within a reasonable time after the Board meetings are held. Every member of the Board is entitled to inspect Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable rules and regulations, are followed. Where queries are raised by any of the Directors, responses are provided as promptly and fully as possible. The Directors may also seek independent professional advice in appropriate circumstances, at the expense of the Company.

董事會負責督導及監控本公司業務及事務以及促進業務成功增長。董事會全體成員共同負責本公司之管理及運作，並在實施及維持內部監控程序、確保遵守相關法例規定、聯交所上市規則以及其他規則及規例方面，負責督導及監控本公司之整體管理。

本公司管理層負責本公司之日常管理工作。

董事會會定期舉行會議。年內，董事會共舉行四次例會。董事會例會通告於會議日期前最少十四天送交全體董事。

在董事會會議舉行前（例會須最少三天前），主席於公司秘書協助下，須確保每名董事均已就有關事項獲適當簡報，且收到載列充足資料之議程及隨附之董事會文件，以供彼等於會上作出知情決定。各董事會成員均有機會於議程提出建議事項，以供於每次董事會會議討論。

董事會會議及各委員會會議之會議記錄由公司秘書記錄，並存置於本公司範圍內。董事會及各委員會會議之會議記錄詳盡記錄董事會或委員會考慮之事項及所作決定，包括董事提出之任何問題或會上表達之反對意見。會議記錄草稿及終訂本於董事會會議舉行後一段合理期間內送交各董事以供彼等評鑑。董事會各成員均有權檢閱董事會文件及有關資料，並可隨時獲取公司秘書之意見及服務，以確保遵守董事會程序以及一切適用規則及規例。倘任何董事有任何疑問，董事會將於可能情況下即時提供全面回覆。董事亦可於適當情況下尋求獨立專業意見，費用由本公司承擔。

Corporate Governance Report

企業管治報告

The attendance of each of the Directors at regular Board meetings and meetings of the Audit and Remuneration Committees held during the year is set out below:-

各董事於年內舉行之董事會例會、審核委員會會議及薪酬委員會會議出席率如下：—

| Directors 董事 | No. of meetings attended/held 出席／舉行會議次數 | | |
|---|--|-----------------------------|------------------------------------|
| | Board 董事會 | Audit Committee 審核委員會 | Remuneration Committee 薪酬委員會 |
| Executive Directors 執行董事 | | | |
| Mr. Tse Michael Nam (Note 1) 謝南洋先生 (附註1) | 4/4 | | |
| Mr. King Jun Chih, Joseph (Note 2) 金潤之先生 (附註2) | 3/4 | | 1/1 |
| Mr. Chan Kwan Hung (Note 3) 陳均鴻先生 (附註3) | 2/4 | | |
| Mr. Yang Xiaoqi (Note 4) 楊曉琪先生 (附註4) | 1/4 | | |
| Non-Executive Director 非執行董事 | | | |
| Mr. Wu Chi Chiu (Note 5) 胡志釗先生 (附註5) | 1/4 | | |
| Independent Non-Executive Directors 獨立非執行董事 | | | |
| Mr. Lim Yew Kong, John Lim Yew Kong, John先生 | 4/4 | 2/2 | 1/1 |
| Mr. Mak Ping Leung (Note 6) 麥炳良先生 (附註6) | 3/4 | 2/2 | 1/1 |
| Mr. Leung Po Wing, Bowen Joseph (Note 7) 梁寶榮先生 (附註7) | 3/4 | 2/2 | 1/1 |
| Mr. Albert Theodore Powers (Note 8) Albert Theodore Powers先生 (附註8) | 1/4 | | |
| Mr. Pang Seng Tuong (Note 9) Pang Seng Tuong先生 (附註9) | 1/4 | | |
| Mr. Puongpun Sananikone (Note 10) Puongpun Sananikone先生 (附註10) | 1/4 | | |

Notes:

- Mr. Tse Michael Nam resigned as the Chairman of the Board with effect from 1st March 2010. He also resigned as the Chief Executive Officer of the Company with effect from 26th March 2010. He was appointed as the Deputy Chairman and the acting Chief Executive Officer of the Company with effect from 22nd October 2010.
- Mr. King Jun Chih, Joseph was appointed as an Executive Director of the Company and Chairman of the Board with effect from 1st March 2010.

附註：

- 謝南洋先生辭任為董事會主席，由二零一零年三月一日起生效。彼亦辭任為本公司行政總裁，由二零一零年三月二十六日起生效。彼獲委任為本公司副主席兼代理行政總裁，由二零一零年十月二十二日起生效。
- 金潤之先生獲委任為本公司執行董事兼董事會主席，由二零一零年三月一日起生效。

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3. Mr. Chan Kwan Hung was appointed as an Executive Director, the Chief Executive Officer of the Company and the Deputy Chairman of the Board with effect from 26th March 2010. He resigned as the Deputy Chairman and the Chief Executive Officer of the Company with effect from 22nd October 2010 and was re-designated as a Non-Executive Director of the Company with effect from 22nd October 2010.
 4. Mr. Yang Xiaoqi was appointed as an Executive Director of the Company with effect from 22nd October 2010.
 5. Mr. Wu Chi Chiu was appointed as a Non-Executive Director of the Company with effect from 22nd October 2010.
 6. Mr. Mak Ping Leung was appointed as an Independent Non-Executive Director of the Company with effect from 1st March 2010.
 7. Mr. Leung Po Wing, Bowen Joseph was appointed as an Independent Non-Executive Director of the Company with effect from 26th March 2010.
 8. Mr. Albert Theodore Power's term of appointment as an Independent Non-Executive Director of the Company expired with effect from 1st March 2010.
 9. Mr. Pang Seng Tuong resigned as an Independent Non-Executive Director of the Company with effect from 26th March 2010.
 10. Mr. Puongpun Sananikone resigned as the Deputy Chairman and an Executive Director of the Company with effect from 26th March 2010.
3. 陳鈞鴻先生獲委任為本公司執行董事、行政總裁兼董事會副主席，由二零一零年三月二十六日起生效。彼辭任為本公司副主席兼行政總裁，由二零一零年十月二十二日起生效，並獲調任為本公司非執行董事，由二零一零年十月二十二日起生效。
 4. 楊曉琪先生獲委任為本公司執行董事，由二零一零年十月二十二日起生效。
 5. 胡志釗先生獲委任為本公司非執行董事，由二零一零年十月二十二日起生效。
 6. 麥炳良先生獲委任為本公司獨立非執行董事，由二零一零年三月一日起生效。
 7. 梁寶榮先生獲委任為本公司獨立非執行董事，由二零一零年三月二十六日起生效。
 8. Albert Theodore Powers先生出任本公司獨立非執行董事之任期於二零一零年三月一日屆滿。
 9. Pang Seng Tuong先生辭任為本公司獨立非執行董事，由二零一零年三月二十六日起生效。
 10. Puongpun Sananikone先生辭任為本公司副主席兼執行董事，由二零一零年三月二十六日起生效。

There were four regular Board meetings held during the year of which two were for the approval of the interim and annual results of the Company and the others were to discuss and approve the entering into of material agreements and transactions as well as to review the effectiveness of the financial and internal control systems of the Company.

The Company has maintained an appropriate level of insurance cover in respect of legal action against the Directors and officers of the Company and its subsidiaries throughout the year ended 31st December 2010.

An updated list of the Company's Directors and key Management members including a description of their roles and functions is maintained on the Company's website.

年內，董事會合共舉行四次董事會例會，當中兩次為批准本公司之中期及年度業績，其他則為討論及批准訂立重大協議及交易，以及檢討本公司財務及內部監控制度之效益。

於截至二零一零年十二月三十一日止年度，本公司已購買適當保險，於本公司及其附屬公司董事及主管人員面臨法律訴訟時得到保障。

本公司董事與主要管理人員之最新名單載於本公司網站，當中詳列彼等之職責及職能。

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(d) Chairman and Chief Executive Officer

Under Code provision A.2.1, the roles of the Chairman and the Chief Executive Officer (“CEO”) should be separate and should not be performed by the same individual. During the period from 1st January 2010 to 28th February 2010, both roles were performed by Mr. Tse Michael Nam. On 1st March 2010, the Board elected Mr. King Jun Chih, Joseph as the Chairman of the Company and on 26th March 2010, Mr. Chan Kwan Hung was elected as the Chief Executive Officer of the Company. On 22nd October 2010, Mr. Chan Kwan Hung resigned as the Chief Executive Officer and Mr. Tse Michael Nam was appointed as the acting Chief Executive Officer.

During the year, Mr. King fulfilled his responsibilities as the Chairman of the Board, including ensuring that the Board operates effectively and discharges its responsibilities, ensuring good corporate governance practices and procedures are established, and providing effective communication with the Company’s Shareholders and that, views of the Shareholders are communicated to the Board as a whole.

(e) Non-Executive Directors

During the year, the Company has been in compliance with Rules 3.10(1) and (2) of the Listing Rules by having at all times at least three Independent Non-Executive Directors on its Board and at least one who has the appropriate professional accounting qualifications.

As at the date of this report, the Company is also in compliance with Rules 3.10(1) and (2) of the Listing Rules.

Each of the Independent Non-Executive Directors was appointed for an initial term of not more than two years from the date of his appointment. Upon the expiry of the initial term, the appointment may be renewed for another term of not more than two years. In accordance with the Bye-Laws of the Company, every Director of the Board (including the Independent Non-Executive Directors) is subject to retirement by rotation and re-election by the Company’s Shareholders at least once every three years.

Each of the Independent Non-Executive Directors meets the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company considers each of them to be so. The Company has received from each of the Independent Non-Executive Directors an annual confirmation as to his independence.

The Non-Executive Director is appointed for a specific term and subject to retirement by rotation and re-election at the general meeting of the Company pursuant to the Bye-laws of the Company.

(d) 主席及行政總裁

根據守則條文第A.2.1條，主席及行政總裁（「行政總裁」）之角色應獨立分開，不應由一人同時擔任。於二零一零年一月一日至二零一零年二月二十八日期間，兩項職務均由謝南洋先生擔任。於二零一零年三月一日，董事會推選金潤之先生為本公司主席。於二零一零年三月二十六日，陳均鴻先生獲選為本公司行政總裁。於二零一零年十月二十二日，陳鈞鴻先生辭任行政總裁，而謝南洋先生獲委任為代理行政總裁。

年內，金先生已履行彼作為董事會主席之職責，包括確保董事會有效運作及履行其職責、確保已制定良好企業管治常規及程序、為本公司股東提供有效溝通渠道，以及股東之意見可完全轉達董事會。

(e) 非執行董事

年內，本公司一直遵守上市規則第3.10(1)及(2)條之規定，董事會在年內任何時間均有最少三名獨立非執行董事，而其中至少一名具備適當的專業會計資格。

於本報告日期，本公司亦已遵守上市規則第3.10(1)及(2)條之規定。

各獨立非執行董事之初步任期為自彼等獲委任日期起計不超過兩年。任期屆滿後，可另外重續不超過兩年。根據本公司之公司細則，董事會每名董事（包括獨立非執行董事）須最少每三年輪值告退一次並經由本公司股東重選。

各獨立非執行董事均符合上市規則第3.13條所載獨立性指引，而本公司認為彼等均為獨立人士。本公司已接獲各獨立非執行董事就其獨立性發出之年度確認書。

非執行董事按特定任期獲委任，並根據本公司之公司細則，於本公司股東大會上輪值告退並重選。

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(f) Remuneration Committee

The Company's Remuneration committee (the "Remuneration Committee") was established in June 2005 with specific written terms of reference detailing the Committee's role and authority.

The Remuneration Committee is responsible for ensuring formal and transparent procedures for developing remuneration policies and overseeing the remuneration packages of the Directors and senior management and making recommendations to the Board in respect of the same. In fulfilling its functions, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, respective time commitment, and responsibilities of the Directors and Management and whether the remuneration packages are competitively attractive to retain the Executive Directors and senior Management. The Remuneration Committee members may consult the Chairman of the Board about their proposals relating to the remuneration of the Executive Directors and have access to sufficient resources including professional advice if considered necessary. No director can, however, approve his own remuneration.

For the most part of the year ended 31st December 2010, the Remuneration Committee was comprised of four members, three of whom were Independent Non-Executive Directors and one Executive Director who was also the Chairman of the Remuneration Committee. As at the date of this report, the Remuneration Committee is also comprised of four members. The members of the Remuneration Committee as at the date of this report are Mr. Tse Michael Nam (Chairman of the Remuneration Committee), Mr. Lim Yew Kong, John, Mr. Mak Ping Leung and Mr. Leung Po Wing, Bowen Joseph, *GBS, JP*

The Remuneration Committee meets at least once each year and it met on 27th August 2010 to review and approve the remuneration package of the proposed employment of a new Chief Executive Officer as well as the remuneration packages of the other Directors and the senior management and other related matters.

(f) 薪酬委員會

本公司於二零零五年六月成立薪酬委員會（「薪酬委員會」），並列明其特定書面職權範圍及詳列其職務及職權。

薪酬委員會負責確保沿用正式及具透明度之程序制定薪酬政策、監督董事及高級管理人員之薪酬待遇以及就此向董事會作出建議。於履行其職能時，薪酬委員會將考慮可比較公司所付薪金、董事及管理人員付出之時間及責任以及薪酬待遇是否具有競爭力吸引執行董事及高級管理人員留任等因素。薪酬委員會成員可就其有關執行董事薪酬之建議諮詢董事會主席，並可獲取充足資源，包括在視為有需要時尋求專業意見。然而，董事不得批准彼本身之薪酬。

截至二零一零年十二月三十一日止年度大部分時間，薪酬委員會由四名成員組成，三名為獨立非執行董事，另外一名為執行董事（薪酬委員會主席）。於本報告日期，薪酬委員會由四名成員組成。於本報告日期，薪酬委員會成員為謝南洋先生（薪酬委員會主席）、Lim Yew Kong, John先生、麥炳良先生及梁寶榮先生*GBS, JP*。

薪酬委員會每年最少舉行一次會議，並曾於二零一零年八月二十七日舉行會議，以檢討及批准建議聘任新行政總裁之薪酬待遇以及其他董事及高層管理人員之薪酬待遇與其他相關事宜。

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(g) Nomination Committee

The company did not establish a nomination committee. The Board considers that the appointment and removal of Directors are the collective decision of the Board and thus does not intend to adopt the recommended best practice under Code A.4.4 to establish a nomination committee.

Where vacancies on the Board exist, the Board will carry out the selection process by making references to the skill, experience, professional knowledge, personal integrity and time commitments of the proposed candidate, including the independence status in the case of an independent non-executive Director, the Company's needs and other relevant statutory requirements and regulations.

During the year under review, there were four new appointments of Directors which were duly reviewed and considered by the Board prior to their respective appointments.

(h) Auditor's Remuneration

The auditor's remuneration for the year ended 31st December 2010 was as follows:

| Nature of work 工作性質 | Amount 金額 HK\$ 港元 |
|-----------------------------|----------------------------|
| Audit services 審核服務 | 980,000 |
| Non-audit services 非審核服務 | 250,000 |

(i) Audit Committee

The Company's Audit Committee (the "Audit Committee") was established in June 1999 with clear written terms of reference. The primary duties of the audit committee include making recommendations to the Board on the appointment, reappointment and removal of the external auditors, approving the remuneration and terms of engagement of the external auditors, reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, monitoring the integrity of the Company's financial statements, annual report and accounts, half-year report and accounting policies, as well as overseeing the Company's financial controls, internal control systems and risk management systems.

(g) 提名委員會

本公司並無成立提名委員會。董事會認為，董事之委任及罷免須由董事會集體決定，因此，董事會無意採納守則第A.4.4條項下建議最佳常規成立提名委員會。

倘董事會出現空缺，董事會將因應候選人之技能、經驗、專業知識、個人誠信及所能付出之時間（如為獨立非執行董事，亦考慮其獨立性）、本公司需要及其他相關法定要求及規例進行甄選過程。

回顧年內，本公司已委任四名新董事，彼等於獲任命前已經由董事會正式檢討及考慮。

(h) 核數師酬金

截至二零一零年十二月三十一日止年度之核數師酬金如下：

(i) 審核委員會

本公司於一九九九年六月成立審核委員會（「審核委員會」），並清楚列明其職權範圍。審核委員會之主要職責包括就委任、續聘及罷免外聘核數師向董事會作出建議、批准委聘外聘核數師之酬金及條款、按照適用準則審閱及監察外聘核數師之獨立性及客觀身分以及審核程序之效益、監控本公司財務報表、年報及賬目、半年度報告及會計政策之完整性，以及監察本公司財務監控、內部監控制度及風險管理系統。

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For the year ended 31st December 2010 and as at the date of this report, the Audit Committee was comprised of three members, all of whom were Independent Non-Executive Directors. The composition of the Audit Committee as at the date of this report was Mr. Lim Yew Kong, John (Chairman of the Audit Committee), Mr. Mak Ping Leung and Mr. Leung Po Wing, Bowen Joseph, *GBS, JP*. Mr. Lim Yew Kong, John, the Chairman of the Audit Committee is a qualified chartered accountant from the Institute of Chartered Accountants in England and Wales. None of the members of the Audit Committee is a partner or former partner of SHINEWING (HK) CPA Limited, the Company's external auditors.

The Audit Committee has unrestricted access to the auditors of the Company, the Directors, the Company's financial controller, and other members of Management and met with the auditors once during the year ended 31st December 2010.

During the year, the Company reappointed Messrs. SHINEWING (HK) CPA Limited as auditors of the Company.

The Audit Committee met twice during the year ended 31st December 2010 to review the annual and interim results and the accompanying auditor's report, the accounting policies and practices adopted by the Company, and to review the financial and internal control systems of the Company.

The Audit Committee has reviewed the Group's audited financial statements for the year ended 31st December 2010 including the auditor's report thereon and has submitted its views to the Board.

於截至二零一零年十二月三十一日止年度及本報告日期，審核委員會由三名成員組成，全部均為獨立非執行董事。於本報告日期，審核委員會成員包括Lim Yew Kong, John先生（審核委員會主席）、麥炳良先生及梁寶榮先生*GBS, JP*。審核委員會主席Lim Yew Kong, John先生為英格蘭及威爾斯特許公認會計師公會之合資格特許會計師。概無審核委員會成員為本公司外聘核數師信永中和（香港）會計師事務所有限公司之合夥人或前合夥人。

審核委員會可隨時聯絡本公司核數師、董事、本公司財務總裁及其他管理層成員，於截至二零一零年十二月三十一日止年度曾與核數師會面一次。

年內，本公司續聘信永中和（香港）會計師事務所有限公司為本公司核數師。

截至二零一零年十二月三十一日止年度，審核委員會曾舉行兩次會議，以審閱年度及中期業績以及隨附之核數師報告、檢討本公司採納之會計政策及慣例以及審閱本公司財務及內部監控制度。

審核委員會已審閱本集團截至二零一零年十二月三十一日止年度之經審核財務報表，包括載於其內之核數師報告，並已向董事會提交意見。

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(j) Directors' Responsibility for the Financial Statements

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company and that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. It is also the responsibility of the Directors to ensure the timely publication of the financial statements of the Company.

The statement of the auditors of the Company, SHINEWING (HK) CPA Limited, on their reporting responsibilities in respect of the financial statements of the Company is set out on pages 43 and 45.

(k) Internal Controls

The Board acknowledges that it is responsible for ensuring a sound and effective internal control system is maintained within the Company and its subsidiaries so as to safeguard the Company's assets and its Shareholders' investments. The Directors conduct annual reviews of the effectiveness of the system of internal controls as well as the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting functions, and their training programmes and budget.

Pursuant to provision C.2.6 of the Code, the Board reviewed the need for an internal audit function and considered it appropriate to outsource the function. Accordingly, SHINEWING Risk Services Limited was engaged in December 2010 to carry out an internal audit review of the Company and its subsidiaries for the financial year ended 31st December 2010. The review covered all material controls including financial, operational and compliance controls and risk management functions of the Company. SHINEWING Risk Services Limited completed its internal audit review and reported its findings to the Board. Their review did not uncover any significant areas of concern which may affect Shareholders.

The Board considers the internal control systems of the Company effective and the resources, qualifications and experience of the accounting and financial reporting functions, adequate for the period in review.

(j) 董事對財務報表之責任

董事知悉，彼等須負責編製本公司之財務報表，並確保財務報表乃根據法定規定及適用會計準則編製。董事亦須負責確保本公司之財務報表能如期刊發。

本公司核數師信永中和（香港）會計師事務所有限公司對本公司財務報表之申報責任聲明載於第43及第45頁。

(k) 內部監控

董事會知悉，其須負責確保於本公司及其附屬公司內維持良好有效之內部監控制度，以保障本公司資產及其股東之投資。董事每年均對內部監控制度之效益、資源充足度、負責會計及財務申報職能之員工資歷及經驗，以及彼等之培訓計劃及預算進行檢討。

根據守則條文第C.2.6條，董事會曾檢討內部審核職能之需要，認為將有關職能外判實屬恰當。因此，本公司已於二零一零年十二月委聘信永方略風險管理有限公司，就本公司及其附屬公司截至二零一零年十二月三十一日止財政年度進行內部審核審閱。審閱範圍涵蓋所有重大監控事宜，包括本公司之財務、營運及合規監控以及風險管理職能。信永方略風險管理有限公司已完成內部審核審閱並向董事會匯報其所得結果。審閱並不涵蓋任何可能對股東構成影響之任何重大範疇。

董事會認為，本公司之內部監控制度有效，而會計及財務申報職能之資源、資歷及經驗於回顧期內亦足夠。

Independent Auditor's Report 獨立核數師報告



SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE MEMBERS OF NORTH ASIA RESOURCES HOLDINGS LIMITED
(FORMERLY KNOWN AS GREEN GLOBAL RESOURCES LIMITED)
(incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of North Asia Resources Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 46 to 144, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Except as described in the basis for disclaimer of opinion paragraph, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. However, because of the matters described in the basis for disclaimer of opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

致北亞資源控股有限公司
(前稱綠色環球資源有限公司)
(於百慕達註冊成立之有限公司)
全體股東

我們獲委聘審核列載於第46至144頁北亞資源控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表。此綜合財務報表包括於二零一零年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合收益表、綜合全面收益表、綜合權益變動報表和綜合現金流量表，以及主要會計政策概要及其他說明附註。

董事對綜合財務報表之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及按照香港公司條例之披露規定編製作出真實而公平之反映之綜合財務報表，及落實其認為就編製綜合財務報表而言屬必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

核數師之責任

我們之責任是根據我們之審核對該等綜合財務報表作出意見，並根據百慕達公司法第90條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告之內容向任何其他人士負責或承擔任何責任。

除無法表示意見之基準一段所述外，我們已根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求我們遵守道德規範，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。然而，由於無法表示意見之基準一段所述事宜之重要性，我們未能獲得足夠而適當之審核憑證供我們作為審核意見之基準。

Independent Auditor's Report 獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION: FUNDAMENTAL UNCERTAINTY RELATING TO GOING CONCERN BASIS

The Group incurred a loss attributed to owners of the Company of approximately HK\$3,009,777,000 for the year ended 31 December 2010; and the Group also had net operating cash outflow of approximately HK\$73,000,000 for the year ended 31 December 2010. In addition, as explained in note 43 to the consolidated financial statements, subsequent to the end of the reporting period on 31 December 2010, the Group has breached the covenants of all the outstanding convertible loan notes issued in 2010 (the "2010 Convertible Loan Notes"). Though the 2010 Convertible Loan Notes are secured by the Group's iron mine operation and convertible preference shares, the convertible loan notes holders can request the immediate repayment of the 2010 Convertible Loan Notes with principal amount of approximately HK\$335,400,000 and the respective unpaid accrued interest. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As explained in the basis of presentation of note 1 to the consolidated financial statements, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on (i) the successful outcome of the Group's ongoing negotiations with the convertible loan notes holders and prospective external financial resources providers to bring in viable assets and/or projects to restructure its defaulted financial obligations, and to solve the Group's solvency position at any point of time (the "Negotiations") and (ii) the Group's ability to have adequate cash flows to maintain its business. Due to the uncertainty of the outcome of the Negotiations and the Group's ability to maintain adequate future cash flows, we were unable to ascertain whether the assumptions made by the directors of the Company in preparing the consolidated financial statements on a going concern basis are proper and appropriate.

Should the Group be not able to continue its business as a going concern, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities, write down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements have not incorporated any of these adjustments. However, the uncertainty surrounding the outcome of the Negotiations and the Group's future cash flows raises significant doubt about the Company's ability to continue as a going concern. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation, but we are unable to obtain adequate evidence concerning the Group's ability to meet any financial obligations as when they fall due and we consider that this fundamental uncertainty relating to whether the going concern basis is so extreme that we have disclaimed our opinion.

無法表示意見之基準：有關持續經營基準之基本不確定因素

截至二零一零年十二月三十一日止年度，貴集團產生貴公司擁有人應佔虧損約3,009,777,000港元；截至二零一零年十二月三十一日止年度，貴集團亦錄得經營現金流出淨額約73,000,000港元。此外，如綜合財務報表附註43所闡述，貴集團於二零一零年十二月三十一日報告期末後違反所有於二零一零年發行及未償還之可換股貸款票據（「二零一零年可換股貸款票據」）之契諾。儘管二零一零年可換股貸款票據以貴集團鐵礦業務及可轉換優先股作抵押，該等可換股貸款票據持有人可要求即時償還本金額約335,400,000港元之二零一零年可換股貸款票據及有關未付之應計利息。此等情況顯示存在重大不確定因素，可能對貴集團繼續按持續經營基準營運之能力構成重大疑慮，因此其未必可於一般業務過程中變現資產及清償負債。

如綜合財務報表附註1呈列基準所闡述，綜合財務報表乃按持續經營基準編製，有關基準是否有效乃取決於(i) 貴集團與可換股貸款票據持有人及準外部財務資源提供者持續進行磋商之最終結果，而磋商之內容為引入可行資產及／或項目以重組貴集團之違約財務責任，並解決貴集團於任何時間之無力償債狀況（「磋商」）；及(ii) 貴集團取得足夠現金流量以維持其營運之能力。由於磋商結果及貴集團維持足夠未來現金流量之能力未明，故我們未能確定貴公司董事於按持續經營基準編製綜合財務報表時作出之假設是否恰當及適合。

倘貴集團未能按持續經營基準繼續進行業務，則將須作出調整以將所有非流動資產及非流動負債分別重新分類為流動資產及流動負債，將資產價值撇減至其可收回金額，並為可能產生之進一步負債作出撥備。綜合財務報表並未納入任何此等調整。然而，有關磋商結果及貴集團之未來現金流量之不確定因素，或會對貴公司按持續經營基準營運之能力構成重大疑慮。我們認為綜合財務報表內已就有關狀況作出適當披露，惟我們未能取得有關貴集團能否應付任何到期財務責任之充份憑證，故我們認為此項有關持續經營基準之基本不確定因素甚為關鍵，導致我們無法表示意見。

Independent Auditor's Report 獨立核數師報告

DISCLAIMER OF OPINION

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

SHINEWING (HK) CPA Limited

Certified Public Accountants

Ip Yu Chak

Practising Certificate Number: P04798

Hong Kong

28 March 2011

無法表示意見

由於無法表示意見之基準一段所述事宜之重要性，我們未能獲得足夠而適當之審核憑證供我們作為審核意見之基準。因此，我們並不就綜合財務報表發表意見。我們認為，綜合財務報表內所有其他方面均已按照香港公司條例之披露規定妥為編製。

信永中和（香港）會計師事務所有限公司

執業會計師

葉汝澤

執業證書號碼：P04798

香港

二零一一年三月二十八日



Consolidated Income Statement

綜合收益表

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

| | | NOTES 附註 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|------------------|-------------|----------------------------------|----------------------------------|
| Continuing operations | 持續經營業務 | | | |
| Turnover | 營業額 | 8 | 31,922 | 51,705 |
| Cost of sales and services rendered | 銷售成本及已提供服務 | | (21,778) | (39,686) |
| Gross profit | 毛利 | | 10,144 | 12,019 |
| Other operating income | 其他經營收益 | 8 | 1,874 | 507 |
| Selling and distribution expenses | 銷售及分銷費用 | | (3,940) | (3,542) |
| Administrative expenses | 行政費用 | | (67,820) | (30,436) |
| Other operating expenses | 其他經營費用 | | (2,750) | (4,997) |
| Change in fair value of derivative component of convertible loan notes | 可換股貸款票據衍生部分公平值變動 | 28 | (2,832) | - |
| Impairment loss recognised in respect of goodwill | 已確認商譽減值虧損 | 20 | (2,653,767) | - |
| Impairment loss recognised in respect of mining rights | 已確認採礦權減值虧損 | 18 | (287,500) | - |
| Finance costs | 融資成本 | 9 | (32,389) | (5,029) |
| Loss before taxation | 除稅前虧損 | 10 | (3,038,980) | (31,478) |
| Income tax | 所得稅 | 11 | 28,461 | (508) |
| Loss for the year from continuing operations | 持續經營業務之年度虧損 | | (3,010,519) | (31,986) |
| Discontinued operations | 已終止業務 | 13 | | |
| Profit (loss) for the year from discontinued operations | 已終止業務之年度溢利(虧損) | | 282 | (156,250) |
| Loss for the year | 年度虧損 | | (3,010,237) | (188,236) |
| Attributable to: | 以下人士應佔: | | | |
| Owners of the Company | 本公司擁有人 | | (3,009,777) | (186,108) |
| Non-controlling interests | 非控股權益 | | (460) | (2,128) |
| | | | (3,010,237) | (188,236) |
| Loss per share | 每股虧損 | 14 | | |
| Basic and diluted (HK cents) | 基本及攤薄(港仙) | | | |
| - Continuing operations | - 持續經營業務 | | (438.18) | (12.16) |
| - Discontinued operations | - 已終止業務 | | 0.08 | (58.65) |
| From continuing and discontinued operations | 來自持續經營業務及已終止業務 | | (438.10) | (70.81) |

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

| | | 2010 二零一零年 | 2009 二零零九年 |
|--|-------------------|--------------------|-----------------|
| | NOTES 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| Loss for the year | 年內虧損 | (3,010,237) | (188,236) |
| Other comprehensive (expenses) income | 其他全面(開支)收益 | | |
| Exchange differences on translation of foreign operations | 換算海外業務之匯兌差額 | 340 | - |
| Exchange reserve realised on disposal of subsidiaries | 出售附屬公司時變現之匯兌儲備 | (1,677) | - |
| Exchange reserve realised on deregistration of subsidiaries | 撤銷附屬公司註冊時變現之匯兌儲備 | - | 1,851 |
| Other comprehensive (expenses) income for the year, net of tax | 年內其他全面(開支)收益·扣除稅項 | (1,337) | 1,851 |
| Total comprehensive loss for the year, net of tax | 年內全面虧損總額·扣除稅項 | (3,011,574) | (186,385) |
| Total comprehensive loss attributable to: | 以下人士應佔全面虧損總額: | | |
| Owners of the Company | 本公司擁有人 | (3,011,114) | (184,257) |
| Non-controlling interests | 非控股權益 | (460) | (2,128) |
| | | (3,011,574) | (186,385) |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2010 於二零一零年十二月三十一日

| | | NOTES 附註 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|-----------------|-------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Plant and equipment | 廠房及設備 | 17 | 82,965 | 3,058 |
| Mining rights | 採礦權 | 18 | 1,264,392 | 1,518,791 |
| Exploration and evaluation assets | 勘探及評估資產 | 19 | 7,645 | – |
| Deposit for acquisition of a subsidiary | 收購附屬公司訂金 | | 23,088 | – |
| Deposit for acquisition of plant and equipment | 購買廠房及設備訂金 | | 22,040 | – |
| Goodwill | 商譽 | 20 | – | 2,653,767 |
| | | | 1,400,130 | 4,175,616 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 21 | 7,813 | 819 |
| Trade and other receivables | 貿易及其他應收款項 | 22 | 49,309 | 37,732 |
| Amount due from a director | 應收一名董事款項 | 23 | 262 | – |
| Bank balances and cash | 銀行結餘及現金 | 24 | 259,086 | 27,049 |
| | | | 316,470 | 65,600 |
| Disposal groups held for sale | 持作出售之出售集團 | 13 | – | 200,925 |
| | | | 316,470 | 266,525 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付款項 | 25 | 48,033 | 48,351 |
| Amount due to a minority shareholder | 應付一名少數股東款項 | 26 | 306 | 306 |
| Other borrowings | 其他借貸 | 27 | – | 15,000 |
| Convertible loan notes | 可換股貸款票據 | 28 | – | 23,082 |
| Income tax liabilities | 所得稅負債 | | 6,743 | 6,738 |
| | | | 55,082 | 93,477 |
| Liabilities associated with disposal groups held for sale | 與持作出售之出售集團有關之負債 | 13 | – | 23,843 |
| | | | 55,082 | 117,320 |
| Net current assets | 流動資產淨值 | | 261,388 | 149,205 |
| | | | 1,661,518 | 4,324,821 |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2010 於二零一零年十二月三十一日

| | | NOTES 附註 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|--------------|-------------|----------------------------------|----------------------------------|
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 29 | 8,514 | 3,315 |
| Convertible preference shares | 可轉換優先股 | 30 | 23,387 | 25,473 |
| Reserves | 儲備 | | 1,195,384 | 3,613,509 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 1,227,285 | 3,642,297 |
| Non-controlling interests | 非控股權益 | | 430 | 136,830 |
| Total equity | 權益總額 | | 1,227,715 | 3,779,127 |
| Non-current liabilities | 非流動負債 | | | |
| Convertible loan notes | 可換股貸款票據 | 28 | 295,950 | – |
| Derivative component of convertible loan notes | 可換股貸款票據衍生部分 | 28 | 15,170 | – |
| Promissory notes | 承兌票據 | 31 | – | 394,261 |
| Deferred tax liability | 遞延稅項負債 | 32 | 122,683 | 151,433 |
| | | | 433,803 | 545,694 |
| | | | 1,661,518 | 4,324,821 |

The consolidated financial statements on pages 46 to 144 were approved and authorised for issue by the Board of Directors on 28 March 2011 and are signed on its behalf by:

第46至144頁之綜合財務報表於二零一一年三月二十八日經由董事會批准及授權刊發，並由以下董事代為簽署：

Tse Michael Nam
謝南洋
Director
董事

Yang Xiaoqi
楊曉琪
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動報表

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

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | | | | | Total |
|---|--|---|---------------------|-------------------------------|---------------------|------------------------------|---------------------------|-----------------------|---------------------------|-----------------|--------------------|---------------------|---------------------------|---------------------|-------|
| | | Share capital | Share premium | Convertible preference shares | Contributed surplus | Exchange translation reserve | Convertible bonds reserve | Share options reserve | Statutory surplus reserve | Special reserve | Accumulated losses | Total | Non-controlling interests | Total | |
| | | 股本 | 股份溢價 | 優先股 | 撥入盈餘 | 匯兌換算儲備 | 債券儲備 | 購股權儲備 | 公積儲備 | 特別儲備 | 累積虧損 | 總計 | 非控股權益 | 總計 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | 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 | 千港元 | |
| At 1 January 2009 | 於二零零九年一月一日 | 253,485 | 526,100 | - | (19) | 6,979 | 19,398 | 24,975 | 850 | - | (499,767) | 332,001 | 2,855 | 334,856 | |
| Loss for the year | 年內虧損 | - | - | - | - | - | - | - | - | - | (186,108) | (186,108) | (2,128) | (188,236) | |
| Other comprehensive income for the year | 年內其他全面收益 | - | - | - | - | 1,851 | - | - | - | - | - | 1,851 | - | 1,851 | |
| Total comprehensive loss for the year | 年內全面虧損總額 | - | - | - | - | 1,851 | - | - | - | - | (186,108) | (184,257) | (2,128) | (186,385) | |
| Reduction on convertible loan notes to set off the profit guarantee payment | 削減可換股貸款票據抵銷收益保證付款 | - | - | - | - | - | (13,370) | - | - | - | 6,633 | (6,737) | - | (6,737) | |
| Reduction of issued share capital through a cancellation of paid up capital (Note 29) | 透過註銷繳足股本削減已發行股本(附註29) | (250,950) | - | - | 250,950 | - | - | - | - | - | - | - | - | - | |
| Cancellation of the share premium (Note b) | 註銷股份溢價(附註b) | - | (521,158) | - | 521,158 | - | - | - | - | - | - | - | - | - | |
| Utilisation of the contributed surplus account to offset the accumulated losses (Note b) | 動用撥入盈餘賬抵銷累積虧損(附註b) | - | - | - | (403,271) | - | - | - | - | - | 403,271 | - | - | - | |
| Issue of shares upon - exercise of share options - acquisition of subsidiaries | 因以下事項發行股份 - 行使購股權 - 收購附屬公司 | 150 630 | 24,195 3,449,732 | - 25,473 | - - | - - | - - | (4,420) | - | - | - | 19,925 3,475,835 | - | 19,925 3,475,835 | |
| Recognition of equity-settled share based payments | 確認以股本結算以股份為基礎之付款 | - | - | - | - | - | - | 5,530 | - | - | - | 5,530 | - | 5,530 | |
| Acquisition of a subsidiary | 收購一間附屬公司 | - | - | - | - | - | - | - | - | - | - | - | 136,103 | 136,103 | |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 3,315 | 3,478,869 | 25,473 | 368,818 | 8,830 | 6,028 | 26,085 | 850 | - | (275,971) | 3,642,297 | 136,830 | 3,779,127 | |
| At 1 January 2010 | 於二零一零年一月一日 | 3,315 | 3,478,869 | 25,473 | 368,818 | 8,830 | 6,028 | 26,085 | 850 | - | (275,971) | 3,642,297 | 136,830 | 3,779,127 | |
| Loss for the year | 年內虧損 | - | - | - | - | - | - | - | - | - | (3,009,777) | (3,009,777) | (460) | (3,010,237) | |
| Other comprehensive expenses for the year | 年內其他全面開支 | - | - | - | - | (1,337) | - | - | - | - | - | (1,337) | - | (1,337) | |
| Total comprehensive loss for the year | 年內全面虧損總額 | - | - | - | - | (1,337) | - | - | - | - | (3,009,777) | (3,011,114) | (460) | (3,011,574) | |
| Issue of shares upon - placement of shares - conversion of convertible preferred shares - acquisition of non-controlling interest of a subsidiary - transaction costs attributable to issue of shares | 因以下事項發行股份 - 配售股份 - 兌換可轉換優先股 - 收購一間附屬公司之非控股權益 - 發行股份應佔之交易成本 | 2,321 2,371 | 387,674 (285) | - (2,086) | - - | - - | - - | - - | - | - | - | 389,995 | - | 389,995 | |
| Redemption of convertible loan notes | 贖回可換股貸款票據 | - | - | - | - | - | (6,028) | - | - | - | 6,028 | - | - | - | |
| Recognition of equity component of convertible loan notes | 確認可換股貸款票據權益部分 | - | - | - | - | - | 29,631 | - | - | - | - | 29,631 | - | 29,631 | |
| Recognition of equity-settled share based payments | 確認以股本結算以股份為基礎之付款 | - | - | - | - | - | - | 3,460 | - | - | - | 3,460 | - | 3,460 | |
| Deemed disposal of partial interest in subsidiaries | 視作出售附屬公司之部分權益 | - | - | - | - | - | - | - | - | (120) | - | (120) | 432 | 312 | |
| Deemed contribution from equity holders arisen from waiver of promissory notes (note 31) | 豁免承兌票據產生之視作權益持有人注資(附註31) | - | - | - | 50,293 | - | - | - | - | - | - | 50,293 | - | 50,293 | |
| Disposal of subsidiaries | 出售附屬公司 | - | - | - | - | - | - | - | - | - | - | - | (484) | (484) | |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 8,514 | 3,940,400 | 23,387 | 419,111 | 7,493 | 29,631 | 29,545 | 850 | 48,074 | (3,279,720) | 1,227,285 | 430 | 1,227,715 | |

Notes:

- (a) Subsidiaries in the People's Republic of China have appropriated 10% of the profit to the statutory surplus reserve which is required to be retained in the accounts of the subsidiaries for specific purposes.
- (b) On 6 March 2009, there was a cancellation of approximately HK\$521,158,000 standing to the credit of the share premium account of the Company as at 30 June 2008. Moreover, the contributed surplus of the Company was utilised to offset the entire balance of the accumulated losses. The details of the cancellation of share premium to offset the accumulated losses are set out in the Company's announcement dated 21 January 2009.

附註:

- (a) 於中華人民共和國之附屬公司已將溢利之10%撥入法定盈餘公積儲備,有關款項須保留於附屬公司賬目內作特定用途。
- (b) 二零零九年三月六日,註銷本公司於二零零八年六月三十日之股份溢價賬進賬額約521,158,000港元。此外,本公司撥入盈餘已用以抵銷累積虧損全部餘額,註銷股份溢價賬以抵銷累積虧損之詳情載於本公司日期為二零零九年一月二十一日之公告。

Consolidated Statement of Cash Flows

綜合現金流量表

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

| | NOTES 附註 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| OPERATING ACTIVITIES | 經營業務 | | |
| Profit (loss) before taxation for: | 除稅前溢利(虧損): | | |
| Continuing operations | 持續經營業務 | (3,038,980) | (31,478) |
| Discontinued operations | 已終止業務 | 257 | (156,837) |
| | | (3,038,723) | (188,315) |
| Adjustments for: | 就下列各項作出調整: | | |
| Amortisation of intangible assets | 無形資產攤銷 | - | 2,120 |
| Depreciation | 折舊 | 2,903 | 4,034 |
| Finance costs | 融資成本 | 32,389 | 5,355 |
| Change in fair value of derivative component of convertible loan notes | 可換股貸款票據衍生部分公平值變動 | 2,832 | - |
| Transaction costs attributable to derivative component of convertible loan notes | 可換股貸款票據衍生部分應佔之交易成本 | 1,054 | - |
| Gain arising from changes in fair value less estimated point-of-sale costs of biological assets | 生物資產之公平值變動減估計銷售點成本所產生之收益 | - | (12,217) |
| Loss on deregistration of a subsidiary, net | 一間附屬公司撤銷註冊產生之虧損淨額 | - | 595 |
| Gain on disposal of plant and equipment | 出售廠房及設備產生之收益 | - | (93) |
| Loss on disposal of plant and equipment | 出售廠房及設備產生之虧損 | - | 5 |
| Loss on written off of plant and equipment | 撤銷廠房及設備產生之虧損 | 1,225 | - |
| Impairment loss recognised in respect of goodwill | 確認商譽減值虧損 | 2,653,767 | - |
| Impairment loss recognised in respect of intangible assets | 確認無形資產減值虧損 | - | 6,269 |
| Impairment loss recognised in respect of mining rights | 確認採礦權減值虧損 | 287,500 | - |
| (Reversal of) impairment loss recognised in respect of trade and other receivables | (撥回)確認就貿易及其他應收款項之減值虧損 | (517) | 2,484 |
| Write off of other receivables | 撤銷其他應收款項 | 2,739 | 5,692 |
| Impairment loss recognised in respect of inventories | 確認存貨減值虧損 | - | 1,315 |
| (Reversal of loss) loss on remeasurement to fair value less cost to sell | (撥回)重新計量公平值減出售成本產生之虧損 | (1,952) | 109,913 |
| Interest income | 利息收入 | (171) | (525) |
| Share-based payment expenses | 股份付款費用 | 3,460 | 5,530 |
| Share of loss of a jointly controlled entity | 應佔一間共同控制實體之虧損 | - | 3,139 |
| Operating cash flows before movements in working capital | 未計營運資金變動前經營現金流量 | (53,494) | (54,699) |
| Increase in inventories | 存貨增加 | (4,138) | (1,875) |
| (Increase) decrease in trade and other receivables | 貿易及其他應收款項(增加)減少 | (12,570) | 6,681 |
| Decrease in trade and other payables | 貿易及其他應付款項減少 | (2,539) | (4,225) |
| Cash used in operations | 經營業務所用現金 | (72,741) | (54,118) |
| PRC enterprise income tax paid | 已繳中國企業所得稅 | (259) | (432) |
| NET CASH USED IN OPERATING ACTIVITIES | 經營業務所用現金淨額 | (73,000) | (54,550) |

Consolidated Statement of Cash Flows

綜合現金流量表

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

| | NOTES 附註 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|----------------------------|----------------------------------|----------------------------------|
| INVESTING ACTIVITIES | 投資活動 | | |
| Proceed from disposal of subsidiaries (net of cash and cash equivalents acquired) | 出售附屬公司所得款項 (扣除取得之現金及現金等價物) | 177,140 | - |
| Interest received | 已收利息 | 171 | 390 |
| Acquisition of plant and equipment | 購買廠房及設備 | (84,839) | (2,388) |
| Acquisition of subsidiaries (net of cash and cash equivalents acquired) | 收購附屬公司 (扣除購入之現金及現金等價物) | (39,526) | (15,407) |
| Deposit for acquisition of a subsidiary | 收購一間附屬公司訂金 | (23,088) | - |
| Deposit for acquisition of plant and equipment | 購買廠房及設備訂金 | (22,040) | - |
| Addition to mining rights | 添置採礦權 | (2,527) | - |
| Addition to exploration and evaluation assets | 添置勘探及評估資產 | (963) | - |
| Advance to a director | 向一名董事墊款 | (262) | - |
| Acquisition of intangible assets | 收購無形資產 | - | (22,372) |
| Deposit for plantation expenditure | 種植開支按金 | - | (5,075) |
| Advance to a jointly controlled entity | 向一間共同控制實體墊款 | - | (1,995) |
| Payment of investment cost in a jointly controlled entity | 支付一間共同控制實體投資成本 | - | (5) |
| Decrease in other time deposits with maturity of more than three months when acquired | 購入時到期日超過三個月之其他定期存款減少 | - | 34,964 |
| Proceeds from disposal of plant and equipment | 出售廠房及設備所得款項 | - | 93 |
| NET CASH FORM (USED IN) INVESTING ACTIVITIES | 投資活動所得 (所用) 現金淨額 | 4,066 | (11,795) |
| FINANCING ACTIVITIES | 融資活動 | | |
| Proceeds from issue of shares | 發行股份所得款項 | 389,995 | - |
| Issue of convertible loan notes | 發行可換股貸款票據 | 335,400 | - |
| Other borrowings raised | 新籌集其他借貸 | 8,000 | 15,000 |
| Capital contribution from non-controlling interests | 非控股權益資本注資 | 312 | - |
| Repayment of promissory notes | 償還承兌票據 | (356,000) | - |
| Repayment of convertible loan notes | 償還可換股貸款票據 | (24,750) | - |
| Repayment of other borrowings | 償還其他借貸 | (23,000) | - |
| Transaction cost attributable to issue of convertible loan notes | 發行可換股貸款票據應佔之交易成本 | (16,770) | - |
| Transaction cost attributable to issue of shares | 發行股份應佔之交易成本 | (13,045) | - |
| Interest paid | 已付利息 | (454) | (375) |
| Proceeds from exercise of share options | 行使購股權所得款項 | - | 19,925 |
| Loan advanced from a minority shareholder | 獲一名少數股東墊付之貸款 | - | 306 |
| NET CASH FROM FINANCING ACTIVITIES | 融資活動所得現金淨額 | 299,688 | 34,856 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等價物增加 (減少) 淨額 | 230,754 | (31,489) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | 年初之現金及現金等價物 | 27,301 | 58,790 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 外幣匯率變動之影響 | 1,031 | - |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | 年終之現金及現金等價物 | 259,086 | 27,301 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL

North Asia Resources Holdings Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the Annual Report.

Other than those subsidiaries established in the People’s Republic of China (the “PRC”) whose functional currency is Renminbi (“RMB”), the Company and the subsidiaries incorporated in Mongolia whose functional currency is United States Dollars (“USD”), and the functional currency of the other subsidiaries are Hong Kong dollars (“HK\$”).

As the Company is listed in Hong Kong, the directors of the Company consider that it is appropriate to present the consolidated financial statements in HK\$. Since the majority of the operation of the Company became the mining operation in Mongolia, where the USD is the currency affecting the primary economic environments, the functional currency of the Company changed to USD during the year.

The principal activity of the Company is investment holding. During the year, the Company and its subsidiaries (the “Group”) were principally involved in the distribution of information technology products, and geological survey, exploration and development of iron, gold and other mineral deposits (mining operation) and trading of iron ore and alluvial gold.

Basis of presentation of the consolidated financial statements

In preparing the consolidated financial statements, the directors of the Company have given consideration to the future liquidity of the Group.

As explained in Note 43 and as details in the Company’s announcements made on 9 February 2011, the Group breached the covenants of all of its outstanding convertible loan notes issued in 2010 (the “2010 Convertible Loan Notes”) after the end of the reporting period. Accordingly the convertible loan notes holders have the right to demand immediate payment of the 2010 Convertible Loan Notes.

1. 一般資料

北亞資源控股有限公司(「本公司»)為於百慕達註冊成立之獲豁免有限公司,本公司之股份於香港聯合交易所有限公司(「聯交所»)上市。

本公司註冊辦事處及主要營業地點於年報內公司資料一節中披露。

除於中華人民共和國(「中國»)成立之附屬公司之功能貨幣為人民幣(「人民幣»)以及本公司及在蒙古註冊成立之附屬公司之功能貨幣為美元(「美元»)外,其他附屬公司之功能貨幣為港元(「港元»)。

由於本公司在香港上市,故此本公司董事認為以港元呈列綜合財務報表屬恰當。由於本公司大部分業務變為於蒙古之採礦業務,而美元為影響主要經濟環境之貨幣,故本公司之功能貨幣於年內改為美元。

本公司之主要業務為投資控股。於年內,本公司及其附屬公司(「本集團»)主要從事分銷資訊科技產品,以及鐵、黃金及其他礦藏之地質研究、勘探及開發(採礦業務)與買賣鐵礦石及砂金之業務。

綜合財務報表之呈列基準

於編製綜合財務報表時,本公司董事已考慮本集團未來之流動資金。

如附註43所闡述及本公司日期為二零一一年二月九日之公告所詳述,本集團於報告期末後違反其所有於二零一零年發行及未償還之可換股貸款票據(「二零一零年可換股貸款票據»)之契諾,因此,該等可換股貸款票據持有人有權要求即時償還二零一零年可換股貸款票據。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL (continued)

Basis of presentation of the consolidated financial statements (continued)

Should the 2010 Convertible Loan Notes with principal amount of approximately HK\$335,400,000 be classified as current liability in the consolidated financial statements, the Group would have a net current liability of HK\$74,012,000. The Group incurred a loss attributed to owners of the Company of approximately HK\$3,009,777,000 for the year ended 31 December 2010; and the Group also had net operating cash outflow of approximately HK\$73,000,000 for the year ended 31 December 2010. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In addition, the management had estimated that the Group shall have a cash outflow for the year ending 31 December 2011 based on a cash flow forecast prepared with reference to the current business and financing plans of the Group. Nevertheless, the directors of the Company are of the opinion that the Group will be able to finance its future working capital and financial requirements given that the convertible loan notes holders have confirmed that they would not request early redemption of the convertible loan notes.

Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2010 on a going concern basis, the validity of which is dependent on (i) the successful outcome of the Group's ongoing negotiation with the convertible loan notes holders and prospective external financial resources providers to bring in viable assets and/or projects to restructure its defaulted financial obligations and to solve the Group's solvency position at any point of time ("Negotiation") and, (ii) the Group's ability to have adequate cash flows to maintain its operations. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

1. 一般資料 (續)

綜合財務報表之呈列基準 (續)

倘本金額約335,400,000港元之二零一零年可換股貸款票據於綜合財務報表分類為流動負債，則本集團之流動負債淨額將為74,012,000港元。截至二零一零年十二月三十一日止年度，本集團產生本公司擁有人應佔虧損約3,009,777,000港元；而於截至二零一零年十二月三十一日止年度，本集團亦錄得經營現金流出淨額約73,000,000港元。此等情況顯示存在重大不確定因素，可能對本集團繼續按持續經營基準營運之能力構成重大疑慮，因此其未必可於一般業務過程中變現資產及清償負債。

此外，管理層根據參照本集團目前業務及融資計劃編製之現金流量預測，估計本集團於截至二零一一年十二月三十一日止年度會產生現金流出。然而，由於可換股貸款票據持有人已確認不會要求提前贖回可換股貸款票據，故本公司董事認為本集團將可為未來營運資金及財務需求撥資。

因此，董事認為，根據持續經營基準編製截至二零一零年十二月三十一日止年度之綜合財務報表屬恰當，有關基準是否有效乃取決於(i)本集團與可換股貸款票據持有人及準外部財務資源提供者持續進行磋商之最終結果，而磋商之內容為引入可行資產及／或項目以重組本集團之違約財務責任，並解決本集團於任何時間之無力償債狀況（「磋商」）；及(ii)本集團取得足夠現金流量以維持其營運之能力。倘本集團未能繼續按持續經營基準營運，將須作出調整以將資產價值撇減至其可收回金額，為可能產生之進一步負債作出撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。此等調整之影響並無於綜合財務報表內反映。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

| | |
|-------------------------------|---|
| HKFRSs (Amendments) | Amendment to HKFRS5 as part of Improvement to HKFRSs 2008 |
| HKFRSs (Amendments) | Improvements to HKFRSs 2009 |
| HKAS 27 (Revised) | Consolidated and Separate Financial Statements |
| HKAS 39 (Amendment) | Eligible Hedged Items |
| HKFRS 1 (Revised) | First – time Adoption of Hong Kong Financial Reporting Standards |
| HKFRS 1 (Amendment) | Additional Exemptions from First-time Adopters |
| HKFRS 2 (Amendment) | Group Cash-settled Share-based Payment Transactions |
| HKFRS 3 (Revised) | Business Combinations |
| HK – Interpretation (“Int”) 5 | Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause |
| HK(IFRIC) – Int 17 | Distributions of Non-cash Assets to Owners |

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

本集團於本年度應用以下由香港會計師公會（「香港會計師公會」）所頒布之新訂及經修訂準則、修訂本及詮釋（「新訂及經修訂香港財務報告準則」）。

| | |
|------------------------|---------------------------------------|
| 香港財務報告準則（修訂本） | 香港財務報告準則第5號之修訂，作為對二零零八年香港財務報告準則改進之一部分 |
| 香港財務報告準則（修訂本） | 二零零九年香港財務報告準則之改進 |
| 香港會計準則第27號（經修訂） | 綜合及獨立財務報表 |
| 香港會計準則第39號（修訂本） | 合資格對沖項目 |
| 香港財務報告準則第1號（經修訂） | 首次採納香港財務報告準則 |
| 香港財務報告準則第1號（修訂本） | 首次採納者之額外豁免 |
| 香港財務報告準則第2號（修訂本） | 集團以現金結算股份之付款交易 |
| 香港財務報告準則第3號（經修訂） | 業務合併 |
| 香港－詮釋（「詮釋」）第5號 | 呈列財務報表－借款人對載有按要求償還條款之有期貨款之分類 |
| 香港（國際財務報告詮釋委員會）－詮釋第17號 | 向擁有人分派非現金資產 |

除下述者外，採用新訂及經修訂香港財務報告準則對本集團目前或過往會計期間綜合財務報表並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued) HKAS 27 (Revised 2008) Consolidated and Separate Financial Statements

The application of HKAS 27 (Revised 2008) has resulted in changes in the Group’s accounting policies regarding increases or decreases in ownership interests in subsidiaries of the Group. In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. The impact of decreases in interests in subsidiaries that did not involve loss of control (being the difference between the consideration received and the carrying amount of the share of net assets disposed of) was recognised in profit or loss. Under HKAS 27 (Revised 2008), all increases or decreases in such interests are dealt with in equity, with no impact on goodwill or profit or loss.

In respect of the acquisition of further 9.999% equity interest in Golden Pogada LLC (“GPL”) during the year, the impact of the change in accounting policy has been that the difference of approximately HK\$48,194,000 between the consideration paid and the decrease in the carrying amount of the non-controlling interests has been recognised directly in equity. Had the previous accounting policy been applied, this amount would have been recognised as gain on bargain purchase in the condensed consolidated income statement. Therefore, the change in accounting policy has resulted in increase in loss for the year of approximately HK\$48,194,000 and increase in basic and diluted loss per share of HK\$7.02 cents.

In respect of the deemed disposal of 39.8% equity interest in North Asia Energy Group Limited (“NAEG”) during the year, the impact of the change in accounting policy has been that the difference of approximately HK\$120,000 between the consideration received from the issuance of ordinary shares and the increase in the carrying amount of the non-controlling interests has been recognised directly in equity. Had the previous accounting policy been applied, this amount would have been recognised as loss on disposal in the condensed consolidated income statement. Therefore, the change in accounting policy has resulted in decrease in loss for the year of approximately HK\$120,000 and decrease in basic and diluted loss per share of HK\$0.02 cents.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised standard requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date the control is lost. A gain or loss on loss of control is recognised in profit or loss as the difference between the proceeds, if any, and these adjustments.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續） 香港會計準則第27號（二零零八年經修訂）「綜合及獨立財務報表」

應用香港會計準則第27號（二零零八年經修訂）導致本集團更改有關其附屬公司擁有權之增加或減少之會計政策。於過往年度，由於香港財務報告準則並無特別規定，故現有附屬公司權益增加會以收購附屬公司之同一方式處理，而商譽或優惠購買收益會按適用情況予以確認。並無涉及失去控制權之附屬公司權益減少之影響（即已收代價與應佔已出售淨資產賬面值之差額）於損益內確認。根據香港會計準則第27號（二零零八年經修訂），所有該等權益增加或減少會於權益內處理，對商譽或損益並不構成影響。

就於年內進一步收購Golden Pogada LLC（「GPL」）9.999%股權而言，會計政策變動之影響為直接於權益中確認已付代價與非控股權益賬面值減少兩者之差額約48,194,000港元。倘採用先前之會計政策，則該金額應於簡明綜合收益表中確認為優惠購買收益。因此，會計政策之變動導致年內虧損增加約48,194,000港元及每股基本及攤薄虧損增加7.02港仙。

就年內視作出售North Asia Energy Group Limited（「NAEG」）39.8%股權而言，會計政策變動之影響為直接於權益中確認發行普通股所收代價與非控股權益之賬面值增加兩者之差額約120,000港元。倘採用先前之會計政策，則該金額應於簡明綜合收益表中確認為出售虧損。因此，會計政策之變動導致年內虧損減少約120,000港元及每股基本及攤薄虧損減少0.02港仙。

倘因某項交易、事件或其他情況而失去附屬公司之控制權，該經修訂準則規定本集團須按賬面值終止確認所有資產、負債及非控股權益。於原附屬公司保有之任何權益按失去控制權當日之公平值確認。所得款項（如有）與該等調整之差額於損益內確認為失去控制權之收益或虧損。

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

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

| | |
|--------------------------------|--|
| HKFRSs (Amendments) | Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28 ¹ |
| HKFRS 1 (Amendment) | Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ² |
| HKFRS 1 (Amendment) | Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ⁵ |
| HKFRS 7 (Amendments) | Disclosures – Transfers of Financial Assets ⁵ |
| HKFRS 9 | Financial Instruments ⁷ |
| HKAS 12 (Amendment) | Deferred Tax: Recovery of Underlying Assets ⁶ |
| HKAS 24 (Revised) | Related Party Disclosures ⁴ |
| HKAS 32 (Amendment) | Classification of Rights Issues ² |
| HK(IFRIC) – Int 14 (Amendment) | Prepayments of a Minimum Funding Requirement ⁴ |
| HK(IFRIC) – Int 19 | Extinguishing Financial Liabilities with Equity Instruments ³ |

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

² Effective for annual periods beginning on or after 1 February 2010.

³ Effective for annual periods beginning on or after 1 July 2010.

⁴ Effective for annual periods beginning on or after 1 January 2011.

⁵ Effective for annual periods beginning on or after 1 July 2011.

⁶ Effective for annual periods beginning on or after 1 January 2012.

⁷ Effective for annual periods beginning on or after 1 January 2013.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團未有提早採納下列已頒布但尚未生效之新訂或經修訂準則、修訂本或詮釋：

| | |
|------------------------------|---|
| 香港財務報告準則（修訂本） | 二零一零年香港財務報告準則之改進，惟香港財務報告準則第3號（二零零八年經修訂）、香港財務報告準則第7號、香港會計準則第1號及香港會計準則第28號之修訂本除外 ¹ |
| 香港財務報告準則第1號（修訂本） | 首次採納者作出香港財務報告準則第7號比較披露之有限豁免 ³ |
| 香港財務報告準則第1號（修訂本） | 嚴重高通脹及移除首次採納者之固定日期 ⁵ |
| 香港財務報告準則第7號（修訂本） | 披露 – 轉讓金融資產 ⁵ |
| 香港財務報告準則第9號 | 金融工具 ⁷ |
| 香港會計準則第12號（修訂本） | 遞延稅項：收回相關資產 ⁶ |
| 香港會計準則第24號（經修訂） | 關連方披露 ⁴ |
| 香港會計準則第32號（修訂本） | 供股分類 ² |
| 香港（國際財務報告詮釋委員會）– 詮釋第14號（修訂本） | 最低資金規定預付款項 ⁴ |
| 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 ³ |

¹ 於二零一零年七月一日及二零一一年一月一日（如適用）或之後開始之年度期間生效。

² 於二零一零年二月一日或之後開始之年度期間生效。

³ 於二零一零年七月一日或之後開始之年度期間生效。

⁴ 於二零一一年一月一日或之後開始之年度期間生效。

⁵ 於二零一一年七月一日或之後開始之年度期間生效。

⁶ 於二零一二年一月一日或之後開始之年度期間生效。

⁷ 於二零一三年一月一日或之後開始之年度期間生效。

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

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

於二零零九年十一月頒布並於二零一零年十月修訂之香港財務報告準則第9號「金融工具」引進金融資產及金融負債分類及計量以及終止確認之新規定。

- 香港財務報告準則第9號規定，香港會計準則第39號「金融工具：確認及計量」範圍內所有已確認金融資產其後按攤銷成本或公平值計量，尤其是就以收取合約現金流量為目的之業務模式持有之債務投資，及擁有合約現金流量，且有關現金流量純粹為支付本金及未償還本金之利息之債務投資，均一般按於其後會計期間結束時之攤銷成本計量。所有其他債務投資及股本投資按於其後會計期間結束時之公平值計量。
- 香港財務報告準則第9號對金融負債之分類及計量之最重大影響，乃與指定按公平值計入損益之金融負債之信貸風險變動引致該負債公平值變動之會計處理方法有關。尤其是根據香港財務報告準則第9號，就指定按公平值計入損益之金融負債而言，除非於其他全面收入中呈列金融負債之信貸風險變動影響，將會導致於損益產生或擴大會計錯配，否則因金融負債之信貸風險變動而引致之金融負債公平值金額變動乃於其他全面收益中呈列。金融負債之信貸風險引致之公平值變動其後不會於損益重新分類。先前根據香港會計準則第39號，指定按公平值計入損益之金融負債之公平值變動，乃全數於損益呈列。

香港財務報告準則第9號將於二零一三年一月一日或之後開始之年度期間生效，並允許提早應用。

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綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (continued)

The directors anticipate that HKFRS 9 that will be adopted in the Group’s consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard will have a significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group’s disclosures regarding transfers of trade receivables previously effected. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

The amendments to HKAS 32 titled Classification of Rights Issues address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments. However, if the Group does enter into any rights issues within the scope of the amendments in future accounting periods, the amendments to HKAS 32 will have an impact on the classification of those rights issues.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

董事預期，香港財務報告準則第9號將於二零一三年一月一日開始之年度期間在本集團綜合財務報表內採納，採用新訂準則將重大影響就本集團金融資產及金融負債呈報之金額。然而，直至詳細審閱完成前，提供該影響之合理估計並不可行。

香港財務報告準則第7號「披露－轉讓金融資產」之修訂本增加涉及轉讓金融資產之交易的披露規定。該等修訂旨在就於金融資產被轉讓而轉讓人保留該資產一定程度之持續風險承擔時，提高風險承擔之透明度。該等修訂亦要求於該期間內金融資產轉讓並非均衡分佈時作出披露。

董事並不預期香港財務報告準則第7號之該等修訂本將對本集團有關以往進行之貿易應收款項轉讓披露有重大影響。然而，倘本集團日後進行其他類別之金融資產轉讓，有關該等轉讓之披露可能會受到影響。

香港會計準則第24號「關連方披露」（二零零九年經修訂）修訂關連方之定義及簡化政府相關實體披露。

香港會計準則第24號（二零零九年經修訂）引入之披露豁免並未影響本集團，原因為本集團並非政府相關實體。然而，若該準則之經修訂版本於未來會計期間應用，由於部分之前不符合關連方定義之對手方可能會被歸入該準則之範圍，故此等綜合財務報表中有關關連方交易及結餘之披露可能會受到影響。

香港會計準則第32號「供股分類」之修訂本提出將以外幣列值之若干供股分類為股本工具或金融負債。到目前為止，本集團並無訂立任何屬於該等修訂本範圍之安排。然而，倘本集團於未來會計期間訂立任何屬於該等修訂本範圍之供股，則香港會計準則第32號之修訂本將會影響該等供股之分類。

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

HK(IFRIC)-Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK(IFRIC)-Int 19 will affect the required accounting. In particular, under HK(IFRIC)-Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of consolidation

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

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

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

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港（國際財務報告詮釋委員會）—詮釋第19號提供有關透過發行股本工具抵銷金融負債之會計處理指引。到目前為止，本集團並無進行屬於該性質之交易。然而，倘本集團日後訂立任何有關交易，則香港（國際財務報告詮釋委員會）—詮釋第19號將會影響會計處理規定。尤其是，根據香港（國際財務報告詮釋委員會）—詮釋第19號，根據有關安排發行之股本工具將按其公平值計量，而所抵銷金融負債之賬面值與所發行股本工具之公平值的差額將於損益確認。

本公司董事預期應用其他新訂及經修訂準則、修訂本或詮釋將不會對本集團之業績及財務狀況造成重大影響。

3. 主要會計政策

綜合財務報表乃按歷史成本基準編製，惟下列會計政策所述若干金融工具乃按公平值計算。

綜合財務報表是根據香港會計師公會頒布之香港財務報告準則編製。此外，綜合財務報表載列聯交所證券上市規則（「上市規則」）及香港公司條例規定之適用披露。

綜合基準

綜合財務報表載有本公司及本公司控制之實體（其附屬公司）之財務報表。若本公司有權監管實體之財務及營運政策，藉以從其業務得益，本公司即擁有其控制權。

於年內所收購或出售之附屬公司，其業績均自收購生效日期起或截至出售生效日期（按適用情況）止計入綜合收益表內。

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者一致。

所有集團內公司間之交易、結餘、收入及開支均於綜合賬目時對銷。

於附屬公司所佔非控股權益與本集團所佔之權益分開列賬。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued) Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations that took place prior to 1 January 2010

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

3. 主要會計政策 (續) 分配全面收益總額至非控股權益

附屬公司之全面收益及開支總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀。於二零一零年一月一日之前，非控股權益應佔虧損超出於附屬公司權益之非控股權益之差額會分配至本集團之權益，惟倘非控股權益具有約束力責任及能夠作出額外投資填補有關虧損則除外。

本集團於現有附屬公司擁有權益之變動

倘本集團於附屬公司之擁有權益出現變動，但並無導致本集團失去對該等附屬公司之控制權，則入賬列作權益交易。本集團之權益與非控股權益之賬面值均予以調整，以反映彼等於附屬公司之相關權益之變動。非控股權益之調整款額與已付或已收代價之公平值兩者間之差額，均直接於權益確認並歸屬於本公司擁有人。

倘本集團失去對附屬公司之控制權，則出售損益按(i)已收代價之公平值及任何保留權益之公平值與(ii)該附屬公司之資產(包括商譽)及負債以及任何非控股權益先前之賬面值兩者間之差額計算。倘附屬公司之若干資產按重估金額或公平值計量，而相關累計損益已於其他全面收益中確認並累計入權益中，則先前於其他全面收益確認並累計入權益之款額，會按猶如本公司已直接出售相關資產入賬(即重新分類至損益或直接轉撥至保留盈利)。於失去控制權當日在前附屬公司保留之任何投資之公平值，會根據香港會計準則第39號「金融工具：確認及計量」在其後入賬時被列作首次確認時之公平值，或(如適用)首次確認於聯營公司或共同控制實體之投資之成本。

於二零一零年一月一日或之前進行之業務合併

收購業務使用收購會計法列賬。收購成本是按為換取獲收購公司控制權而由本集團所給予資產、所產生或所承擔負債及發行之股本工具於交換日期之總公平值，加上業務合併直接應佔之成本計算。獲收購公司之可識別資產、負債及或然負債若符合相關確認條件，則一般按其於收購當日之公平值確認。

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued) Changes in the Group's ownership interests in existing subsidiaries (continued)

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

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

The non-controlling interest in the acquiree was initially measured at the non-controlling interest's proportionate share of the recognised amounts of the assets, liabilities and contingent liabilities of the acquiree.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

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

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

On disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策 (續) 本集團於現有附屬公司擁有權益之變動 (續)

於二零一零年一月一日前進行之業務合併 (續)

收購產生之商譽確認為資產並初步按成本 (即收購成本高於本集團於可識別資產、負債及或然負債之已確認金額所佔權益之部分) 計量。於評估後，倘本集團於獲收購公司之可識別資產、負債及或然負債之已確認金額所佔權益高於收購成本，則該高出數額即時於損益確認。

獲收購公司之非控股權益初步按非控股權益於獲收購公司資產、負債及或然負債之已確認金額比例計量。

商譽

因收購業務而產生之商譽按成本減任何累積減值虧損列賬，於綜合財務狀況表獨立呈列。

就減值測試而言，商譽先分配至預期會因合併之協同效應而受惠之本集團各有關現金產生單位或現金產生單位組別。

已獲分配商譽之現金產生單位每年及凡單位有跡象顯示可能出現減值時更頻密進行減值測試。當現金產生單位之可收回金額少於該單位之賬面金額，則分配減值虧損，以首先削減分配到該單位之任何商譽之賬面金額，然後以單位各資產之賬面金額為基準，按比例分配到該單位之其他資產。商譽之任何減值虧損直接於綜合全面收益表之損益內確認。商譽確認之減值虧損於其後期間不予撥回。

出售有關現金產生單位時，被資本化之商譽之應佔金額於出售時計入釐定損益之金額。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss.

Plant and equipment

Plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

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

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

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

3. 主要會計政策 (續)

於附屬公司之投資

於附屬公司之投資按成本減任何已識別減值虧損計入本公司財務狀況表。

廠房及設備

廠房及設備按成本減其後之累計折舊及累計減值虧損列賬。

折舊之撥備乃採用直線法，於廠房及設備（在建工程除外）項目之估計可使用年期，經計入其估計剩餘價值後撇銷其成本計算。

在建工程包括正在興建作生產用途及供自用之廠房及設備，乃按成本值減任何已確認之減值虧損列賬。在建工程會於完成及可作擬定用途時分類至合適之廠房及設備類別。此等資產會於可作擬定用途時按與其他物業資產相同之基準開始計算折舊。

廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時剔除確認。於剔除確認資產時產生之任何收益或虧損（以該項目之出售所得款項淨額與其賬面金額之差額計算）於剔除確認該項目之年度計入損益內。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mining rights

Mining rights are stated at cost less accumulated amortisation and accumulated impairment losses and are amortised on the units of production method based on the total proven and probable reserves of the mine or contractual period from the date of commencement of commercial production which approximates the date from which they are available for use.

Exploration and evaluation assets

Exploration and evaluation assets are stated at cost less impairment losses. Exploration and evaluation assets include topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies, and expenditure incurred to secure further mineralisation in existing one bodies and to expand the capacity of a mine. Expenditure incurred prior to acquiring legal rights to explore an area is written off as incurred. When it can be reasonably ascertained that a mining property is capable of commercial production, exploration and evaluation costs are transferred to mining rights and are amortised based on the accounting policy as stated in "Mining rights" above. If any project is abandoned during the evaluation stage, the total expenditure thereon will be written off.

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash as defined above.

Financial instruments

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

3. 主要會計政策 (續)

採礦權

採礦權按成本減累計攤銷及累計減值虧損列賬，按已探明及或有礦物總量，根據生產單位法或自大概為可以使用日期之商業投產日期起計合約期攤銷。

勘探及評估資產

勘探及評估資產以成本扣除減值虧損後列賬。勘探及評估成本包括地質、地形研究、勘探挖掘、採樣、挖溝以及與商業及技術可行性研究有關之活動和為保證在現有礦體中進一步尋找礦體及擴大礦區之生產能力而產生的支出。於取得於礦區探礦之合法權利前產生的支出於產生時撇銷。當可合理確定採礦物業可供商業開採時，勘探及評估成本轉至採礦權並依照如上所闡述的「採礦權」會計政策予以攤銷。倘若項目於評估階段被放棄，所有相關支出將被撇銷。

現金及現金等價物

綜合財務狀況表內之銀行結餘及現金包括銀行及手頭現金。就綜合現金流量表而言，現金及現金等價物包括上文界定之現金。

金融工具

當集團實體成為金融工具合同條文之一方，則於綜合財務狀況表內確認金融資產及金融負債。金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔之交易成本乃於初步確認時計入金融資產或金融負債（視適用情況而定）之公平值，或從中扣除。按公平值於損益入賬之收購金融資產或金融負債直接應佔交易成本即時於損益確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

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

Effective interest method

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

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

Loans and receivables

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

Impairment loss of financial assets

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties

3. 主要會計政策 (續)

金融工具 (續)

金融資產

本集團之金融資產歸入貸款及應收賬項。所有常規購買或出售金融資產乃按交易日基準確認及剔除確認。常規購買或出售乃購買或出售之金融資產規定於市場上按規則或慣例設定之時間框架內交付資產。

實際利息法

實際利息法為計算金融資產之攤銷成本以及於有關期間分配利息收入之方法。實際利率是可於金融資產之預計年期或(倘適用)在較短期間將估計未來現金收入(包括所支付或收取能構成整體實際利率之所有費用及利率差價、交易成本及其他溢價或折算價)準確折算至初步確認時之賬面淨值之利率。

債務票據之利息收入按實際利率基準確認。

貸款及應收賬項

貸款及應收賬項為並無於活躍市場報價，且附帶固定或有待議定付款之非衍生金融資產。於初步確認後，貸款及應收賬項(包括貿易及其他應收款項、應收一名董事款項以及銀行結餘及現金)乃採用實際利率法按攤銷成本減任何已識別減值虧損入賬(見下文有關金融資產減值虧損之會計政策)。

金融資產減值虧損

金融資產於每個報告期末後評估是否出現減值跡象。倘有客觀證據顯示因於初步確認金融資產後發生之一件或多件事實，導致金融資產之未來現金流量受到影響，則金融資產已出現減值。

減值之客觀證據包括：

- 發行人或交易對手出現嚴重財政困難；或
- 逾期支付或拖欠利息或本金；或
- 借款人有可能破產或進行財務重組；或
- 因出現財政困難而導致該金融資產之活躍市場消失。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

Impairment loss of financial assets (continued)

For certain categories of financial asset, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

Financial liabilities and equity instruments

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

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

3. 主要會計政策 (續) 金融工具 (續)

金融資產減值虧損 (續)

對某些類別之金融資產，如貿易及其他應收款項等資產如被評估為並無個別出現減值，其後以整體方式評估減值。應收款項減值之客觀證據包括本集團過往收款經驗；超過平均賒賬期限90天逾期付款之次數增加；與應收款項拖欠情況相關之國家或當地經濟狀況之觀察所得變動。

對按攤銷成本入賬之金融資產而言，當有客觀證據顯示資產減值時，減值虧損於損益確認，並按資產之賬面值與估計未來現金流量按原實際利率貼現之現值間之差額計量。

減值虧損直接減少所有金融資產之賬面金額，惟貿易及其他應收款項除外，其賬面金額乃透過撥備賬扣減。撥備賬之賬面金額變動於損益確認。當貿易及其他應收款項被視為不能收回時，則於撥備賬內撇銷。過往撇銷之金額於其後撥回時計入損益。

對於按攤銷成本列賬之金融資產而言，如在隨後期間，減值虧損金額減少，而有關減少客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損透過損益撥回，惟該資產於減值被撥回當日之賬面值，不得超過倘無確認減值之攤銷成本。

金融負債及股本工具

由集團實體發行之金融負債及股本工具乃根據已訂立之合同安排之內容及與金融負債及股本工具之定義予以分類。

股本工具指證明集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本集團之金融負債一般分類為其他金融負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis, other than those financial liability classified as at fair value through profit or loss ("FVTPL"), of which interest expense is included in net gains or losses.

Other financial liabilities

Other financial liabilities including trade and other payables, amount due to a minority shareholder and promissory notes are subsequently measured at amortised cost, using the effective interest method.

Convertible loan notes

Convertible loan notes issued by the Group that contain liability, conversion option and derivative (which is not closely related to host liability component) components are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument. At the date of issue, both the liability and derivative components are measured at fair value.

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

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

實際利息法

實際利息法為計算金融負債之攤銷成本以及於有關期間分配利息開支之方法。實際利率乃可於金融負債之預計年期或(倘適用)在較短期間將估計未來現金付款準確折算之利率。

利息開支按實際利率基準確認，惟分類為按公平值於損益入賬(「按公平值於損益入賬」)之金融負債之利息開支計入收益或虧損淨額。

其他金融負債

其他金融負債(包括應付貿易及其他應付款項、應付一名少數股東款項及承兌票據)乃隨後採用實際利息法按攤銷成本計量。

可換股貸款票據

本集團發行之可換股貸款票據包含負債、兌換權及衍生工具(並非與主負債部分密切相關)部分，乃於初步確認時各自分類為相關項目。將以固定現金額或另一項金融資產交換本公司固定數目之股本工具方式結清之兌換權乃分類為股本工具。於發行日期，負債及衍生工具部分均按公平值計量。

於初步確認時，負債部分之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股貸款票據之所得款項總額與分別撥往負債及衍生工具部分之公平值之差額(即持有人可將貸款票據兌換為權益之兌換權)乃列入權益(可換股債券儲備)內。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and instruments (continued)

Convertible loan notes (continued)

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

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

Transaction costs that relate to the issue of the convertible loan 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 charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method. Transaction costs relating to the embedded derivative is charged to profit or loss immediately.

Equity instruments

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

Convertible preference shares

Convertible preference shares are classified as equity if it is non-redeemable and any dividends are discretionary. Dividends on convertible preference shares classified as equity are recognised as distributions within equity.

Embedded derivatives

Derivative embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

可換股貸款票據 (續)

於往後期間，可換股貸款票據之負債部分乃以實際利率法按攤銷成本列賬。衍生工具部分按公平值計量，公平值之變動會於損益確認。

權益部分（即可將負債部分兌換為本公司普通股之兌換權）將保留於可換股債券儲備，直至內含兌換權獲行使為止（在此情況下，可換股債券權益儲備之結餘將轉移至股份溢價）。倘兌換權於到期日尚未獲行使，可換股債券儲備之結餘將撥回累積虧損。兌換權獲兌換或到期時不會於損益確認任何盈虧。

發行可換股貸款票據之相關交易成本，按所得款項總額之分配比例撥往負債及權益部分。權益部分之交易成本會直接於權益中扣除。負債部分之交易成本會計入負債部分之賬面金額中，並以實際利率法於可換股貸款票據期間內攤銷。嵌入式衍生工具之交易成本即時於損益扣除。

股本工具

本公司發行之股本工具乃按已收所得款項扣除直接發行成本列賬。

可轉換優先股

可轉換優先股倘不可贖回且股息屬酌情性質，即分類為權益。可轉換優先股分類為權益之股息於權益內確認為分派。

內含衍生工具

倘非衍生主合約內含之衍生工具之風險及特性並非與主合約部分密切相關，且主合約並非按公平值計量及公平值變動並非於損益確認，則有關衍生工具會被視為獨立衍生工具。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

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

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

Recoverable amount is the higher of fair value 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss.

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

3. 主要會計政策 (續) 金融工具 (續)

剔除確認

若從資產收取現金流量之權利已屆滿，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移，則金融資產將被剔除確認。於剔除確認金融資產時，資產賬面值與已收及應收代價及已直接於權益中確認之累計損益之總和之差額，乃於損益中確認。

若有關合約之指定責任獲解除、取消或屆滿，則終止確認金融負債。終止確認之金融負債賬面值與已付或應付代價之差額乃於損益中確認。

存貨

存貨按成本及可變現淨值之較低者列賬。成本按先入先出法計算。

具有限使用年期之有形及無形資產 (商譽除外) (參閱上文有關商譽之會計政策) 減值虧損

本集團會於各報告期末審閱其有形及無形資產之賬面金額，以確定是否出現任何減值虧損跡象。倘存在任何有關跡象，則會估計資產之可收回金額，以釐定減值虧損 (如有) 之程度。

可收回金額為公平值減銷售成本與使用價值之間之較高者。於評估使用價值時，估計未來現金流量會採用反映現時市場對貨幣時間價值及資產 (並未調整估計未來現金流量) 特殊風險之評值之稅前貼現率，貼現至其現有價值。

倘估計資產之可收回數額低於其賬面金額，則該資產之賬面值將減至其可收回數額之水平，並會即時於損益將減值虧損確認為支出。

倘若減值虧損於其後撥回，該資產之賬面金額則會增加至經修訂之估計可收回數額，惟增加後之賬面金額不得超出該資產若於過往年度並無確認減值虧損時應釐定之賬面金額。撥回之減值虧損即時於損益確認為收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Disposal groups held for sale

Disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale with one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Disposal groups classified as held for sale are measured at the lower of the disposal groups previous carrying amount and fair value less costs to sell.

Revenue recognition

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

- i) Sale of goods
Revenue from sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.
- ii) Service income/management fee income/consultancy service income
Income is recognised when services are provided.
- iii) Interest income
Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. 主要會計政策 (續)

持作出售之出售集團

倘賬面值將主要透過銷售交易而非持續使用收回，則出售集團按持作出售分類。只有銷售極有可能進行，且出售集團可按現況即時出售，此條件方始被視為獲符合。管理層必須對出售作出承諾，而出售預期應可於分類日期起計一年內合資格確認為已完成出售。

當本集團承諾出售計劃涉及失去一間附屬公司之控制權時，該附屬公司所有資產及負債於符合上述條件時均分類為持作出售，不論本集團會否於出售後保持其於前附屬公司之非控股權益。

分類為持作出售之出售集團按出售集團過往賬面值及公平值減出售成本之較低者計量。

收入確認

收入按已收或應收代價之公平值計量，並為在日常業務過程中銷售貨品及所提供服務應收之款項，並扣除折扣及銷售相關稅項。

- i) 銷售貨品
銷售貨品之收入是於擁有權之風險及回報轉移時確認，一般為貨品交付予客戶及所有權轉移時。
- ii) 服務收入／管理費收入／顧問服務收入
收入於提供服務時確認。
- iii) 利息收入
金融資產產生之利息收入按時間基準，並參照尚餘本金額及按適用之實際利率累算，即確切貼現金融資產預期年期估計日後現金收款至初步確認時之資產賬面淨值之利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity settled share-based payment transactions

Share options granted to employees

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

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

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

Share options granted to business associates

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 主要會計政策 (續)

以股本結算股份付款之交易

授予僱員之購股權

所獲提供服務之公平值乃參考購股權於授出當日之公平值釐定，並於歸屬期間以直線法支銷，並於權益（購股權儲備）中作相應增加。

於每個報告期末，本集團修訂預期最終將歸屬之購股權數目。修訂原先估計之影響（如有）於損益中確認，並對購股權儲備作相應調整。

購股權獲行使時，過往於購股權儲備中確認之數額將轉移至股份溢價。當購股權於歸屬日期後遭沒收或於屆滿日仍未獲行使，過往在購股權儲備中確認之數額將繼續於購股權儲備中持有。

授予業務聯繫人士之購股權

就換取服務而發行之購股權，乃按所獲提供服務之公平值計量，除非公平值不能可靠地計量，在該情況下，獲提供之服務乃參考所授出購股權之公平值計量。當對方提供服務時，除非有關服務合資格確認為資產，否則該等服務之公平值確認為開支，並於權益（購股權儲備）中作相應增加。

政府補助

當能合理保證本集團將會符合政府補助所附條件及收取補助時，方會確認有關政府補助。

政府補助按系統基準於各期間在損益確認時，本集團將政府補助擬補償之相關成本確認為開支。

用作補償本集團已產生開支或虧損或旨在為本集團提供即時財務資助（而無未來相關成本）之應收政府補助於應收期間在損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in a jointly controlled entity, 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.

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

3. 主要會計政策 (續)

稅項

所得稅支出指現時應付稅項與遞延稅項之總和。

現時應付稅項按本年度應課稅溢利計算。應課稅溢利與綜合全面收益表中所報溢利不同，此乃由於前者不包括在其他年度之應課稅或可扣減之收入或支出項目，並且不包括從來毋須課稅或不可扣稅之項目。本集團之即期稅項負債乃按報告期末已頒布或大致上已頒布之稅率計算。

遞延稅項乃按於綜合財務報表中資產及負債之賬面值與計算應課稅溢利所用相應稅基間之暫時性差額確認。遞延稅項負債通常會就所有應課稅暫時性差額確認，而遞延稅項資產則於可能出現應課稅溢利以抵銷可扣稅之暫時性差額時確認。若因商譽或因初步確認業務合併以外一項交易中其他資產及負債而產生暫時性差額，且既不影響應課稅溢利亦不影響會計利潤，則不會確認該等資產及負債。

遞延稅項負債乃就投資於附屬公司及於一間共同控制實體之權益之相關應課稅暫時性差額確認，除非本集團能控制暫時差額撥回及暫時性差額在可預見將來可能不會撥回，則作別論。

遞延稅項資產之賬面金額於每個報告期末審閱，倘不再可能有足夠應課稅溢利以收回資產全部或部分時作出調減。

遞延稅項資產及負債乃根據每個報告期末已頒布或大致頒布之稅率及稅法，按預期於負債償還或資產變現期間適用之稅率計算。遞延稅項負債及資產之計量反映本集團預期於報告期末收回或結清其資產及負債賬面值之方法的稅務後果。遞延稅項於損益確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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

3. 主要會計政策 (續)

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易，乃按交易日期之適用匯率換算為功能貨幣（即該實體業務所在主要經濟地區之貨幣）列賬。於各報告期末，以外幣定值之貨幣項目乃按結算日之適用匯率重新換算。按公平值以外幣定值列賬之非貨幣項目，乃按於公平值釐定當日之適用匯率重新換算。按外幣定值及以過往成本計量之非貨幣項目不予重新換算。

貨幣項目之匯兌差額，乃於產生期間於損益中確認，惟不包括以下情況：

- 當有關日後生產使用之在建資產之外幣借貸匯兌差額被視為外幣借貸之利息成本之調整時，匯兌差額計入該等資產之成本；
- 為對沖若干外幣風險訂立之交易之匯兌差額（見下文之會計政策）；及
- 應收或應付一項海外業務之貨幣項目之匯兌差額，既無計劃結算，發生結算之可能性亦不大，其為海外業務投資淨額之一部分，並初步於其他全面收益確認及於償還貨幣項目時從權益重新分類至損益。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於報告期末之適用匯率換算為本公司之列賬貨幣（即港元），而收入及支出則按該年度之平均匯率換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率。所產生之匯兌差額（如有）確認作其他全面收益及於權益（匯兌換算儲備）累計。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

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

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

Retirement benefit costs

Payments to state-managed retirement benefit scheme and the defined contribution schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. During the year ended 31 December 2010, an impairment of goodwill of approximately HK\$2,653,767,000 was made. Please refer to Note 20(b) for details.

3. 主要會計政策 (續)

租賃

當租賃條款將擁有權近乎全部風險及回報轉讓予承租人時，租賃分類為融資租賃，而所有其他租賃則分類為經營租賃。

經營租金乃按有關租賃期以直線法於損益中確認為開支。作為促使訂立經營租賃之已收及應收利益亦按租賃期以直線法確認為租金開支減少。

退休福利成本

向國家管理退休福利計劃及定額供款計劃支付之款項於員工因其提供服務而合資格享有供款時列作開支扣除。

借貸成本

所有借貸成本於產生期間在綜合收益表確認為入賬列作融資成本。

4. 估計不確定性之主要來源

在應用本集團載述於附註3之會計政策時，本公司董事須對未能輕易地從其他來源獲知之資產及負債賬面金額作出估計及假設。該等估計及相關假設乃根據過往經驗及被認為相關之其他因素而作出。實際結果或會與該等估計不同。

以下為對未來之主要假設及於各報告期間結算日估計不確定性之其他主要來源，極有可能導致下一個財政年度之資產及負債賬面值須作出重大調整。

商譽之減值估計

釐定商譽是否出現減值時須估計商譽所獲分配之現金產生單位使用價值。本集團計算使用價值時須就預期源自該現金產生單位之未來現金流量及合適之貼現率作出估計，以計算現值。若實際未來現金流量較預期為低，則可能會產生重大減值虧損。截至二零一零年十二月三十一日止年度已作出約2,653,767,000港元商譽減值。詳情請參閱附註20(b)。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Impairment of mining rights and exploration and evaluation assets

Under the full cost method of accounting for mining rights and exploration and evaluation assets, such costs are capitalised by reference to appropriate cost pools, and are assessed for impairment when circumstances suggest that the carrying amount may exceed its recoverable value. This assessment involves judgment as to (i) the likely future commerciality of the asset and when such commerciality should be determined; and (ii) future revenues and costs pertaining to the asset in question, and the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable value. While conducting an impairment review of its assets, the Group makes certain judgments in making assumptions about the future iron and gold prices, reserves and future development and production costs. Changes in these estimates may result in significant changes to the consolidated income statement. At 31 December 2010, the carrying amount of mining right is HK\$1,264,392,000 (net of impairment loss of HK\$287,500,000 (31 December 2009: HK\$ 1,518,791,000)). As at 31 December 2010, the carrying amount of exploration and evaluation assets is HK\$7,645,000 (31 December 2009: Nil).

Impairment loss recognised in respect of trade and other receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the assets' 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 (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2010, the carrying amount of trade receivable is HK\$21,187,000 (net of allowance for doubtful debts of HK\$11,011,000) (31 December 2009: carrying amount of HK\$27,667,000, net of allowance for doubtful debts of HK\$11,528,000).

Mine reserves

Engineering estimates of the Group's mine reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mine reserves can be designated as "proven" and "probable". Proven and probable mine reserve estimates are updated on regular intervals taking into account recent production and technical information about each mine. In addition, as prices and cost levels change from year to year, the estimate of proven and probable mine reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in related depreciation rates.

4. 估計不確定性之主要來源

(續)

採礦權以及勘探及評估資產減值

根據計算採礦權以及勘探及評估資產之全面成本法，有關成本按適當成本組別資本化，於情況顯示賬面金額可能超出其可收回款額之情況評估減值。評估涉及判斷(i)資產日後在商業上可行之可能性及斷定其商業上可行之時間；及(ii)有關資產之日後收入及成本，就得出可收回價值用於該等收入及成本之貼現率。審閱資產減值時，本集團就日後鐵及金價、資源及日後發展與生產成本作出假設時，作出若干判斷。該等假設倘若變動或導致綜合收益表出現重大變化。於二零一零年十二月三十一日，採礦權之賬面值為1,264,392,000港元，扣除減值虧損287,500,000港元（二零零九年十二月三十一日：1,518,791,000港元）。於二零一零年十二月三十一日，勘探及評估資產之賬面值為7,645,000港元（二零零九年十二月三十一日：無）。

已確認貿易及其他應收款項減值虧損

倘出現減值虧損之客觀證據，本集團將考慮估計未來現金流量。減值虧損按資產賬面金額與按金融資產原實際利率（即初次確認時計算之實際利率）貼現之估計未來現金流量現值（不包括尚未產生之日後信貸虧損）間差額計量。倘實際未來現金流量少於預期，則產生重大減值虧損。於二零一零年十二月三十一日，貿易應收款項賬面金額為21,187,000港元，扣除呆賬撥備11,011,000港元（二零零九年十二月三十一日：賬面金額27,667,000港元，扣除呆賬撥備11,528,000港元）。

礦物儲備

由於本集團礦物儲備工程估計編製時涉及主觀判斷，故工程估計不可能做到十分精確，僅代表概約金額。於估計礦物儲備可指定為「經證實」及「可能」前，須符合有關工程條件之官方指引。經證實及可能之礦物儲備估計定期更新，並計及每個礦區之近期產量及技術資料。此外，由於價格及成本水平每年變動，故經證實及可能之礦物儲備估計亦有所變動。就會計而言，此變動被視作為估計變動處理之角度，並於往後相關折舊率反映。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY 4.

(continued)

Mine reserves (continued)

Despite the inherent imprecision in these engineering estimates, these estimates are used in determining depreciation expenses and impairment losses. The capitalised cost of mining rights is depreciated over the estimated useful lives. The useful lives are reviewed annually in accordance with the production plans of the Group and the proven and probable reserves of the mines.

Estimation of current and deferred income tax

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determinations are made.

Going concern basis

The financial statements have been prepared on a going concern basis, the validity of which depends upon the outcome of the Group's negotiation with the convertible loan notes holders and prospective external financial resources providers to bring in viable assets and/or projects to restructure its defaulted financial obligation. Details are explained in Note 1 to the financial statements.

5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt, which includes convertible loan notes disclosed in note 28, promissory notes disclosed in note 31, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, convertible preference shares and reserves. The directors of the Company review the capital structure periodically. As a part of this review, the directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as issue of new debt or the redemption of existing debt.

4. 估計不確定性之主要來源

(續)

礦石儲備 (續)

儘管該等工程估計本身並不精確，該等估計用於釐定折舊開支及減值虧損。採礦權之資本化成本於估計可用年期間折舊。可用年期每年根據本集團生產計劃以及礦區經證實及可能之儲備檢討。

即期及遞延所得稅估計

本集團於多個司法權區須繳納所得稅。於釐定所得稅撥備時須作出重大判斷。日常業務中有不確定釐定最終稅項之交易及計算。本集團按照額外稅項是否將會到期之估計，就預期稅務審核事宜確認負債。倘此等事宜之最終稅務結果與初步入賬金額不同，有關差額將影響作出此等釐定期間之即期及遞延所得稅撥備。

持續經營基準

財務報表乃按持續經營基準編製，有關基準是否有效乃取決於本集團與可換股貸款票據持有人及準外部財務資源提供者持續進行磋商之最終結果，而磋商之內容為引入可行資產及／或項目以重組違約財務責任。詳情於財務報表附註1闡述。

5. 資本風險管理

本集團之資本管理旨在確保本集團內所有實體均可持續經營，同時透過優化債務及股本結餘，盡量為持份者帶來最大回報。本集團之整體策略與過往年度保持一致。

本集團之資本架構包括債務，當中包括於附註28披露之可換股貸款票據、於附註31披露之承兌票據、現金及現金等價物以及本公司權益持有人應佔權益（即已發行股本、可轉換優先股及儲備）。本公司董事定期檢討資本結構，當中涉及考慮資本成本及與各類資本相關之風險。本集團將按照董事之建議透過發行新股及股份回購以及新增債務或贖回現有債務以平衡其整體資本結構。

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6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Financial assets | 金融資產 | | |
| Loans and receivables (including cash and cash equivalents) | 貸款及應收款項(包括現金及現金等價物) | 285,833 | 64,781 |
| Financial liabilities | 金融負債 | | |
| Amortised cost | 攤銷成本 | 331,560 | 481,000 |
| FVTPL Derivative | 按公平值於損益入賬之衍生工具 | 15,170 | - |

(b) Financial risk management objectives and policies

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

6. 金融工具

(a) 金融工具之分類

(b) 財務風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收款項、應收一名董事款項、銀行結餘及現金、貿易及其他應付款項、可換股貸款票據、應付一名少數股東款項、其他借貸及承兌票據。該等金融工具之詳情於相關附註內披露。與此等金融工具有關之風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。降低該等風險之政策載於下文。管理層管理及監察該等風險，以確保及時及有效地採取適當措施。

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6. FINANCIAL INSTRUMENTS (continued)

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

Currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by several subsidiaries of the Company in currencies other than those subsidiaries' functional currencies. In addition, certain portions of the financial assets are denominated in currencies other than HK\$.

The following table shows the Group's exposure at the end of the reporting period to currency risk arising from transactions or recognised assets denominated in a currency other than the functional currency of the entity to which they relate.

| | | As at 31 December 2010 於二零一零年十二月三十一日 | | | As at 31 December 2009 於二零零九年十二月三十一日 | | |
|--------|----|---|------------------|----------------|---|------------------|----------------|
| | | Mongolia Tugriks | | | | | |
| | | ("MNT")'000 千蒙古圖格里克 | RMB'000 人民幣千元 | USD'000 千美元 | MNT'000 千蒙古圖格里克 | RMB'000 人民幣千元 | USD'000 千美元 |
| Assets | 資產 | 33,295 | 175 | - | - | 11,601 | 1,052 |

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

Sensitivity analysis

The Group is mainly exposed to the currency of MNT, RMB and USD.

The following table details the Group's sensitivity to a 5% increase and decrease in HK\$ against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates a decrease in loss where HK\$ strengthen 5% against the relevant currency. For a 5% weakening of HK\$ against the relevant currency, there would be an equal and opposite impact on the loss, and the balances below would be negative.

| | | MNT 蒙古圖格里克 | | RMB 人民幣 | | USD 美元 | |
|-----------------------------|----------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2010 二零一零年 | 2009 二零零九年 | 2010 二零一零年 | 2009 二零零九年 | 2010 二零一零年 | 2009 二零零九年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Impact on loss for the year | 對年內虧損之影響 | (10) | - | (7) | (659) | - | (410) |

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

貨幣風險

本集團面對交易貨幣風險。該等風險來自本公司多間附屬公司以附屬公司之功能貨幣以外貨幣銷售或採購時產生。此外，金融資產若干部分以港元以外貨幣結算。

下表顯示本集團於報告期末面對以實體相關功能貨幣以外貨幣結算之交易或已確認資產所產生貨幣風險。

本集團目前並無外匯對沖政策。然而，管理層監控外匯風險，並於需要時考慮對沖重大外匯風險。

敏感度分析

本集團主要面對蒙古圖格里克、人民幣及美元貨幣風險。

下表詳列本集團對港元兌相關外幣升值及貶值5%之敏感度。敏感度分析僅包括以外幣結算之貨幣項目，並以匯率變動5%調整其於年結日之換算。下文正數顯示倘港元兌相關外幣升值5%時虧損減少。倘港元兌相關外幣貶值5%，將對虧損構成同等金額之相反影響，而以下數值將為負數。

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6. FINANCIAL INSTRUMENTS (continued)

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

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate other borrowings (see Note 27 for details), convertible loan notes (see Note 28 for details) and promissory notes (see Note 31 for details).

The Group also exposed to cash flow interest rate risk relation to variable-rate bank balances.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank balances, the analysis is prepared assuming the bank balances at the end of each reporting period was outstanding for the whole year. The basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

50 basis points have been used for variable rate bank balances.

For variable-rate bank balances, if the interest rates had been 50 basis points (2009: 50 basis points) higher/lower and all other variables were held constant, the Group's loss after tax and accumulated losses would increase/decrease by approximately HK\$1,297,000 (2009: HK\$135,000).

This sensitivity analysis has been determined assuming that the change in interest rates had occurred at 31 December 2010 and 2009 and had been applied to the exposure to interest risk for financial investments in existence at those dates. The analysis has been performed on the same basis throughout the two years ended 31 December 2010.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

利率風險

本集團面對定息其他借貸 (詳情見附註27)、可換股貸款票據 (詳情見附註28) 及承兌票據 (詳情見附註31) 之公平值利率風險。

本集團亦面對有關浮息銀行結餘之現金流量利率風險。

本集團現時並無任何利率對沖政策。然而，管理層監察利率風險及於需要時考慮對沖重大利率風險。

敏感度分析

下列敏感度分析乃依照浮息銀行結餘之利率風險釐定，而編製有關分析時乃假設於各報告期末之銀行結餘於整年均存在。基點升跌乃用於內部向主要管理人員報告利率風險，並為管理層對利率之合理可能變動之評估。

本集團已就浮息銀行結餘使用50個基點作為基準。

倘浮息銀行結餘之利率上升/下跌50個基點 (二零零九年：50個基點)，而所有其他變動維持不變，則本集團之除稅後虧損及累積虧損將增加/減少約1,297,000港元 (二零零九年：135,000港元)。

釐定敏感度分析時乃假設利率變動於二零一零年及二零零九年十二月三十一日發生，並已應用至於該等日期存在之金融投資之利率風險。有關分析於截至二零一零年十二月三十一日止兩個年度一直按相同基準進行。

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綜合財務報表附註

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6. FINANCIAL INSTRUMENTS (continued)

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

Credit risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts owing to the Group, resulting in a loss to the Group. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations at end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group has no significant credit risks as it has policies in place to ensure that sales of products and services are made to customers with appropriate credit history. The Group has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities with good repayment history.

The Group has no significant concentration of credit risk by customer, with exposure spreading over a number of counterparties and customers.

The Group's concentration of credit risk by geographical locations is mainly in PRC with exposure spread over a number of customers, which accounted for all of the trade receivables for both years ended 31 December 2009 and 2010.

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

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險

信貸風險指本集團之債務人不履行償還其欠本集團款項之責任而令本集團損失之風險。倘交易對手於財政年度結束時未能履行有關各類已確認金融資產之責任，則本公司面對之最大信貸風險為綜合財務狀況表所列該等資產之賬面值。

本集團並無重大信貸風險，因其已制定政策以確保產品及服務乃銷售予具合適信貸記錄之客戶。本集團採納之政策為於適當時僅與信譽良好之對手方進行交易，以盡量降低因違約而招致之財務損失風險。本集團僅與還款紀錄良好之實體交易。

就客戶而言，本集團並無任何重大集中信貸風險，風險分佈於不同訂約方及客戶。

就地區分佈而言，本集團信貸風險主要集中於中國多個客戶，佔截至二零零九年及二零一零年十二月三十一日止兩個年度全部貿易應收款項總額。

流動資金之信貸風險有限，原因為對手方均為獲國際信貸評級機構給予高信貸評級之銀行。

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6. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

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

Liquidity risk tables

| | | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years but less than 5 years | Total undiscounted cash flows | Carrying amount at 31 December 於十二月 三十一日 之賬面金額 |
|---|----------------|--------------------------------|---|--|-------------------------------------|---|
| | | 一年內或 應要求 HK\$'000 千港元 | 一年以上 但於兩年內 HK\$'000 千港元 | 兩年以上 但於五年內 HK\$'000 千港元 | 未貼現現金 流量總額 HK\$'000 千港元 | HK\$'000 千港元 |
| 2010 | 二零一零年 | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | |
| Trade and other payables | 貿易及其他應付款項 | 35,304 | - | - | 35,304 | 35,304 |
| Amount due to a minority shareholder | 應付一名少數股東款項 | 306 | - | - | 306 | 306 |
| Convertible loan notes | 可換股貸款票據 | 26,832 | 26,832 | 482,272 | 535,936 | 295,950 |
| | | 62,442 | 26,832 | 482,272 | 571,546 | 331,560 |
| 2009 | 二零零九年 | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | |
| Trade and other payables | 貿易及其他應付款項 | 48,351 | - | - | 48,351 | 48,351 |
| Amount due to a minority shareholder | 應付一名少數股東款項 | 306 | - | - | 306 | 306 |
| Other borrowings | 其他借貸 | 15,150 | - | - | 15,150 | 15,000 |
| Convertible loan notes | 可換股貸款票據 | 24,750 | - | - | 24,750 | 23,082 |
| Promissory notes | 承兌票據 | - | 8,845 | 451,115 | 459,960 | 394,261 |
| | | 88,557 | 8,845 | 451,115 | 548,517 | 481,000 |

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

就管理流動資金風險而言，本集團監察及維持管理層認為足夠撥付本集團業務之現金及現金等價物水平，以及減低現金流量波動之影響。

下表按議定還款期詳列本集團非衍生金融負債餘下之合同到期情況。該表根據本集團最早須付款之日期按金融負債之未貼現現金流量編製，並包括利息及本金現金流量。

流動資金風險列表

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綜合財務報表附註

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6. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

As explained in notes 28 and 43 to the consolidated financial statements, the Company has breached certain covenant of the convertible loan notes after the reporting date, as a condition for the convertible loan notes holders in order not to demand for redemption of the outstanding convertible loan notes until 31 December 2011, the Company has agreed to comply with the following additional terms:

- i) The Company shall notify the holder of the convertible loan notes immediately on each occasion after the Company has withdrawn US\$1,000,000 or more out of the bank account where proceeds from the convertible loan notes are credited; and
- ii) The Company shall submit to the convertible loan notes holders a copy of the bi-weekly electronic bank statements in relation to the account within 3 business days after the end of each of the aforesaid reporting period.

The details are set out in the Company's announcement on 9 February 2011.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

如綜合財務報表附註28及43所述，本公司於報告期後違反可換股貸款票據若干契諾，而作為可換股貸款票據持有人直至二零一一年十二月三十一日不要求贖回未償還可換股貸款票據之條件，本公司已同意遵守下列額外條款：

- i) 本公司須於本公司每次於銀行賬戶（指存入可換股貸款票據所得款項之銀行賬戶）提取1,000,000美元或以上後，即時知會可換股貸款票據持有人；及
- ii) 本公司須於上述各申報期結束後三個營業日內向可換股貸款票據持有人提交賬戶之雙週電子銀行結單副本。

詳情載於本公司在二零一一年二月九日發表之公告。

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綜合財務報表附註

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6. FINANCIAL INSTRUMENTS (continued)

Fair value

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their fair values due to their immediate or short-term maturities.

The fair value of promissory notes for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of the option of convertible loan notes is estimated using option pricing model.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2010 and 2009, the only financial instrument measured at fair value is being the derivative component of convertible loan notes which belongs to level 3 financial instruments.

6. 金融工具(續)

公平值

本公司董事認為基於其即期或短期性質，按攤銷成本記賬之金融資產及金融負債之賬面金額與公平值相若。

所披露承兌票據公平值透過按本集團就類似金融工具可得之現行市場利率貼現日後合約現金流量估計。

可換股貸款票據期權之公平值以期權定價模型估算。

於綜合財務狀況表確認公平值計量

於首次確認後按公平值計量之金融工具根據公平值之可觀察程度分為一至三層，分析載於下表。

- 第一層公平值計量乃使用相同資產或負債於活躍市場之報價(未調整)得出。
- 第二層公平值計量乃使用包括第一層之報價以外，該資產或負債之可觀察之直接輸入值(即價格)或間接輸入值(自價格衍生)得出。
- 第三層公平值計量乃使用計入並非根據可觀察市場數據之資產或負債輸入值(無法觀察之輸入值)之估值技術得出。

於二零一零年及二零零九年十二月三十一日，唯一按公平值計量之金融工具為可換股貸款票據之衍生部分，屬第三層金融工具。

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6. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

Reconciliation of Level 3 fair value measurements of financial liabilities

| | | Derivative component of Convertible loan notes 可換股貸款票據衍生工具部分 | |
|---|-----------------|--|-----------------------------------|
| | | 2010 二零一零年 RMB'000 人民幣千元 | 2009 二零零九年 RMB'000 人民幣千元 |
| At 1 January | 於一月一日 | - | - |
| Issued during the year | 年內發行 | 12,338 | - |
| Total gains or losses: - in profit or loss | 損益總額: - 計入損益 | 2,832 | - |
| At 31 December | 於十二月三十一日 | 15,170 | - |

There were no transfer into or out of level 3 during the reporting period.

Of the total losses for the year included in profit or loss, approximately HK\$2,832,000 relates to derivative component of convertible loan notes held at the end of the reporting period.

Significant assumptions used in determining fair value of financial liabilities

Derivative component of convertible loan notes

The fair value of the derivative component of convertible loan notes is determined by the inputs to option pricing model including spot price, risk free rate, expected option period and expected volatility. Please refer to Note 28 for the details of the inputs.

6. 金融工具 (續)

公平值 (續)

金融負債第三層公平值計量之對賬

於報告期內，第三層並無任何轉撥。

於計入損益之年內虧損總額中，約2,832,000港元乃關於在報告期末持有之可換股貸款票據之衍生工具部分。

釐定金融負債公平值所使用之重大假設

可換股貸款票據之衍生工具部分

可換股貸款票據之衍生工具部分之公平值乃使用期權定價模式輸入包括現貨價、無風險利率、預期期權期限及預期波幅等資料釐定。有關輸入資料之詳情請參閱附註28。

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綜合財務報表附註

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7. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the board of directors (being the chief operating decision maker ("CODM") for the purpose of resources allocation and performance assessment are as follows:

| | | |
|--|---|--|
| Banking and finance systems integration services | - | Provision of systems integration, software development, engineering, maintenance and professional outsourcing services for the banking and finance, telecommunications and public sector clients |
| Software solutions for banks and the public sector | - | Provision of software solutions for banks and public sectors concentrating on the banking, e-commerce and public sectors with a business focus on e-business operations and online marketplaces |
| Mining operation | - | Geological survey, exploration and development of iron, gold and other mineral deposits (mining operation) and trading of iron ore and alluvial gold |

The management of the Group monitors the operating results of its business units separately for the purposes of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss which in certain respects, as explained in the table below, is measured differently from the operating profit or loss in the consolidated income statement. The Company's financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to the operating segments.

For the purposes of monitoring segment performance and allocating resources between segments, the CODM also reviews the segment assets attributable to each operating segment, which comprise assets other than head office's plant and equipment, deposit for acquisition of a subsidiary, bank balances and cash as these assets are managed on a group basis.

The Group was also involved in the provisions of IT management and support, agro-conservation and bioenergy. These operations were discontinued on 23 March 2009 and 23 November 2009 respectively (Note 13).

7. 分部資料

本集團根據就分配資源及評估表現向董事會(即主要經營決策者(「主要經營決策者」))呈報之資料之經營分部如下:

| | | |
|--------------------|---|---|
| 銀行及金融系統集成服務 | - | 提供系統集成、軟件開發、工程、保養及專門為銀行業及金融業、電訊業及公用事業客戶提供專業外判服務 |
| 銀行及公用事務界別適用之軟件解決方案 | - | 向銀行及公共機構提供軟件解決方案,特別專注於以電子商貿業務及網上市場為業務主導之銀行業、電子商貿及公用事業界別 |
| 採礦業務 | - | 鐵、黃金及其他礦藏之地質研究、勘探及開發(採礦業務)與買賣鐵礦石及砂金之業務 |

本集團之管理層對其業務單位之經營業績進行個別監察,以在資源分配及表現評估方面作出判斷。分部表現乃根據經營溢利或虧損評估,誠如下表所述,當中若干方面之計量有別於綜合收益表中之經營溢利或虧損。本公司之融資(包括融資成本及融資收入)及所得稅按集團基準管理,不會分配予經營分部。

就監察分部表現及於分部間分配資源而言,主要經營決策者亦審閱各經營分部應佔分部資產,包括總辦事處廠房及設備、收購附屬公司訂金、銀行結餘及現金以外之資產,原因為該等資產按集團基準管理。

本集團亦曾從事提供資訊科技管理及支援、農產保育及生物能源之業務,惟此等業務已分別於二零零九年三月二十三日及二零零九年十一月二十三日終止經營(見附註13)。

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7. SEGMENT INFORMATION (continued)

Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable segments.

7. 分部資料 (續)

分部收入及業績

下表載列按可呈報分部分析之本集團收入及業績。

| | | Continuing operations 持續經營業務 | | | | | | | |
|--------------------------------|--------------|--|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | Banking and finance systems integration services 銀行及金融系統 集成服務 | | Software solutions for banks and the public sector 銀行及公用事務界別 適用之軟件解決方案 | | Mining operation 採礦業務 | | Total 總計 | |
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| For the year ended 31 December | 截至十二月三十一日止年度 | | | | | | | | |
| TURNOVER | 營業額 | | | | | | | | |
| Sales to external customers | 向外部客戶作出之銷售 | 31,584 | 51,235 | 338 | 470 | - | - | 31,922 | 51,705 |
| RESULTS | 業績 | | | | | | | | |
| Segment loss | 分部虧損 | (1,218) | (341) | (20) | (27) | (2,966,315) | (1,825) | (2,967,553) | (2,193) |
| Unallocated income | 未分配收入 | | | | | | | 172 | 385 |
| Unallocated expenses | 未分配支出 | | | | | | | (39,210) | (24,641) |
| Finance costs | 融資成本 | | | | | | | (32,389) | (5,029) |
| Loss before taxation | 除稅前虧損 | | | | | | | (3,038,980) | (31,478) |

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment loss represents the loss from each segment without allocation of central administrative expenses, directors' emoluments, interest income and finance costs. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

可呈報分部之會計政策與附註3所述本集團會計政策相同。分部虧損指各分部產生之虧損，而並未分配中央行政開支、董事酬金、利息收入及融資成本，此乃就資源分配及表現評估向主要經營決策者報告之計量方式。

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7. SEGMENT INFORMATION (continued)

Segments assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

Segment assets

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Banking and finance systems integration services | 銀行及金融系統集成服務 | 26,373 | 31,273 |
| Software solutions for banks and the public sector | 銀行及公用事務界別適用之軟件解決方案 | - | 21 |
| Mining operation | 採礦業務 | 1,403,077 | 4,175,956 |
| Total segment assets | 總分部資產 | 1,429,450 | 4,207,250 |
| Assets relating to discontinued operations | 有關已終止業務之資產 | - | 200,674 |
| Unallocated | 未分配 | 287,150 | 34,217 |
| Consolidated assets | 綜合資產 | 1,716,600 | 4,442,141 |

Segment liabilities

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Banking and finance systems integration services | 銀行及金融系統集成服務 | 38,332 | 41,519 |
| Software solutions for banks and the public sector | 銀行及公用事務界別適用之軟件解決方案 | 33 | 55 |
| Mining operation | 採礦業務 | 2,238 | 2,516 |
| Total segment liabilities | 總分部負債 | 40,603 | 44,090 |
| Liabilities relating to discontinued operations | 有關已終止業務之負債 | - | 24,045 |
| Unallocated | 未分配 | 448,282 | 594,879 |
| Consolidated liabilities | 綜合負債 | 488,885 | 663,014 |

7. 分部資料 (續)

分部資產及負債

下表載列按可呈報部分分析之本集團資產及負債。

分部資產

分部負債

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7. SEGMENT INFORMATION (continued)

Segments assets and liabilities (continued)

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

- all assets are allocated to reportable segments other than bank balances and cash, deposit for acquisition of a subsidiary, assets used jointly by reportable segments and assets associated with disposal groups held for sale.
- all liabilities are allocated to reportable segments other than other borrowings, amount due to a minority shareholder, convertible loan notes, income tax liabilities, deferred tax liabilities, promissory notes, liabilities for which reportable segments are jointly liable and liabilities associated with disposal groups held for sale.

7. 分部資料 (續)

分部資產及負債 (續)

就監管分部表現及於分部間分配資源而言：

- 除銀行結餘及現金、收購附屬公司訂金、多個可呈報分部共同使用之資產以及與持作出售之出售集團有關之資產外，所有資產均分配至可呈報分部。
- 除其他借貸、應付一名少數股東款項、可換股貸款票據、所得稅負債、遞延稅項負債、承兌票據、多個可呈報分部共同承擔之負債以及與持作出售之出售集團有關之負債外，所有負債均分配至可呈報分部。

Other segment information

其他分部資料

| | | Continuing operations | | | | | | | | Consolidated | |
|---|-------------------------|--|----------|--|----------|------------------|----------|-------------|----------|--------------|----------|
| | | Banking and finance systems integration services | | Software solutions for banks and the public sector | | Mining operation | | Unallocated | | | |
| | | 銀行及金融系統集成服務 | | 軟件解決方案 | | 採礦業務 | | 未分配 | | 綜合 | |
| | | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| 二零一零年 | 二零零九年 | 二零一零年 | 二零零九年 | 二零一零年 | 二零零九年 | 二零一零年 | 二零零九年 | 二零一零年 | 二零零九年 | 二零一零年 | 二零零九年 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | 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 |
| For the year ended 31 December | 截至十二月三十一日止年度 | | | | | | | | | | |
| Amount included in the measure of segment profit or loss or segment assets: | 計入計量分部溢利或虧損或分部資產金額： | | | | | | | | | | |
| Depreciation and amortisation | 折舊及攤銷 | 405 | 404 | - | - | 1,424 | 4 | 1,074 | 1,294 | 2,903 | 1,702 |
| Loss on disposal of plant and equipment | 出售廠房及設備產生之虧損 | - | - | - | - | - | - | - | 5 | - | 5 |
| Loss on written off of plant and equipment | 撤銷廠房及設備產生之虧損 | - | - | - | - | - | - | 1,225 | - | 1,225 | - |
| Addition of non-current assets (excluding addition through acquisition of subsidiaries) | 添置非流動資產 (不包括透過收購附屬公司添置) | 47 | 726 | - | - | 84,273 | - | 4,009 | 526 | 88,329 | 1,252 |
| Bad debts directly written off | 直接撇銷壞賬 | - | - | - | - | 2,739 | - | - | 4,100 | 2,739 | 4,100 |
| Gain on disposal of plant and equipment | 出售廠房及設備產生之收益 | - | (93) | - | - | - | - | - | - | - | (93) |
| Loss on deregistration of subsidiaries | 附屬公司撤銷註冊產生之虧損 | - | 897 | - | - | - | - | - | - | - | 897 |
| Impairment loss recognised in respect of goodwill | 確認商譽減值虧損 | - | - | - | - | 2,653,767 | - | - | - | 2,653,767 | - |
| Impairment loss recognised in respect of mining rights | 確認採礦權減值虧損 | - | - | - | - | 287,500 | - | - | - | 287,500 | - |
| Reversal of impairment loss in respect of trade and other receivables | 撥回貿易及其他應收款項減值虧損 | (517) | - | - | - | - | - | - | - | (517) | - |

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7. SEGMENT INFORMATION (continued)

Geographical information

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical locations of the assets are detailed below.

| | | Hong Kong 香港 | | Elsewhere in the PRC 中國其他地區 | | Mongolia 蒙古 | | Consolidated 綜合 | |
|---------------------------------|-----------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Segment revenue | 分部收入 | | | | | | | | |
| Revenue from external customers | 來自外部客戶之收入 | 338 | 470 | 31,584 | 51,235 | - | - | 31,922 | 51,705 |
| Non-current assets | 非流動資產 | 2,739 | 365 | 374 | 2,314 | 1,397,017 | 4,172,937 | 1,400,130 | 4,175,616 |

Revenue from major product and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services:

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|----------|----------------------------------|----------------------------------|
| Sale of goods | 銷售貨品 | 9,914 | 28,625 |
| Rendering of computer technology services | 提供電腦技術服務 | 22,008 | 23,080 |
| | | 31,922 | 51,705 |

Information about major customers

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

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|-------------------------|------------------|----------------------------------|----------------------------------|
| Customer A ¹ | 客戶A ¹ | * | 10,551 |
| Customer B ¹ | 客戶B ¹ | * | 5,864 |

¹ Revenue from banking and finance systems integration services

* Less than 10%

7. 分部資料 (續)

地區資料

本集團持續經營業務來自外部客戶之收入及非流動資產按本集團資產所在地區位置劃分之資料詳列如下。

來自主要產品及服務之收入

以下為本集團來自持續經營業務主要產品及服務之收入分析：

有關主要客戶之資料

來自佔本集團相關年度總銷售10%以上之客戶之收入如下：

¹ 來自銀行及金融系統集成服務之收入

* 不足10%

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

8. TURNOVER AND OTHER OPERATING INCOME

Turnover represents invoiced value of sales, net of discounts allowed and sales taxes where applicable. Revenues recognised during the year are as follows:

8. 營業額及其他經營收益

營業額指銷售(已扣除折扣及銷售稅(如適用))之發票值。本年度確認之收入如下:

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|
| Continuing operations | 持續經營業務 | | |
| Turnover | 營業額 | | |
| Sale of goods | 銷售貨品 | 9,914 | 28,625 |
| Rendering of computer technology services | 提供電腦技術服務 | 22,008 | 23,080 |
| | | 31,922 | 51,705 |
| Other operating income | 其他經營收益 | | |
| Interest income | 利息收入 | 171 | 379 |
| Gain on disposal of plant and equipment | 出售廠房及設備產生之收益 | - | 93 |
| Exchange gain, net | 匯兌收益淨額 | - | 35 |
| Reversal of impairment loss in respect of trade receivables | 撥回貿易應收款項減值虧損 | 517 | - |
| Sundry income | 雜項收入 | 234 | - |
| Government grant (Note) | 政府補助金(附註) | 952 | - |
| | | 1,874 | 507 |
| Total revenues | 總收入 | 33,796 | 52,212 |

Note: Pursuant to the notices issued by the relevance government authorities, its PRC subsidiaries were entitled to enjoy subsidies for provision of specialised information technology services. There is no further condition the Group need to be fulfilled.

附註: 根據相關政府機關發出之通知, 其中國附屬公司享有提供特殊資訊科技服務之補助金。本集團再無其他須符合之條件。

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9. FINANCE COSTS

9. 融資成本

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Continuing operations | 持續經營業務 | | |
| Interest expenses on borrowings wholly repayable within five years: | 須於五年內悉數償還之借貸之利息開支： | | |
| – effective interest expense on convertible loan notes (Note 28) | – 可換股貸款票據之實際利息開支 (附註28) | 19,903 | 3,562 |
| – interest expense on promissory notes (Note 31) | – 承兌票據之利息開支 (附註31) | 12,032 | 1,418 |
| – other borrowings | – 其他借貸 | 454 | 49 |
| | | 32,389 | 5,029 |

10. LOSS BEFORE TAXATION

10. 除稅前虧損

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|-----------------------|----------------------------------|----------------------------------|
| Continuing operations | 持續經營業務 | | |
| Loss before taxation has been arrived at after charging: | 除稅前虧損已扣除： | | |
| Auditor's remuneration | 核數師酬金 | 950 | 810 |
| Costs of inventories sold | 已售出存貨成本 | 10,092 | 26,001 |
| Depreciation | 折舊 | 2,903 | 1,702 |
| Directors' emoluments (Note 16) | 董事酬金 (附註16) | 9,649 | 8,092 |
| Write off of other receivables | 撇銷其他應收款項 | 2,739 | 4,100 |
| Loss on disposal of plant and equipment | 出售廠房及設備產生之虧損 | – | 5 |
| Loss on deregistration of a subsidiary | 一間附屬公司撤銷註冊產生之虧損 | – | 897 |
| Loss on written off of plant and equipment | 撇銷廠房及設備產生之虧損 | 1,225 | – |
| Payments under operating leases in respect of land and buildings | 已付土地及樓宇經營租賃款項 | 4,660 | 1,710 |
| Staff costs (excluding directors' emoluments) (Note 15) | 員工成本 (不包括董事酬金) (附註15) | 24,621 | 16,930 |

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

11. INCOME TAX

11. 所得稅

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|-------------------------------------|---------------|----------------------------------|----------------------------------|
| Continuing operations | 持續經營業務 | | |
| PRC Enterprise Income Tax | 中國企業所得稅 | | |
| – current | – 本期 | 268 | 467 |
| – under-provision in previous years | – 過往年度撥備不足 | 21 | 41 |
| | | 289 | 508 |
| Deferred tax (Note 32) | 遞延稅項 (附註32) | (28,750) | – |
| | | (28,461) | 508 |
| Income tax (credit) expense | 所得稅 (抵免) 支出 | (28,461) | 508 |

- | | | | |
|-------|--|-------|---|
| (i) | Pursuant to the rules and regulations of the Bermuda and BVI, the Group is not subject to any income tax in the Bermuda and BVI. | (i) | 依據百慕達及英屬處女群島之規則及規例，本集團無須於百慕達及英屬處女群島繳納任何所得稅。 |
| (ii) | No provision for Hong Kong Profits Tax has been made for subsidiaries established in Hong Kong as these subsidiaries did not have any assessable profits subject to Hong Kong Profits Tax during both years. | (ii) | 由於在香港成立之附屬公司於兩個年度內均無任何須繳納香港利得稅之應課稅溢利，故並無就該等附屬公司計提香港利得稅撥備。 |
| (iii) | Profits of the subsidiaries established in the PRC are subject to PRC income tax. | (iii) | 於中國成立之附屬公司之溢利須繳納中國所得稅。 |

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11. INCOME TAX (continued)

The income tax expense for the year can be reconciled to the loss before taxation per the consolidated income statement as follows:

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Loss before taxation from continuing operations | 持續經營業務之除稅前虧損 | (3,038,980) | (31,478) |
| Tax credit at rates applicable to loss in the jurisdictions concerned | 按有關司法權區虧損適用稅率計算之稅項抵免 | (478,867) | (4,082) |
| Tax effect of income not subject to tax | 毋須課稅收入之稅務影響 | (131) | (4) |
| Tax effect of expenses not deductible for tax purpose | 不可扣稅開支之稅務影響 | 450,513 | 4,549 |
| Tax effect of tax losses and deductible temporary differences not recognised | 未確認之稅項虧損及可扣稅暫時性差額之稅務影響 | 3 | 4 |
| Under-provision in previous years | 過往年度撥備不足 | 21 | 41 |
| Income tax (credit) expense for the year (relating to continuing operations) | 年內所得稅(抵免)支出(與持續經營業務有關) | (28,461) | 508 |

12. DIVIDENDS

No dividend was paid or proposed during both years ended 31 December 2009 and 2010, nor has any dividend been proposed since the end of the reporting period.

13. DISCONTINUED OPERATIONS/DISPOSAL GROUPS HELD FOR SALE

On 23 March 2009, the Company completed the deregistration of Acacia Asia Partners Limited ("Acacia PRC") resulting in a gain of approximately HK\$302,000. Following the deregistration of the operations of the IT management and support operating segment was regarded as a discontinued operation during the year ended 31 December 2009.

11. 所得稅(續)

年內所得稅支出與綜合收益表之除稅前虧損對賬如下:

12. 股息

截至二零零九年及二零一零年十二月三十一日止年度並無已派或擬派股息，自報告期末以來亦無建議派發任何股息。

13. 已終止業務／持作出售之出售集團

於二零零九年三月二十三日，本公司完成撤銷上海阿加斯網絡科技有限公司(「上海阿加斯」)註冊，因而錄得收益約302,000港元。資訊科技管理及支援經營分部之業務撤銷註冊後，該業務於截至二零零九年十二月三十一日止年度被視為已終止業務。

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13. DISCONTINUED OPERATIONS/DISPOSAL GROUPS HELD FOR SALE (continued)

On 23 November 2009, the Company entered into a sale and purchase agreement with Marigold Worldwide Group Limited ("Marigold"), a company which is wholly and beneficially owned by Mr. Yam Tak Cheung who is also the beneficial owner of Integrated Asset Management (Asia) Limited, the controlling shareholder of the Company, whereby the Company has conditionally agreed to sell and Marigold has conditionally agreed to buy the entire interests in Green Global Agro-Conservation Resources Limited and Green Global Bioenergy Limited and their subsidiaries (hereinafter collectively referred to as "Disposal Groups") including the amounts owing by the Disposal Groups to the Group excluding the Disposal Groups (the "Remaining Group") for a consideration of HK\$180,000,000.

The disposal was approved by the shareholders of the Company in the special general meeting held on 20 January 2010 and was completed on 24 March 2010. The assets and liabilities attributable to the business have been classified as disposal groups held for sale and are presented separately in the consolidated statement of financial position (see below). Impairment loss of HK\$109,913,000 has been recognised in the consolidated income statement.

13. 已終止業務／持作出售之出售集團 (續)

於二零零九年十一月二十三日，本公司與任德章先生（亦為本公司控股股東Integrated Asset Management (Asia) Limited之實益擁有人）全資實益擁有之Marigold Worldwide Group Limited（「Marigold」）訂立買賣協議，據此，本公司已有條件同意出售，而Marigold已有條件同意購買Green Global Agro-Conservation Resources Limited及Green Global Bioenergy Limited以及其附屬公司（以下統稱「出售集團」）全部權益，包括出售集團結欠本集團（不包括出售集團，「餘下集團」）之金額，代價為180,000,000港元。

出售已於二零一零年一月二十日舉行之股東特別大會上獲本公司股東批准，並於二零一零年三月二十四日完成。業務應佔資產及負債已分類為持作出售之出售集團，於綜合財務狀況表獨立呈列（見下文）。減值虧損109,913,000港元已於綜合收益表確認。

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13. DISCONTINUED OPERATIONS/DISPOSAL GROUPS HELD FOR SALE (continued)

The results of discontinued operations for the period/year are as follows:

13. 已終止業務／持作出售之出售集團 (續)

期內／年內已終止業務之業績如下：

| | | IT management and support 資訊科技管理及支援 | | Agro-conservation 農畜保育 | | Bio-energy 生物能源 | | Total 總計 | |
|---|------------------------------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Turnover | 營業額 | - | - | - | - | - | - | - | - |
| Other operating income | 其他經營收益 | - | - | 4,386 | 3 | 42 | 194 | 4,428 | 197 |
| Gain arising from changes in fair value less estimated point-of-sale costs of biological assets | 生物資產公平值變動減估計銷售點成本產生之收益 | - | - | - | 12,217 | - | - | - | 12,217 |
| Administrative expenses | 行政費用 | - | (21) | (4,893) | (29,854) | (1,048) | (15,954) | (5,941) | (45,829) |
| Other operating expenses | 其他經營費用 | - | (92) | (180) | (1,500) | - | (2,485) | (180) | (4,077) |
| Loss from operations | 業務虧損 | - | (113) | (687) | (19,134) | (1,006) | (18,245) | (1,693) | (37,492) |
| Gain on deregistration of a subsidiary | 一間附屬公司撤銷註冊產生之收益 | - | 302 | - | - | - | - | - | 302 |
| Reversal of loss/(loss) on remeasurement to fair value less cost to sell | 撥回重新計量公平值減銷售成本之虧損(重新計量公平值減銷售成本之虧損) | - | - | 1,757 | (97,913) | 195 | (12,000) | 1,952 | (109,913) |
| Impairment loss recognised in respect of intangible assets | 確認無形資產減值虧損 | - | - | - | - | - | (6,269) | - | (6,269) |
| Share of loss of a jointly controlled entity | 應佔一間共同控制實體虧損 | - | - | (2) | (3,139) | - | - | (2) | (3,139) |
| Finance costs | 融資成本 | - | - | - | (326) | - | - | - | (326) |
| Profit (loss) before tax from discontinued operations | 已終止業務之除稅前溢利(虧損) | - | 189 | 1,068 | (120,512) | (811) | (36,514) | 257 | (156,837) |
| Income tax credit | 所得稅抵免 | - | - | 25 | 98 | - | 489 | 25 | 587 |
| Profit (loss) for the period/year | 期內／年內溢利(虧損) | - | 189 | 1,093 | (120,414) | (811) | (36,025) | 282 | (156,250) |
| Attributable to: | 以下人士應佔: | | | | | | | | |
| Owners of the Company | 本公司擁有人 | - | 189 | 1,093 | (120,414) | (534) | (33,932) | 559 | (154,157) |
| Non-controlling interests | 非控股權益 | - | - | - | - | (277) | (2,093) | (277) | (2,093) |
| | | - | 189 | 1,093 | (120,414) | (811) | (36,025) | 282 | (156,250) |

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13. DISCONTINUED OPERATIONS/DISPOSAL GROUPS HELD FOR SALE (continued)

Profit (loss) for the period/year from discontinued operations include the following:

13. 已終止業務／持作出售之出售集團 (續)

已終止業務之期／年內溢利(虧損)包括下列各項:

| | IT management and support 資訊科技管理及支援 | | Agro-conservation 農產保育 | | Bio-energy 生物能源 | | Total 總計 | |
|--|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Auditor's remuneration | - | - | - | 245 | 8 | 205 | 8 | 450 |
| Amortisation | - | - | - | 393 | - | 1,727 | - | 2,120 |
| Depreciation | - | - | - | 14 | - | 2,318 | - | 2,332 |
| Written off of other receivables | - | 92 | 180 | 1,500 | - | - | 180 | 1,592 |
| Staff costs | | | | | | | | |
| - Wages and salary | - | - | - | - | 180 | 206 | 180 | 206 |
| - Retirement benefits scheme contributions | - | - | - | - | 3 | 11 | 3 | 11 |
| Impairment loss recognised in respect of inventories | - | - | - | - | - | 1,315 | - | 1,315 |
| Impairment loss recognised in respect of trade and other receivables | - | - | - | - | - | 2,484 | - | 2,484 |
| Interest income | - | - | - | 3 | - | 135 | - | 138 |
| Payments under operating leases in respect of land and buildings | - | - | - | 49 | - | - | - | 49 |

The cash flows of the discontinued operations was as follows:

已終止業務之現金流量如下:

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|-----------------|----------------------------------|----------------------------------|
| Net cash inflow from operating activities | 經營業務之現金流入淨額 | 879 | 19,698 |
| Net cash inflow (outflow) from investing activities | 投資活動之現金流入(流出)淨額 | 2 | (23,260) |
| Total cash inflow (outflow) | 現金流入(流出)總額 | 881 | (3,562) |

No income tax charge or credit arose from the gain (loss) on the disposal of the Agro-conservation and Bio-energy, and the deregistration of the IT management and support operating segments.

出售農產保育及生物能源分部以及撤銷資訊科技管理及支援經營分部註冊產生之收益(虧損)並無產生所得稅支出或抵免。

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13. DISCONTINUED OPERATIONS/DISPOSAL GROUPS HELD FOR SALE (continued)

The major classes of assets and liabilities of the Disposal Groups as at 31 December 2009, which have been presented separately in the consolidated statement of financial position, are as follows:

13. 已終止業務／持作出售之出售集團 (續)

已於綜合財務狀況表獨立呈列之出售集團於二零零九年十二月三十一日之主要資產及負債組別如下：

| | | Agro-conservation 農產保育 HK\$'000 千港元 | Bio-energy 生物能源 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--------------------|--|---------------------------------------|--------------------------------|
| Goodwill | 商譽 | - | 7,800 | 7,800 |
| Plant and equipment | 廠房及設備 | 4 | 8,041 | 8,045 |
| Deferred plantation expenditure | 遞延種植開支 | 109,669 | - | 109,669 |
| Deposit for plantation expenditure | 種植開支按金 | 30,230 | - | 30,230 |
| Biological assets | 生物資產 | 64,670 | - | 64,670 |
| Intangible assets | 無形資產 | 14,115 | 58,794 | 72,909 |
| Loan advanced to a minority shareholder | 向一名少數股東提供貸款 | - | 721 | 721 |
| Deferred tax assets | 遞延稅項資產 | - | 489 | 489 |
| Trade and other receivables | 貿易及其他應收款項 | 15,963 | 90 | 16,053 |
| Bank balances and cash | 銀行結餘及現金 | 40 | 212 | 252 |
| | | 234,691 | 76,147 | 310,838 |
| Remeasurement to fair value less cost to sell (Note) | 重新計量公平值減銷售成本 (附註) | (97,913) | (12,000) | (109,913) |
| Total assets reclassified as disposal groups held for sale | 重新分類為持作出售之出售集團資產總值 | 136,778 | 64,147 | 200,925 |
| Interest in a jointly controlled entity | 於一間共同控制實體之權益 | (1,139) | - | (1,139) |
| Other payables | 其他應付款項 | (4,818) | (6,275) | (11,093) |
| Income tax liabilities | 所得稅負債 | - | (8,082) | (8,082) |
| Deferred tax liabilities | 遞延稅項負債 | (3,529) | - | (3,529) |
| Total liabilities associated with disposal groups held for sale | 與持作出售之出售集團有關之負債總額 | (9,486) | (14,357) | (23,843) |
| Non-controlling interests of Disposal Groups | 出售集團之非控股權益 | - | 761 | 761 |

Note: The amount of HK\$109,913,000 represented the loss on remeasurement to fair value less cost to sell, which was calculated based on the difference between the aggregate net asset value of the Disposal Groups as at 31 December 2009 and the cash consideration of HK\$180,000,000 and estimated transaction cost directly attributable to the transaction of approximately HK\$3,679,000.

附註： 109,913,000港元之款項指重新計算公平值減出售成本之虧損，乃按於二零零九年十二月三十一日之出售集團資產淨值總額與現金代價180,000,000港元之間差額，以及交易直接應佔之估計交易成本約3,679,000港元計算。

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14. LOSS PER SHARE From continuing and discontinued operations

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

| | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Loss | | |
| Loss for the year attributable to the owners of the Company | (3,009,777) | (186,108) |

| | 2010 二零一零年 | 2009 二零零九年 |
|--|--------------------|---------------|
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic loss per share | 687,011,285 | 262,843,308 |

From continuing operations

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

| | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Loss for the year attributable to owners of the Company | (3,009,777) | (186,108) |
| Less: profit (loss) for the period/year from discontinued operation attributable to owners of the Company (note 13) | 559 | (154,157) |
| Loss for the year for the purpose of basic loss per share from continuing operations | (3,010,336) | (31,951) |

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

14. 每股虧損 來自持續經營業務及已終止業務

本年度本公司擁有人應佔每股基本及攤薄虧損乃按以下數據計算：

來自持續經營業務

本年度本公司擁有人應佔來自持續經營業務之每股基本虧損乃按以下數據計算：

所用分母與上述用於計算每股基本虧損者相同。

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綜合財務報表附註

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

14. LOSS PER SHARE (continued) From discontinued operation

Basic earning per share for the discontinued operation was HK0.08 cents per share (2009: Loss per share of HK58.65 cents), based on the profit for the year from the discontinued operation attributable to the owners of the Company of approximately HK\$559,000 (2009: loss for the year from the discontinued operation attributable to the owners of the Company of approximately HK\$154,157,000) and the denominators detailed above for basic loss per share.

The computation of diluted loss per share does not assume the exercise of the outstanding share options, the conversion of the convertible loan notes and the conversion of convertible preference shares since their exercise would result in a decrease in loss per share. The basic and diluted loss per share are the same.

15. STAFF COSTS (EXCLUDING DIRECTORS' EMOLUMENTS) Continuing operations

| | | Continuing operations 持續經營業務 | |
|---|----------|---------------------------------|-----------------|
| | | 2010 二零一零年 | 2009 二零零九年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Wages and salaries | 工資及薪金 | 20,804 | 14,623 |
| Retirement benefit schemes contribution | 退休福利計劃供款 | 1,636 | 1,007 |
| Share-base payments | 股份付款 | 2,181 | 1,300 |
| | | 24,621 | 16,930 |

The subsidiaries in Hong Kong operate defined contribution schemes which are available to qualified employees. The assets of the schemes are held separately from those of the subsidiaries in independently administered funds. Monthly contributions made by the subsidiaries are calculated based on certain percentages of the applicable payroll costs or fixed sums as stipulated under the relevant requirements, as appropriate.

14. 每股虧損 (續) 來自已終止業務

按本公司擁有人應佔已終止業務之年度溢利約559,000港元(二零零九年:本公司擁有人應佔已終止業務之年度虧損約154,157,000港元)及上文所詳述每股基本虧損所用分母計算,已終止業務之每股基本盈利為每股0.08港仙(二零零九年:每股虧損58.65港仙)。

由於行使未行使購股權以及兌換可換股貸款票據及可轉換優先股會導致每股虧損減少,故於計算每股攤薄虧損時並無假設行使未行使購股權以及兌換可換股貸款票據及可轉換優先股。每股基本及攤薄虧損相同。

15. 員工成本(不包括董事酬金) 持續經營業務

本集團之香港附屬公司運作定額供款計劃供合資格僱員參加。計劃資產與附屬公司之資產分開,由獨立管理基金持有。附屬公司每月按適用薪酬開支之若干百分比作出供款或按相關規定訂明之固定款額供款(視適用情況而定)。

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15. STAFF COSTS (EXCLUDING DIRECTORS' EMOLUMENTS) (continued)

Pursuant to the regulations of the relevant authorities in the PRC, the subsidiaries of the Group in this country participate in respective government retirement benefit schemes (the "Schemes") whereby the subsidiaries are required to contribute to the Schemes to fund the retirement benefits of the eligible employees. Contributions made to the Schemes are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. The relevant authorities of the PRC are responsible for the entire pension obligations payable to the retired employees. The only obligation of the Group with respect to the Schemes is to pay the ongoing required contributions under the Schemes.

The retirement benefit schemes contribution represent gross contributions by the Group to the Schemes operated by the relevant authorities of the PRC and the defined contribution schemes operated in Hong Kong.

Details of the Company's share options granted to the employees of the Group are set out in Note 33.

15. 員工成本（不包括董事酬金）（續）

根據中國有關當局之規例，本集團之中國附屬公司須參加相關政府退休福利計劃（「該等計劃」），該等附屬公司須據此向該等計劃作出供款，為合資格僱員之退休福利提供資金。向該等計劃作出之供款乃按中國規定訂明之適用薪酬開支之若干百分比計算。中國有關當局負責向退休僱員支付全部退休金責任。本集團對該等計劃之唯一責任為持續支付該等計劃所規定之供款。

退休福利計劃供款指本集團向由中國有關當局運作之該等計劃及於香港運作之定額供款計劃作出之供款總額。

本公司授予本集團僱員之購股權詳情載於附註33。

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16. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the eleven (2009: five) directors were as follows:

For the year ended 31 December 2010

16. 董事及高級管理人員酬金

(a) 董事酬金

已付或應付十一名(二零零九年: 五名)董事之酬金分別載列如下:

截至二零一零年十二月三十一日止年度

| | | Fees | Salaries, allowances and other benefits | Retirement benefit schemes contribution | Share-based payments | Total |
|---|--|----------|---|---|----------------------|----------|
| | | 袍金 | 薪金、津貼及其他福利 | 退休福利計劃供款 | 股份付款 | 總額 |
| | | 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 |
| Executive directors | 執行董事 | | | | | |
| Mr. Tse Michael Nam | 謝南洋先生 | - | 2,730 | 12 | - | 2,742 |
| Mr. Puongpun Sananikone (resigned on 26 March 2010) | Puongpun Sananikone先生 (於二零一零年三月二十六日 辭任) | - | 185 | - | - | 185 |
| Mr. King Jun Chih, Joseph (appointed on 1 March 2010 and resigned on 27 January 2011) | 金潤之先生 (於二零一零年三月一日獲委任, 並於二零一一年一月二十七日 辭任) | - | 3,067 | 10 | - | 3,077 |
| Mr. Chan Kwan Hung (appointed on 26 March 2010 and resigned on 22 October 2010) | 陳均鴻先生 (於二零一零年三月二十六日 獲委任,並於二零一零年 十月二十二日辭任) | - | 1,356 | 8 | - | 1,364 |
| Mr. Yang Xianqi (appointed on 22 October 2010) | 楊曉琪先生 (於二零一零年十月二十二日 獲委任) | - | 338 | - | - | 338 |
| Independent non-executive directors | 獨立非執行董事 | | | | | |
| Mr. Lim Yew Kong, John | Lim Yew Kong, John先生 | 150 | - | - | 426 | 576 |
| Mr. Albert Theodore Powers (resigned on 1 March 2010) | Albert Theodore Powers先生 (於二零一零年三月一日辭任) | 25 | - | - | - | 25 |
| Mr. Mak Ping Leung (appointed on 1 March 2010) | 麥炳良先生 (於二零一零年三月一日獲委任) | 126 | - | - | 426 | 552 |
| Mr. Leung Po Wing, Bowen Joseph (appointed on 26 March 2010) | 梁寶榮先生 (於二零一零年三月二十六日 獲委任) | 115 | - | - | 427 | 542 |
| Mr. Pang Seng Tuong (resigned on 26 March 2010) | Pang Seng Tuong先生 (於二零一零年三月二十六日 辭任) | 35 | - | - | - | 35 |
| Mr. Wu Chi Chiu (appointed on 22 October 2010) | 胡志釗先生 (於二零一零年十月二十二日 獲委任) | 29 | - | - | - | 29 |
| Mr. Chan Kwan Hung (appointed on 22 October 2010 and resigned on 27 January 2011) | 陳均鴻先生 (於二零一零年十月二十二日 獲委任,並於二零一一年一月 二十七日辭任) | 184 | - | - | - | 184 |
| | | 664 | 7,676 | 30 | 1,279 | 9,649 |

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16. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

For the year ended 31 December 2009

| | Fees | Salaries, allowances and other benefits | Retirement benefit schemes contribution | Share-based payments | Total |
|---|----------|---|---|----------------------|----------|
| | 袍金 | 薪金、津貼及其他福利 | 退休福利計劃供款 | 股份付款 | 總額 |
| | 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 |
| Executive directors 執行董事 | | | | | |
| Mr. Tse Michael Nam 謝南洋先生 | - | 2,620 | 12 | 651 | 3,283 |
| Mr. Puongpun Sananikone Puongpun Sananikone先生 | - | 780 | - | 651 | 1,431 |
| Independent non-executive directors 獨立非執行董事 | | | | | |
| Mr. Lim Yew Kong, John Lim Yew Kong, John先生 | 150 | - | - | 976 | 1,126 |
| Mr. Albert Theodore Powers Albert Theodore Powers先生 | 150 | - | - | 976 | 1,126 |
| Mr. Pang Seng Tuong Pang Seng Tuong先生 | 150 | - | - | 976 | 1,126 |
| | 450 | 3,400 | 12 | 4,230 | 8,092 |

No directors waived or agreed to waive any emoluments during the two years ended 31 December 2010 and 2009.

截至二零一零年及二零零九年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金。

(b) Senior management's emoluments

Of the five individuals with the highest emoluments in the Group, four (2009: four) were directors of the Company whose emoluments are set out above. For the year ended 31 December 2010, the emoluments of the one (2009: one) highest paid individual were as follows:

(b) 高級管理人員酬金

本集團五名最高薪酬人士包括本公司四名董事（二零零九年：四名），彼等之酬金詳情載於上文。截至二零一零年十二月三十一日止年度，一名最高薪酬人士（二零零九年：一名）之酬金如下：

| | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Salaries, allowances and other benefits 薪金、津貼及其他福利 | 574 | 972 |
| Retirement benefit schemes contribution 退休福利計劃供款 | 6 | 12 |
| Share-based payments 股份付款 | - | 651 |
| | 580 | 1,635 |

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16. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(b) Senior management's emoluments (continued)

Their emoluments fall within the following bands:

| Emoluments band | 酬金範圍 | Number of individuals 人數 | |
|-------------------------------|-----------------------------|-----------------------------|---------------|
| | | 2010 二零一零年 | 2009 二零零九年 |
| Nil – HK\$1,000,000 | 零港元至1,000,000港元 | 1 | – |
| HK\$1,500,001 – HK\$2,000,000 | 1,500,001港元至 2,000,000港元 | – | 1 |
| | | 1 | 1 |

(c) No emoluments have been paid by the Group to any directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of the office during the two years ended 31 December 2010 and 2009.

16. 董事及高級管理人員酬金 (續)

(b) 高級管理人員酬金 (續)

彼等之酬金介乎以下範圍：

(c) 截至二零一零年及二零零九年十二月三十一日止兩個年度內，本集團並無向任何董事或五名最高薪酬人士支付酬金，作為彼等加入或於加入本集團時之獎勵或離職補償。

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17. PLANT AND EQUIPMENT

17. 廠房及設備

| | | Nursery farms | Construction in progress | Leasehold improvements | Furniture, fixtures and office equipment | Motor vehicles | Plants and machineries | Total |
|--|--------------------|---------------|-----------------------------|---------------------------|---|-------------------|---------------------------|----------|
| | | 苗圃 | 在建工程 | 租賃物業裝修 | 傢俬、固定裝置 及辦公室設備 | 汽車 | 廠房及機器 | 總計 |
| | | 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 |
| COST | 成本值 | | | | | | | |
| At 1 January 2009 | 於二零零九年一月一日 | 11,101 | - | 1,633 | 15,626 | 3,916 | - | 32,276 |
| Additions | 添置 | - | - | - | 1,269 | 1,119 | - | 2,388 |
| Disposals | 出售 | - | - | (150) | (56) | (177) | - | (383) |
| Reclassified as disposal groups held for sale | 重新分類為持作出售之 出售集團 | (11,101) | - | - | (1,123) | (437) | - | (12,661) |
| Acquired from acquisition of a subsidiary | 收購一間附屬公司所得 | - | - | - | 107 | 276 | - | 383 |
| At 31 December 2009 | 於二零零九年 十二月三十一日 | - | - | 1,483 | 15,823 | 4,697 | - | 22,003 |
| Additions | 添置 | - | 39,976 | 2,171 | 2,064 | 4,804 | 35,824 | 84,839 |
| Written off | 撇銷 | - | - | (458) | (195) | (2,712) | - | (3,365) |
| Acquired from acquisition of a subsidiary | 收購一間附屬公司所得 | - | - | - | - | - | 16 | 16 |
| At 31 December 2010 | 於二零一零年 十二月三十一日 | - | 39,976 | 3,196 | 17,692 | 6,789 | 35,840 | 103,493 |
| ACCUMULATED DEPRECIATION | 累積折舊 | | | | | | | |
| At 1 January 2009 | 於二零零九年一月一日 | 2,224 | - | 1,411 | 14,957 | 1,313 | - | 19,905 |
| Provided for the year | 年內撥備 | 2,111 | - | 136 | 496 | 1,291 | - | 4,034 |
| Eliminated on disposals | 出售時對銷 | - | - | (150) | (51) | (177) | - | (378) |
| Reclassified as disposal groups held for sale | 重新分類為持作出售之 出售集團 | (4,335) | - | - | (176) | (105) | - | (4,616) |
| At 31 December 2009 | 於二零零九年 十二月三十一日 | - | - | 1,397 | 15,226 | 2,322 | - | 18,945 |
| Provided for the year | 年內撥備 | - | - | 328 | 497 | 1,225 | 1,673 | 3,723 |
| Eliminated on written off | 撇銷時對銷 | - | - | (408) | (137) | (1,595) | - | (2,140) |
| At 31 December 2010 | 於二零一零年 十二月三十一日 | - | - | 1,317 | 15,586 | 1,952 | 1,673 | 20,528 |
| CARRYING AMOUNTS | 賬面值 | | | | | | | |
| At 31 December 2010 | 於二零一零年 十二月三十一日 | - | 39,976 | 1,879 | 2,106 | 4,837 | 34,167 | 82,965 |
| At 31 December 2009 | 於二零零九年 十二月三十一日 | - | - | 86 | 597 | 2,375 | - | 3,058 |

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17. PLANT AND EQUIPMENT (continued)

The above items of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

| | |
|--|--|
| Leasehold improvements | 33 ¹ / ₃ % or over the lease terms, whichever is shorter |
| Furniture, fixtures and office equipment | 20% to 33 ¹ / ₃ % |
| Motor vehicles | 33 ¹ / ₃ % |
| Plants and machineries | 10% |
| Nursery farms | 10% to 33 ¹ / ₃ % |

17. 廠房及設備 (續)

以上廠房及設備項目以直線法按以下年率計算折舊：

| | |
|---------------|---|
| 租賃物業裝修 | 33 ¹ / ₃ %或租賃期，以較短者為準 |
| 傢俬、固定裝置及辦公室設備 | 20%至33 ¹ / ₃ % |
| 汽車 | 33 ¹ / ₃ % |
| 廠房及機器 | 10% |
| 苗圃 | 10%至33 ¹ / ₃ % |

18. MINING RIGHTS

18. 採礦權

| | | HK\$'000 千港元 |
|--|-----------------------------------|-----------------|
| COST 成本值 | | |
| At 1 January 2009 | 於二零零九年一月一日 | - |
| Acquired from acquisition of a subsidiary | 收購一間附屬公司所得 | 1,518,791 |
| <hr/> | | |
| At 31 December 2009 and 1 January 2010 | 於二零零九年十二月三十一日及二零一零年一月一日 | 1,518,791 |
| Addition during the year | 年內添置 | 2,527 |
| Acquired from acquisition of a subsidiary | 收購一間附屬公司所得 | 32,610 |
| <hr/> | | |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 1,553,928 |
| <hr/> | | |
| AMORTISATION AND IMPAIRMENT 攤銷及減值 | | |
| At 1 January 2009, 31 December 2009 and 1 January 2010 | 於二零零九年一月一日、二零零九年十二月三十一日及二零一零年一月一日 | - |
| Amortisation provided for the year | 年內計提攤銷 | 2,036 |
| Impairment provided for the year | 年內計提減值 | 287,500 |
| <hr/> | | |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 289,536 |
| <hr/> | | |
| CARRYING AMOUNTS 賬面值 | | |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 1,264,392 |
| <hr/> | | |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 1,518,791 |

Amortisation of approximately HK\$2,036,000 was capitalised in the finished good for the year ended 31 December 2010 (2009: Nil).

截至二零一零年十二月三十一日止年度，約2,036,000港元(二零零九年：無)之攤銷已於製成品中資本化。

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

18. MINING RIGHTS (continued)

The mining right represents mining licenses 15333A acquired in 2009 and 15449A acquired in 2010 by acquiring of a subsidiary for the stripping of an iron ore and alluvial gold mines respectively located in Mongolia. The mining license will be expired on 4 December 2039 and 1 February 2040 respectively. The iron ore mine has not commenced production at the end of the reporting period.

The directors of the Company are of the opinion that, based on the business valuation reports for the mining right of stripping iron ore as at 31 December 2010 issued by Greater China Appraisal Limited ("Greater China"), the fair values of the mining right is lower than its carrying amount in the consolidated statement of financial position as at 31 December 2010 and therefore impairment loss of HK\$287,500,000 is recognised (2009: impairment: nil).

The recoverable amount of the mining right of stripping iron ore is determined from value-in-use calculations. As extracted from the Greater China's valuation report for the recoverable amount as at 31 December 2010, the Group prepared cash flow forecast derived from the most recent available financial budgets approved by management and cash flows beyond 5-year period are extrapolated using zero growth rate over thirty five years assuming the extension of mining license is available and administrative in nature. In preparing the forecasts, management made reference to the mineral reserves presently verified and the future production capacity according to the technical report issued by SRK Consulting China Ltd ("SRK"). The key assumptions for the value-in-use calculation are those regarding discount rates, anticipated changes to future selling prices and anticipated production capacity, as follows:

- Management use a discount rate which is derived as the Company's cost of capital, representing the expected return on the Company's capital, and assigned discount rate of 23.95% for the year ended 31 December 2010 (2009: 17.75%). The discount rate increased significantly as a result of the increase in the equity risk premium. Equity risk premium represented the additional return rate higher than risk-free rate.
- Future selling prices were estimated with reference to existing and past quoted commodity prices of the mining industry.
- Future production capacity estimation was made in accordance with the feasibility report issued by SRK. The estimated production capacity per annum dropped to 1.5 million tonnes in 2010 (2009: 5.7 million tonnes per annum) because of new hydro-geological condition limitation noted by the directors in the pre-production during the year ended 31 December 2010.

18. 採礦權 (續)

採礦權指透過收購一間附屬公司而於二零零九年收購之採礦許可證15333A及於二零一零年收購之採礦許可證15449A，可露天開採位於蒙古之鐵礦及砂金礦。採礦許可證分別於二零三九年十二月四日及二零四零年二月一日屆滿。於報告期末，該鐵礦尚未投產。

本公司董事認為，根據漢華評值有限公司（「漢華評值」）所發出露天開採鐵礦之採礦權於二零一零年十二月三十一日之業務估值報告，採礦權之公平值低於其於二零一零年十二月三十一日綜合財務狀況表之賬面值，因此已確認減值虧損287,500,000港元（二零零九年：減值：無）。

露天開採鐵礦之採礦權之可收回金額乃按使用價值計算法釐定。誠如漢華評值估值報告所示於二零一零年十二月三十一日之可收回金額，本集團按最近期經管理人員批准之財務預算中編製預測現金流量，超過五年期間之現金流量則按零增長率作出三十五年推算，當中假設採礦許可證可獲延長及屬行政性質。編製預測時，管理人員參考現階段已根據SRK Consulting China Ltd（「SRK」）發表之技術報告測定之礦物蘊藏量及未來產能。使用價值計算法之主要假設與貼現率及未來售價及預期產能之預期變動有關，載列如下：

- 管理人員所用貼現率乃按本公司之資本成本（即本公司資本之預期回報）及截至二零一零年十二月三十一日止年度之指定貼現率23.95%（二零零九年：17.75%）釐定。由於權益風險溢價上升，故貼現率大幅上升。權益風險溢價指高於無風險利率之額外回報率。
- 未來售價乃經參考現有及過往礦業商品報價後估計。
- 未來產能估計乃根據SRK發出之可行性報告作出。由於董事於截至二零一零年十二月三十一日止年度生產前發現新水文及地質條件限制，故估計產能下跌至二零一零年每年1,500,000噸（二零零九年：每年5,700,000噸）。

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

19. EXPLORATION AND EVALUATION ASSETS

19. 勘探及評估資產

| | | HK\$'000 千港元 |
|--|-----------------------------------|-----------------|
| COST | 成本值 | |
| At 1 January 2009, 31 December 2009 and 1 January 2010 | 於二零零九年一月一日、二零零九年十二月三十一日及二零一零年一月一日 | - |
| Addition during the year | 年內添置 | 963 |
| Acquired from acquisition of a subsidiary | 收購一間附屬公司所得 | 6,682 |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 7,645 |
| CARRYING AMOUNTS | 賬面值 | |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 7,645 |
| At 31 December 2009 | 於二零零九年十二月三十一日 | - |

20. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL

20. 商譽及商譽減值測試

(a) GOODWILL

(a) 商譽

| | | HK\$'000 千港元 |
|--|--------------------------------------|-----------------|
| COST | 成本值 | |
| At 1 January 2009 | 於二零零九年一月一日 | 94,611 |
| Acquired from acquisition of a subsidiary | 收購一間附屬公司所得 | 2,653,767 |
| Reclassified as disposal groups held for sale | 重新分類為持作出售之出售集團 | (81,839) |
| At 31 December 2009, 1 January 2010 and 31 December 2010 | 於二零零九年十二月三十一日、二零一零年一月一日及二零一零年十二月三十一日 | 2,666,539 |
| IMPAIRMENT | 減值 | |
| At 1 January 2009 | 於二零零九年一月一日 | 86,811 |
| Reclassified as disposal groups held for sale | 重新分類為持作出售之出售集團 | (74,039) |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 12,772 |
| Provided for the year | 年內計提 | 2,653,767 |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 2,666,539 |
| CARRYING AMOUNTS | 賬面值 | |
| At 31 December 2010 | 於二零一零年十二月三十一日 | - |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 2,653,767 |

Particulars regarding impairment testing on goodwill are disclosed in Note 20(b).

商譽減值測試詳情於附註20(b)披露。

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20. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL (continued)

(b) IMPAIRMENT TESTING ON GOODWILL

For the purposes of impairment testing, goodwill set out in Note 20(a) has been allocated to one (2009: one) individual cash generating unit as at 31 December 2010. The carrying amounts of goodwill (net of accumulated impairment losses) as at the end of the reporting period allocated to these are as follows:

| | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Mining operation | | |
| – North Asia Resources Group Limited (the “NAR”) and its subsidiary (the “NAR Group”) | | 2,653,767 |
| 採礦業務 | | |
| – 北亞資源集團有限公司(「北亞資源」)及其附屬公司(「北亞資源集團」) | - | |

Mining operation

The directors of the Company are of the opinion that, based on the business valuation reports for NAR Group as at 31 December 2010 issued by Greater China, the business values of this subsidiary is lower than its carrying amount in the consolidated statement of financial position as at 31 December 2010 and therefore impairment loss of HK\$2,653,767,000 is recognised (2009: impairment: nil).

20. 商譽及商譽減值測試 (續)

(b) 商譽減值測試

為進行減值測試，附註20(a)所載列之商譽已於二零一零年十二月三十一日分配至一個獨立現金產生單位(二零零九年：一個)。於報告期末，商譽之賬面值(扣除累計減值虧損)按以下單位劃分：

採礦業務

本公司董事認為，根據漢華評值所發出北亞資源集團於二零一零年十二月三十一日之業務估值報告，該附屬公司之業務價值低於其於二零一零年十二月三十一日綜合財務狀況表之賬面值，因此已確認減值虧損2,653,767,000港元(二零零九年：減值：無)。

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20. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL (continued)

(b) IMPAIRMENT TESTING ON GOODWILL

(continued)

Mining operation (continued)

The recoverable amount of NAR Group is determined from value-in-use calculations. As extracted from Greater China's valuation report for the recoverable amount as at 31 December 2010, the Group prepares cash flow forecast derived from the most recent available financial budgets approved by management and cash flows beyond 5-year period are extrapolated using zero growth rate over thirty five years assuming the extension of mining license is available and administrative in nature. In preparing the forecasts, management made reference to the mineral reserves presently verified and future production capacity according to the technical report issued by SRK. The key assumptions for the value-in-use calculation are those regarding discount rates, anticipated changes to future selling prices and anticipated production capacity, as follows:

- Management use a discount rate which is derived as the Company's cost of capital, representing the expected return on the Company's capital, and assigned discount rate of 23.95% for the year ended 31 December 2010 (2009: 17.75%). The discount rate increased significantly as a result of the increase in the equity risk premium. Equity risk premium represented the additional return rate higher than risk-free rate.
- Future selling prices were estimated with reference to existing and past quoted commodity prices of the mining industry.
- Future production capacity estimation was made in accordance with the feasibility report issued by SRK. The estimated production capacity per annum dropped to 1.5 million tonnes in 2010 (2009: 5.7 million tonnes per annum) because of new hydro-geological condition limitation noted by the directors in the pre-production during the year ended 31 December 2010.

20. 商譽及商譽減值測試 (續)

(b) 商譽減值測試 (續)

採礦業務 (續)

北亞資源集團之可收回金額乃按使用價值計算法釐定。誠如漢華評估估值報告所示於二零一零年十二月三十一日之可收回金額，本集團按最近期經管理人員批准之財務預算中編製預測現金流量，超過五年期間之現金流量則按零增長率作出三十五年推算，當中假設採礦許可證可獲延長及屬行政性質。編製預測時，管理人員參考現階段已根據SRK發表之技術報告測定之礦物蘊藏量及未來產能。使用價值計算法之主要假設與貼現率及未來售價及預計產能之預期變動有關，載列如下：

- 管理人員所用貼現率乃按本公司之資本成本（即本公司資本之預期回報）及截至二零一零年十二月三十一日止年度之指定貼現率23.95%（二零零九年：17.75%）釐定。由於權益風險溢價上升，故貼現率大幅上升。權益風險溢價指高於無風險利率之額外回報率。
- 未來售價乃經參考現有及過往礦業商品報價後估計。
- 未來產能估計乃根據SRK發出之可行性報告作出。由於董事於截至二零一零年十二月三十一日止年度生產前發現新水文及地質條件限制，故估計產能下跌至二零一零年每年1,500,000噸（二零零九年：每年5,700,000噸）。

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21. INVENTORIES

21. 存貨

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Information technology products held for resale, at cost | 持作轉售之資訊科技產品，按成本 | 1,656 | 819 |
| Finished good | 製成品 | 6,157 | - |
| | | 7,813 | 819 |

22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收款項

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Trade receivables | 貿易應收款項 | 32,198 | 39,195 |
| Less: Impairment losses recognised | 減：已確認減值虧損 | (11,011) | (11,528) |
| | | 21,187 | 27,667 |
| Prepayment, deposit and other receivables | 預付款項、按金及其他應收款項 | 28,122 | 10,065 |
| | | 49,309 | 37,732 |

The Group normally grants to its customers credit periods ranging from 30 days to 180 days which are subject to periodic review by management.

本集團一般給予客戶30天至180天不等之信貸期，並由管理層定期作檢討。

(a) The ageing analysis of the trade receivables at the end of the reporting period, net of impairment losses recognised was as follows:

(a) 於報告期末，扣除已確認減值虧損後之貿易應收款項賬齡分析如下：

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|----------------------|-----------|----------------------------------|----------------------------------|
| Within 90 days | 90天內 | 9,878 | 16,089 |
| 91 days to 180 days | 91天至180天 | 3,074 | 2,719 |
| 181 days to 365 days | 181天至365天 | 3,376 | 4,817 |
| Over 365 days | 365天以上 | 4,859 | 4,042 |
| | | 21,187 | 27,667 |

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22. TRADE AND OTHER RECEIVABLES (continued)

- (b) The movements in provision for impairment losses of trade receivables were as follows:

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| At 1 January | 於一月一日 | 11,528 | 60,153 |
| Recognised during the year | 年內確認 | - | 2,484 |
| Amount written off as uncollectible | 撇銷未能收回金額 | - | (30,106) |
| Reversal during the year | 年內撥回 | (517) | - |
| Reclassified as disposal groups held for sale | 重新分類為持作出售之出售集團 | - | (21,003) |
| At 31 December | 於十二月三十一日 | 11,011 | 11,528 |

- (c) At the end of the reporting period, the analysis of trade receivables that were past due but not impaired are as follows:

| | Total | Neither past due nor impaired 無逾期亦無減值 HK\$'000 千港元 | Past due but not impaired 已逾期但無減值 | | | | |
|------------------|--------------|---|--------------------------------------|--|--|---|-------|
| | | | <90 days <90天 HK\$'000 千港元 | 91 to 180 days 91至180天 HK\$'000 千港元 | 181 to 365 Days 181至365天 HK\$'000 千港元 | 1 to 2 years 1至2年 HK\$'000 千港元 | |
| 31 December 2010 | 二零一零年十二月三十一日 | 21,187 | 13,979 | 706 | 1,160 | 3,202 | 2,140 |
| 31 December 2009 | 二零零九年十二月三十一日 | 27,667 | 16,621 | 5,530 | 961 | 2,997 | 1,558 |

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. The Group does not hold any collateral over the balances.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Included in the allowance for impairment losses of trade receivables are individually impaired trade receivables with an aggregate balance of HK\$11,011,000 (2009: HK\$11,528,000) which have been in severe financial difficulties. There are individually written off other receivables of HK\$2,739,000 (2009: HK\$5,692,000) which have been in dispute with the Group, recognised in profits or loss.

22. 貿易及其他應收款項 (續)

- (b) 貿易應收款項減值虧損撥備之變動如下：

- (c) 於報告期末，已逾期但無減值之貿易應收款項分析如下：

無逾期亦無減值之貿易應收款項乃與多名近期並無欠款記錄之客戶有關。本集團並無就該等結餘持有任何抵押品。

已逾期但無減值之貿易應收款項乃與一批與本集團擁有良好交易記錄之獨立客戶有關。根據過往經驗，因為信貸質素並無重大變化及結餘仍然被視為可以完全收回，故管理層相信該等結餘並無必要作出減值撥備。本集團並無就該等結餘持有任何抵押品。

貿易應收款項減值虧損撥備中包括出現嚴重財務困難之個別減值貿易應收款項共11,011,000港元（二零零九年：11,528,000港元）。於損益確認與本集團存在糾紛之個別撇銷其他應收款項為2,739,000港元（二零零九年：5,692,000港元）。

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23. AMOUNT DUE FROM A DIRECTOR

The amount is unsecured, interest-free and repayable on demand. The maximum balance of the amount during the year is HK\$635,000.

23. 應收一名董事款項

此金額乃無抵押、免息，須按的要求償還。年內最高結餘為635,000港元。

24. BANK BALANCES AND CASH

24. 銀行結餘及現金

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Bank balances and cash | 銀行結餘及現金 | 259,086 | 27,049 |
| Add: Bank balances and cash classified as disposal groups held for sale | 加：分類為持作出售之出售集團之銀行結餘及現金 | - | 252 |
| Cash and cash equivalents | 現金及現金等價物 | 259,086 | 27,301 |

Bank balances and cash

At the end of the reporting period, about 7% (2009: 57%) of bank balances and cash was denominated in RMB. RMB is not a freely convertible currency.

The Group's bank balance and cash denominated in currencies other than functional currency of the relevant group entities are set out as follows:

銀行結餘及現金

於報告期末，銀行結餘及現金中約7%（二零零九年：57%）以人民幣計值。人民幣並非自由兌換貨幣。

本集團以並非相關集團實體功能貨幣之貨幣計值之銀行結餘及現金載列如下：

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|----------|--------|----------------------------------|----------------------------------|
| Renminbi | 人民幣 | 82 | 168 |
| USD | 美元 | - | 68 |
| MNT | 蒙古圖格里克 | 192 | - |

Bank balances carry interest at average market rates of 0.22% (2009: 0.22%).

銀行結餘按平均市場利率0.22厘（二零零九年：0.22厘）計息。

25. TRADE AND OTHER PAYABLES

25. 貿易及其他應付款項

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|-------------------------------------|-------------|----------------------------------|----------------------------------|
| Trade payables | 貿易應付款項 | | |
| - third parties | - 第三方 | 1,867 | 1,118 |
| - minority shareholders | - 少數股東 | 325 | 325 |
| Accrued expenses and other payables | 應計費用及其他應付款項 | 2,192 | 1,443 |
| | | 45,841 | 46,908 |
| | | 48,033 | 48,351 |

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25. TRADE AND OTHER PAYABLES (continued)

The ageing analysis of the trade payables at the end of the reporting period was as follows:

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|-----------------|--------|----------------------------------|----------------------------------|
| Within 180 days | 180天內 | 749 | – |
| Over 365 days | 365天以上 | 1,443 | 1,443 |
| | | 2,192 | 1,443 |

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

25. 貿易及其他應付款項 (續)

於報告期末，貿易應付款項之賬齡分析如下：

購買貨品之平均除賬期限為90天。本集團已實施財務風險管理政策，以確保全部應付款項均於除賬期限內償付。

26. AMOUNT DUE TO A MINORITY SHAREHOLDER

The amount is unsecured, interest-free and repayable on demand.

26. 應付一名少數股東款項

此金額乃無抵押、免息，須按要求償還。

27. OTHER BORROWINGS

During the year ended 31 December 2010, the Group obtained HK\$8,000,000 unsecured borrowing carried interest rate at 1.5% per month from an independent third party to the Group. The amount was settled during the year.

As at 31 December 2009, the amount of HK\$15,000,000 was unsecured and carried interest rate at 1% per month. The amount was repaid on 22 January 2010.

27. 其他借貸

於截至二零一零年十二月三十一日止年度，本集團從本集團一名獨立第三方取得8,000,000港元無抵押借貸，按每月利率1.5厘計息。有關款項已於年內償還。

於二零零九年十二月三十一日，15,000,000港元之款項為無抵押並按每月利率1厘計息。有關款項已於二零一零年一月二十二日償還。

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28. CONVERTIBLE LOAN NOTES

2007 Convertible Loan Notes

During the year ended 31 December 2007, pursuant to the acquisition of the entire issued share capital of Green Global Salix China Limited, the Company issued zero-coupon convertible loan notes as partial settlement of the acquisition consideration. The convertible loan notes have an aggregate principal amount of HK\$120,000,000 and are denominated in HK\$. The notes entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the notes and their settlement date on 1 October 2010 in multiples of HK\$1,000,000 at a conversion price of HK\$0.567 (subject to adjustments) per convertible loan notes.

Pursuant to the terms of the convertible loan notes, the conversion price per share and the number of conversion shares after a right issue in 2008 was 173,152,174 exercisable at HK\$0.46 per convertible loan notes.

The shares to be issued and allotted upon conversions shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue.

The convertible loan notes contain two components, liability and equity elements. The equity element is presented in equity heading ("convertible bonds reserve"). The effective interest rate of the liability component is 9.75%.

On 9 March 2009, the Company completed a share consolidation to consolidate every 10 shares of HK\$0.10 each in the issued and authorised share capital of the Company into 1 share of HK\$1.00 each, exercise upon which the conversion price of the outstanding convertible loan notes in issue was adjusted under the relevant terms of the instrument from HK\$0.46 to HK\$4.60.

During the year ended 31 December 2010, the 2007 Convertible Loan Notes has been redeemed on the maturity date by the Company during the year. The equity component of the 2007 Convertible Loan Notes was credited to the accumulated losses upon the redemption.

28. 可換股貸款票據 二零零七年可換股貸款票據

於截至二零零七年十二月三十一日止年度，本公司就收購Green Global Salix China Limited全部已發行股本發行零息可換股貸款票據，以支付部分收購代價。可換股貸款票據總本金額為120,000,000港元，以港元計值。票據持有人可於票據發行日期至結算日期二零一零年十月一日止期間內任何時間，按每份可換股貸款票據0.567港元之兌換價（可予調整）及1,000,000港元之倍數將票據兌換成本公司普通股。

根據可換股貸款票據之條款，二零零八年進行供股後每股兌換價及兌換股份數目為173,152,174股，可按每份可換股貸款票據0.46港元行使。

就兌換而將予發行及配發之股份彼此之間及與有關配發及發行日期已發行之本公司所有其他普通股在各方面均享有相同權利。

可換股貸款票據包含兩部分，分別為負債及權益部分。權益部分於權益中呈列為「可換股債券儲備」。負債部分之實際利率為9.75厘。

於二零零九年三月九日，本公司完成股份合併，將本公司已發行及法定股本中每10股每股面值0.10港元之股份合併為1股面值1.00港元之股份，未償還已發行可換股貸款票據兌換價根據工具相關條款由0.46港元調整至4.60港元。

截至二零一零年十二月三十一日止年度，本公司已於到期日將二零零七年可換股貸款票據贖回。於贖回時，二零零七年可換股貸款票據之權益部分計入累積虧損。

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28. CONVERTIBLE LOAN NOTES (continued)

2010 Convertible Loan Notes

On 14 September 2010, the Company issued convertible loan notes (the “2010 Convertible Loan Notes A”) which were due on 14 September 2013 with an aggregate principal amount of US\$30,000,000. The convertible loan notes can convert up to an aggregate of 136,764,706 ordinary shares of HK\$0.01 each. The notes were denominated in USD and entitle the holders to convert them into ordinary shares of the Company at any time from (and including) the date which is three months after the issue date up to ten business days prior to the maturity date. The effective interest rate of the liability component is 26.51% per annum. None of the 2010 Convertible Loan Notes A was converted into ordinary shares of the Company during the year.

On 12 November 2010, the Company issued convertible loan notes (the “2010 Convertible Loan Notes B” and “2010 Convertible Loan Notes C”) which both were due on 12 November 2013 with an aggregate principal amount of US\$10,000,000 and US\$3,000,000 respectively. The convertible loan notes can convert up to an aggregate of 45,588,235 and 13,676,471 ordinary shares of HK\$0.01 each respectively. The notes were denominated in USD and entitle the holders to convert them into ordinary shares of the Company at any time from (and including) the date which is three months after the issue date up to ten business days prior to the maturity date. None of the 2010 Convertible Loan Notes B and C was converted into ordinary shares of the Company during the year.

As security of the 2010 Convertible Loan Notes A, 100% of the equity interest of Green Paradise Enterprises Limited (“Green Paradise”) with net asset value of HK\$1,084,883,000 as at 31 December 2010 and 514,932,886 convertible preference shares held by Mountain Sky Resources (Mongolia) Limited (“Mountain Sky”) were charged to the holder of 2010 Convertible Loan Notes A.

As security of the 2010 Convertible Loan Notes B, 158,163,265 convertible preference shares held by Mountain Sky were charged to the holder of 2010 Convertible Loan Notes B.

As security of the 2010 Convertible Loan Notes C, 47,448,979 convertible preference shares held by Mountain Sky were charged to the holder of 2010 Convertible Loan Notes C.

The conversion price of 2010 Convertible Loan Notes B and C will be adjusted to the average closing price of one share during the month in which the financial year-end day of the Company falls in any calendar year plus a premium of 15% thereof is lower than the conversion price in force.

28. 可換股貸款票據 (續)

二零一零年可換股貸款票據

於二零一零年九月十四日，本公司發行可換股貸款票據（「A類二零一零年可換股貸款票據」），於二零一三年九月十四日到期，本金總額為30,000,000美元。可換股貸款票據可兌換為最多合共136,764,706股每股面值0.01港元之普通股。該等票據以美元計值，賦予持有人權利於由發行日期後滿三個月當日（包括該日）起至到期日前十個營業日止期間，隨時將票據兌換為本公司普通股。負債部分之實際年利率為26.51厘。年內並無A類二零一零年可換股貸款票據獲兌換為本公司普通股。

於二零一零年十一月十二日，本公司發行可換股貸款票據（「B類二零一零年可換股貸款票據」及「C類二零一零年可換股貸款票據」），兩者均於二零一三年十一月十二日到期，本金總額分別為10,000,000美元及3,000,000美元。該等可換股貸款票據可分別兌換為最多合共45,588,235股及13,676,471股每股面值0.01港元之普通股。該等票據以美元計值，賦予持有人權利於由發行日期後滿三個月當日（包括該日）起至到期日前十個營業日止期間，隨時將票據兌換為本公司普通股。年內並無B及C類二零一零年可換股貸款票據獲兌換為本公司普通股。

作為A類二零一零年可換股貸款票據之抵押品，Green Paradise Enterprises Limited（「Green Paradise」，於二零一零年十二月三十一日之資產淨值為1,084,883,000港元）之100%股本權益以及由山天能源（蒙古）有限公司（「山天能源」）持有之514,932,886股可轉換優先股已質押予A類二零一零年可換股貸款票據持有人。

作為B類二零一零年可換股貸款票據之抵押品，山天能源持有之158,163,265股可轉換優先股已質押予B類二零一零年可換股貸款票據持有人。

作為C類二零一零年可換股貸款票據之抵押品，山天能源持有之47,448,979股可轉換優先股已質押予C類二零一零年可換股貸款票據持有人。

倘任何曆年本公司財政年度結算日所在月份一股份之平均收市價另加15%溢價低於當時生效之兌換價，B及C類二零一零年可換股貸款票據之兌換價將作調整。

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28. CONVERTIBLE LOAN NOTES (continued)

The 2007 Convertible Loan Notes and 2010 Convertible Loan Notes A are bifurcated into a liability component and an equity component. Both of them contain liability component and equity component. The equity component is presented in equity heading "Convertible bonds reserve".

2010 Convertible Loan Notes B and C contain a derivative component in addition to the liability component and the derivative component of the convertible loan notes was classified as financial liabilities at fair value through profit or loss on initial recognition. The movement of the liability, equity and derivative components of the convertible loan notes is set out below:

| | | 2007 Convertible Loan Notes 二零零七年 可換股貸款票據 HK\$'000 千港元 | 2010 Convertible Loan Notes A A類二零一零年 可換股貸款票據 HK\$'000 千港元 | 2010 Convertible Loan Notes B B類二零一零年 可換股貸款票據 HK\$'000 千港元 | 2010 Convertible Loan Notes C C類二零一零年 可換股貸款票據 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|----------------------|--|--|--|--|--------------------------------|
| Liabilities components | 負債部分 | | | | | |
| At 1 January 2009 | 於二零零九年一月一日 | 67,683 | - | - | - | 67,683 |
| Reduction to set off the profit guarantee by holders (Note) | 就抵銷持有人之溢利保證作出之削減(附註) | (48,163) | - | - | - | (48,163) |
| Effective interest expenses | 實際利息支出 | 3,562 | - | - | - | 3,562 |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 23,082 | - | - | - | 23,082 |
| Issue of convertible loan notes during the year | 年內發行可換股貸款票據 | - | 202,810 | 68,509 | 20,553 | 291,872 |
| Transaction cost attributable to issue of convertible loan notes | 發行可換股貸款票據之交易成本 | - | (10,142) | (3,103) | (912) | (14,157) |
| Effective interest expenses (Note 9) | 實際利息支出(附註9) | 1,668 | 15,242 | 2,303 | 690 | 19,903 |
| Redemption during the year | 年內贖回 | (24,750) | - | - | - | (24,750) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | - | 207,910 | 67,709 | 20,331 | 295,950 |

28. 可換股貸款票據(續)

二零零七年可換股貸款票據及A類二零一零年可換股貸款票據分為負債及權益部分。兩者均包含除負債部分及權益部分。權益部分於權益中呈列為「可換股債券儲備」。

除負債部分外，B及C類二零一零年可換股貸款票據包含衍生工具部分，可換股貸款票據之衍生工具部分分類為於初步確認時按公平值於損益入賬之財務負債。可換股貸款票據負債、權益及衍生工具部分之變動載列如下：

| | | 2007 Convertible Loan Notes 二零零七年 可換股貸款票據 HK\$'000 千港元 | 2010 Convertible Loan Notes A A類二零一零年 可換股貸款票據 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|---------------------|--|--|--------------------------------|
| Equity components | 權益部分 | | | |
| At 1 January 2009 | 於二零零九年一月一日 | 19,398 | - | 19,398 |
| Reduction on convertible loan notes to set off the profit guarantee payment | 就抵銷支付溢利保證款削減可換股貸款票據 | (13,370) | - | (13,370) |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 6,028 | - | 6,028 |
| Issue of convertible loan notes during the year | 年內發行可換股貸款票據 | - | 31,190 | 31,190 |
| Transaction cost attributable to issue of convertible loan notes | 發行可換股貸款票據之交易成本 | - | (1,559) | (1,559) |
| Derecognition of equity component of convertible loan notes | 取銷確認可換股貸款票據之權益部分 | (6,028) | - | (6,028) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | - | 29,631 | 29,631 |

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28. CONVERTIBLE LOAN NOTES (continued)

28. 可換股貸款票據 (續)

| | | 2010 Convertible Loan Notes B B類二零一零年 可換股貸款票據 HK\$'000 千港元 | 2010 Convertible Loan Notes C C類二零一零年 可換股貸款票據 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|---|--|--|--------------------------------|
| Derivative components | 衍生工具部分 | | | |
| At 1 January 2009, 31 December 2009 and 1 January 2010 | 於二零零九年一月一日、 二零零九年十二月三十一日及 二零一零年一月一日 | - | - | - |
| Issue of convertible loan notes during the year | 年內發行可換股貸款票據 | 9,491 | 2,847 | 12,338 |
| Change in fair value | 公平值變動 | 1,801 | 1,031 | 2,832 |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 11,292 | 3,878 | 15,170 |

The total transaction cost of the issuance of 2010 Convertible Loan Notes A, B and C is approximately HK\$16,770,000 and the portion attributable to the derivative components of approximately HK\$1,054,000 was charged to the consolidated income statement directly.

發行A、B及C類二零一零年可換股貸款票據之交易成本總額約為16,770,000港元，而衍生工具部分應佔之部分約為1,054,000港元，已直接於綜合收益表扣除。

Note: The convertible loan notes holders were obligated to set off the profit guarantee payment by a reduction of the principal amount of the convertible loan notes amounting to approximately HK\$54,900,000 and the reduction was carried out on 4 May 2009. Details of the profit guarantee payments are disclosed in the announcements of the Company dated 8 April and 5 May 2009 respectively.

附註： 可換股貸款票據持有人須就抵銷支付溢利保證款而削減可換股貸款票據本金額約54,900,000港元，削減已於二零零九年五月四日作出。支付溢利保證款詳情載於本公司日期分別為二零零九年四月八日及五月五日之公告。

The fair value of the derivative component was estimated at the date of issuance and the end of each reporting period respectively using the option pricing model. The change in fair value of the derivative component is recognised in the consolidated statement of comprehensive income.

衍生工具部分之公平值分別於發行日期及各報告期末利用期權定價模型估計。衍生工具部分之公平值變動於綜合全面收益表確認。

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

28. CONVERTIBLE LOAN NOTES (continued)

The derivative component of 2010 Convertible Loan Notes B and C was revalued at 31 December 2010 and at the date of issuance (11 November 2010) based on the valuation performed by Greater China, an independent valuer, using the option pricing model. The significant inputs to the models were as follows:

| | | 31 December 2010 二零一零年 十二月三十一日 | 12 November 2010 二零一零年 十一月十二日 |
|------------------------|--------|---|--|
| Spot price | 現貨價 | 1.70 | 1.70 |
| Risk free rate | 無風險利率 | 1.15% | 0.7941% |
| Expected option period | 預期期權期限 | 2.87 | 3.00 |
| Expected volatility | 預期波幅 | 45.22% | 46.87% |

As one of the undertakings under the relevant subscription agreements (the “Subscription Agreements”) in respect of the issue of the 2010 Convertible Loan Notes, so long as the subscribers holds any outstanding amount of the Convertible Loan notes and prior to 31 December 2014, Mr. King Jun Chih Joseph (“Mr. King”) and Mr. Chan Kwan Hung (“Mr. Chan”) shall remain as executive directors of the Company.

Both Mr. King and Mr. Chan have resigned from the directorship of the Company with effect from 27 January 2011 (the “Resignation”) and caused a breach of covenants of the 2010 Convertible Loan Notes. Please refer to Note 43 for further details of the beach of covenants.

28. 可換股貸款票據 (續)

B及C類二零一零年可換股貸款票據之衍生工具部分於二零一零年十二月三十一日及發行日期二零一零年十一月十一日根據獨立估值師漢華評值利用期權定價模型進行之估值重估。模型之重大輸入值如下：

作為有關發行二零一零年可換股貸款票據之相關認購協議(「認購協議」)下其中一項承諾，只要認購人持有可換股貸款票據任何未償還金額，以及於二零一四年十二月三十一日前，金潤之先生(「金先生」)及陳均鴻先生(「陳先生」)須留任本公司執行董事。

金先生及陳先生均已辭任本公司董事職務，由二零一一年一月二十七日起生效(「辭任」)，並導致二零一零年可換股貸款票據之契諾遭違反。有關違反契諾之其他詳情請參閱附註43。

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綜合財務報表附註

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

29. SHARE CAPITAL

29. 股本

| | | Number of shares 股份數目 | Amount 面值 HK\$'000 千港元 |
|--|---|--------------------------|---------------------------------|
| Authorised: | 法定： | | |
| At 1 January 2009, HK\$ 0.10 each | 於二零零九年一月一日， 每股面值0.10港元 | 8,000,000,000 | 800,000 |
| Consolidation of ten shares of HK\$ 0.10 each into one share of HK\$1.00 each (Note a) | 合併十股每股面值0.10港元之股份 為一股面值1.00港元之股份 (附註a) | (7,200,000,000) | - |
| Subdivision of share of HK\$1.00 each into hundred shares of HK\$0.01 each (Note a) | 拆細每股面值1.00港元之股份為 一百股每股面值0.01港元之 股份(附註a) | 79,200,000,000 | - |
| Redesignated as convertible preference shares (Note b) | 重新指定為可轉換優先股(附註b) | (2,547,300,000) | (25,473) |
| At 31 December 2009 and 2010, HK\$0.01 each | 於二零零九年及二零一零年十二月 三十一日，每股面值0.01港元 | 77,452,700,000 | 774,527 |
| Issued and fully paid: | 已發行及繳足 | | |
| At 1 January 2009, HK\$0.10 each | 於二零零九年一月一日， 每股面值0.10港元 | 2,534,845,144 | 253,485 |
| Consolidation of ten shares of HK\$0.10 each into one share of HK\$1.00 each (Note a) | 合併十股每股面值0.10港元之股份 為一股面值1.00港元之股份 (附註a) | (2,281,360,725) | - |
| Reduction of nominal value of the share capital of HK\$0.99 each (Note c) | 削減股本面值每股0.99港元(附註c) | - | (250,950) |
| Issue of shares upon: | 因以下事項發行股份： | | |
| Exercise of share options (Note 33) | 行使購股權(附註33) | 15,042,906 | 150 |
| Acquisition of a subsidiary (Note d) | 收購一間附屬公司(附註d) | 63,000,000 | 630 |
| At 31 December 2009 and 1 January 2010, HK\$0.01 each | 於二零零九年十二月三十一日及 二零一零年一月一日， 每股面值0.01港元 | 331,527,325 | 3,315 |
| Issue of shares upon: | 因以下事項發行股份： | | |
| Placement of shares (Note e) | 配售股份(附註e) | 232,140,000 | 2,321 |
| Acquisition of non-controlling interests of a subsidiary (Note f) | 收購一間附屬公司之非控股權益 (附註f) | 50,690,000 | 507 |
| Conversion of convertible preference shares (Note g) | 兌換可轉換優先股(附註g) | 163,170,000 | 1,632 |
| Conversion of convertible preference shares (Note h) | 兌換可轉換優先股(附註h) | 45,454,545 | 455 |
| Conversion of convertible preference shares (Note i) | 兌換可轉換優先股(附註i) | 28,409,090 | 284 |
| At 31 December 2010, HK\$0.01 each | 於二零一零年十二月三十一日， 每股面值0.01港元 | 851,390,960 | 8,514 |

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綜合財務報表附註

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

29. SHARE CAPITAL (continued)

Notes:

- a. Pursuant to a special resolution passed by the Company's shareholders at a special general meeting held on 6 March 2009, every ten shares of HK\$0.10 each in the issued and authorised share capital of the Company was consolidated into 1 share of HK\$1.00 (the "Consolidated Shares") (the "Share Consolidation"). Every Consolidated Share of HK\$1.00 each in the authorised share capital of the Company was then subdivided into hundred shares of HK\$0.01 each (the "Share Subdivision"). Both the Share Consolidation and Share Subdivision became effective on 9 March 2009.
- b. Pursuant to an ordinary resolution passed by the Company's shareholders at a special general meeting held on 10 November 2009, the creation of 2,547,000,000 convertible preference shares of HK\$0.01 each of the Company was approved and the authorised share capital of the Company was re-designated into 77,452,700,000 ordinary shares of HK\$0.01 each and 2,547,300,000 convertible preference shares of HK\$0.01 each.
- c. Pursuant to a special resolution passed by the Company's shareholders at a special general meeting held on 6 March 2009, the nominal value of every Consolidated Share of HK\$1.00 each in the issued share capital of the Company was reduced to HK\$0.01 each through a cancellation of the paid-up capital to the extent of HK\$0.99 (the "Share Reduction"). The Share Reduction became effective on 9 March 2009.
- d. On 16 December 2009, the Group acquired the entire equity interest of NAR for an aggregate consideration of HK\$3,885,560,000, of which, 63,000,000 new ordinary shares of the Company with par value of HK\$0.01 each were issued as part of the consideration for the acquisition. The fair value of the 63,000,000 new ordinary shares of the Company, determined using the closing market price of HK\$2.38 per share at the date of acquisition and the date of exchange control, amounted to HK\$149,940,000.
- e. On 11 February, 2010 the Company has completed the private placement of an aggregate of 232,140,000 ordinary shares at HK\$1.68 per share (the "Placing Shares"). The gross proceeds raised amounted to approximately HK\$389,995,000 (issue expenses of HK\$13,045,000 incurred).

29. 股本 (續)

附註:

- a. 根據本公司股東於二零零九年三月六日舉行之股東特別大會上通過之特別決議案，本公司已發行及法定股本中每十股每股面值0.10港元之股份合併為一股面值1.00港元股份（「合併股份」）（「股份合併」）。本公司法定股本中每股面值1.00港元之合併股份之後拆細為一百股每股面值0.01港元之股份（「股份拆細」），股份合併及股份拆細已於二零零九年三月九日生效。
- b. 根據本公司股東於二零零九年十一月十日舉行之股東特別大會上通過之普通決議案，本公司獲批准增設2,547,000,000股每股面值0.01港元之可轉換優先股，而本公司之法定股本重新指定為77,452,700,000股每股面值0.01港元之普通股及2,547,300,000股每股面值0.01港元之可轉換優先股。
- c. 根據本公司股東於二零零九年三月六日舉行之股東特別大會上通過之特別決議案，本公司已發行股本中合併股份之面值透過註銷實繳股本0.99港元，由每股1.00港元削減至每股0.01港元（「股份削減」）。股份削減已於二零零九年三月九日生效。
- d. 於二零零九年十二月十六日，本集團以總代價3,885,560,000港元收購北亞資源全部股本權益，部分收購代價由本公司發行63,000,000股每股面值0.01港元之新普通股支付。按收購及移交控制權當日之收市價每股2.38港元計算，該63,000,000股本公司新普通股之公平值為149,940,000港元。
- e. 於二零一零年二月十一日，本公司完成私人配售合共232,140,000股本公司普通股，作價每股1.68港元（「配售股份」）。集資所得總額約為389,995,000港元（所產生發行開支為13,045,000港元）。

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

29. SHARE CAPITAL (continued)

- f. On 19 February 2010, the Group entered into an acquisition agreement to acquire 9.999% equity interest of GPL for an aggregate consideration of HK\$192,600,000, of which, 50,690,000 ordinary shares of the Company with par value of HK\$0.01 each were issued as the consideration for the acquisition. The fair value of 50,690,000 ordinary shares of the Company as at 26 April 2010, the completion date of acquisition, determined using the published price available of the date of acquisition, amounted to approximately HK\$87,694,000.
- g. On 24 May 2010, a convertible preference shares holder converted 143,589,600 convertible preference shares into 163,170,000 ordinary shares of HK\$0.01 each of the Company.
- h. On 22 September 2010, a convertible preference shares holder converted 40,000,000 convertible preference shares into 45,454,545 ordinary shares of HK\$0.01 each of the Company.
- i. On 25 November 2010, a convertible preference shares holder converted 25,000,000 convertible preference shares into 28,409,090 ordinary shares of HK\$0.01 each of the Company.
- j. All the ordinary shares issued during the two years ended 31 December 2010 rank pari passu with the then existing ordinary shares in all respects.

29. 股本 (續)

- f. 於二零一零年二月十九日，本集團訂立收購協議以收購GPL之9.999%股本權益，總代價為192,600,000港元，其中50,690,000股每股面值0.01港元之本公司普通股獲發行作為收購代價。50,690,000股本公司普通股於二零一零年四月二十六日（即完成收購當日）之公平值約為87,694,000港元，乃根據收購當日之可取得公佈價格釐定。
- g. 於二零一零年五月二十四日，一名可轉換優先股持有人將143,589,600股可轉換優先股兌換為163,170,000股每股面值0.01港元之本公司普通股。
- h. 於二零一零年九月二十二日，一名可轉換優先股持有人將40,000,000股可轉換優先股兌換為45,454,545股每股面值0.01港元之本公司普通股。
- i. 於二零一零年十一月二十五日，一名可轉換優先股持有人將25,000,000股可轉換優先股兌換為28,409,090股每股面值0.01港元之本公司普通股。
- j. 所有於截至二零一零年十二月三十一日止兩個年度內發行之普通股，在各方面與當時之現有普通股享有相同權利。

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

30. CONVERTIBLE PREFERENCE SHARES

Convertible preference shares, authorised, issued and fully paid:

| | | Number of shares 股份數目 | Amount 面值 HK\$'000 千港元 |
|--|-------------------------------|--------------------------|---------------------------------|
| At 1 January 2009 | 於二零零九年一月一日 | - | - |
| Issue of convertible preference shares upon acquisition of a subsidiary, HK\$0.01 each | 收購一間附屬公司時按每股0.01港元之價格發行可轉換優先股 | 2,547,300,000 | 25,473 |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 2,547,300,000 | 25,473 |
| Conversion during the year (Note 29) | 年內兌換(附註29) | (208,589,600) | (2,086) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 2,338,710,400 | 23,387 |

On 16 December 2009, the Company issued 2,547,300,000 convertible preference shares of par value of HK\$0.01 in respect of the acquisition of NAR.

The valuation of the convertible preference shares was carried out by Greater China, an independent qualified professional valuer not connected to the Group. The inputs for the calculation of the fair value were a discount on lack of voting right of 2.97%, a liquidity discount of 12.47% on convertible preference shares immediately convertible and liquidity discounts of 34.66%, 44.85%, 43.74%, 45.13%, 45.72%, 46.42% and 47.02% for each of the coming seven years assuming that the convertible preference shares were sold in the market in seven years. The variables and assumptions used in computing the fair value of the convertible preference shares are based on the directors' best estimate.

30. 可轉換優先股

可轉換優先股，法定、已發行及繳足：

於二零零九年十二月十六日，本公司就收購北亞資源發行2,547,300,000股每股面值0.01港元之可轉換優先股。

可轉換優先股估值經與本集團概無關連之獨立合資格專業估值師漢華評估評定。計算公平值之輸入值為就無表決權折讓2.97%、可即時兌換之可轉換優先股之流動資金折讓12.47%、以及假設可轉換優先股於七年期間內在市場出售之未來七年流動資金折讓分別34.66%、44.85%、43.74%、45.13%、45.72%、46.42%及47.02%。計算可轉換優先股之公平值時所用參數及假設乃以董事之最佳預測為基準。

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

30. CONVERTIBLE PREFERENCE SHARES (continued)

The fair value of the convertible preference shares as at 16 December 2009 (acquisition date of NAR) amounted to approximately to HK\$3,325,895,000, HK\$1.305 per share. The amount in excess of the par value of the convertible preference shares is credited to the share premium in the equity of the Company.

Each of the above convertible preference shares can be converted into one ordinary share. The major terms of the above-mentioned preference shares are set out below:

- (i) The convertible preference share holders has the right, exercisable at any time perpetual as from the date of issue, to convert the preference shares into fully paid ordinary shares, provided that (1) any conversion of the convertible preference shares does not trigger a mandatory offer obligation under rule 26 of the Hong Kong Code on Takeovers and Mergers on the part of the convertible preference shares holders and their concert parties who exercise the conversion rights; (2) the number of conversion shares to be allotted and issued upon the exercise of the conversion rights attaching to the convertible preference shares represents not more than 29.99% of the then issued ordinary share capital of the Company on a fully diluted basis; (3) the number of the conversion shares to be allotted and issued to any holder of the convertible preference shares will not result in the aggregate holding by such holder of convertible preference shares to exceed 19.99% of the then issued share capital of the Company on a fully diluted basis; and (4) the public float of the shares shall not be less than 25%.
- (ii) The convertible preference shares are transferable other than to connected persons, as defined under the Listing Rules, of the Company and do not carry the right to vote. The convertible preference shares holders shall not be entitled to any dividend.
- (iii) The convertible preference shares shall rank pari passu with any and all current and future preferred equity securities of the Company.
- (iv) The convertible preference shares are non-redeemable.

Based on their terms and conditions, the convertible preference shares have been classified as equity instrument in the consolidated statement of financial position.

On 11 February 2010, the conversion price of the convertible preference shares was adjusted from HK\$0.5 per share to HK\$0.44 per share as a result of the issue of the Placing Shares. The details of the adjustment are set out in the Company's announcement dated on 20 May 2010.

30. 可轉換優先股 (續)

可轉換優先股於收購北亞資源日期二零零九年十二月十六日之公平值約為3,325,895,000港元，即每股1.305港元。超出可轉換優先股面值之款額乃於本公司權益之股份溢價賬內入賬。

上述各可轉換優先股可兌換為一股普通股。上述優先股之主要條款載列如下：

- (i) 可轉換優先股之持有人有權，自發行日期起隨時無限期將優先股兌換為繳足普通股，惟(1)兌換任何可轉換優先股不得觸發行使兌換權之可轉換優先股相關持有人及與彼等一致行動之人士根據香港公司收購及合併守則規則26提出強制性收購建議之責任；(2)將於可轉換優先股所附兌換權獲行使時所配發及發行之兌換股份數目佔本公司當時已發行普通股股本不超過29.99%（按全面攤薄基準）；(3)將向可轉換優先股持有人配發及發行之兌換股份數目將不會導致該等可轉換優先股持有人的總持股量超逾本公司當時已發行股本之19.99%（按全面攤薄基準）；及(4)股份之公眾持股量不得少於25%。
- (ii) 除上市規則所界定本公司之關連人士外，可轉換優先股可轉讓，且並無表決權。可轉換優先股持有人無權享有任何股息。
- (iii) 可轉換優先股與本公司任何及一切現有及未來優先股本證券具同等地位。
- (iv) 可轉換優先股不可贖回。

根據其條款及條件，可轉換優先股於綜合財務狀況表內分類為股本工具。

於二零一零年二月十一日，由於發行配售股份，可轉換優先股之兌換價由每股0.5港元調整至每股0.44港元。調整之詳情載於本公司日期為二零一零年五月二十日之公告。

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

31. PROMISSORY NOTES

The movement of the promissory notes for the year is set out below:

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Carrying amount at 1 January | 於一月一日之賬面值 | 394,261 | – |
| Issue of promissory notes | 發行承兌票據 | – | 393,231 |
| Repayment during the year | 年內償還 | (356,000) | – |
| Effective interest expenses (Note 9) | 實際利息支出(附註9) | 12,032 | 1,418 |
| Interest accrued | 應計利息 | – | (388) |
| Waiver of promissory note during the year | 年內豁免承兌票據 | (50,293) | – |
| Carrying amount at 31 December | 於十二月三十一日之賬面值 | – | 394,261 |

On 16 December 2009, the Company issued unsecured promissory notes with principal value of HK\$442,270,000 upon the completion of the acquisitions of NAR (Note 34).

The promissory notes bear interests at 2% per annum payable in arrear annually. The promissory notes were repayable in one lump sum on 15 December 2011. The Company was entitled to give notices to the holders of its intention to early redeem any part of the outstanding principal amount under the promissory notes prior to its maturity. The carrying value of the promissory notes as at 31 December 2009 amounted to approximately HK\$394,261,000.

The promissory notes are measured at amortised cost, using the effective interest rates at 8.25% (2009: 8.25%). The directors of the Company determined that no value has been assigned for the redemption options of the Company as it is considered to be insignificant in value.

Pursuant to a letter of waiver dated 10 May 2010 issued by the promissory notes holders who are the substantial shareholders of the Company and agreed by the Company, upon the receipt of the partial redemption payment in aggregate of HK\$276,000,000 in May 2010 and further redemption payment of HK\$80,000,000 in July 2010 to the promissory notes holders by the Company, the promissory notes holders agreed to waive the remaining promissory notes of the principal value of HK\$86,270,000. The waiver is regarded as a transaction with equity participants of the Company, the difference between the carrying value of the original promissory notes and the new promissory notes of approximately HK\$50,293,000 was credited to contributed surplus.

31. 承兌票據

年內承兌票據變動如下：

於二零零九年十二月十六日，本公司於收購北亞資源完成時發行本金額442,270,000港元之無抵押承兌票據(附註34)。

承兌票據按年息2厘計息，每年年終支付。承兌票據須於二零一一年十二月十五日一筆過償還。本公司有權向承兌票據持有人發出通知，表示有意於到期前，提早贖回承兌票據之任何未償還本金額。承兌票據於二零零九年十二月三十一日之賬面值約為394,261,000港元。

承兌票據以實際利率8.25% (二零零九年：8.25%) 按攤銷成本計量。本公司董事認為價值不大故決定不就本公司贖回權評定價值。

根據由承兌票據持有人(亦為本公司主要股東)所發出及獲本公司同意日期為二零一零年五月十日之豁免函件，承兌票據持有人同意於二零一零年五月收取本公司部分贖回金額合共276,000,000港元，以及於二零一零年七月收取本公司進一步贖回金額80,000,000港元後，豁免餘下承兌票據之本金額86,270,000港元。該豁免被視為一項與本公司股權參與人進行之交易，原有承兌票據賬面值與新承兌票據賬面值之差額約50,293,000港元於繳入盈餘入賬。

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32. DEFERRED TAX LIABILITY

The following is the deferred tax liability recognised and movements thereon during the current and prior years:

| | | Collection and cultivation rights | Accelerated depreciation | Mining right | Total |
|---|----------------|-----------------------------------|--------------------------|--------------|----------|
| | | 收集權及種植權 | 加速折舊 | 採礦權 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2009 | 於二零零九年一月一日 | 3,627 | - | - | 3,627 |
| Credit to profit or loss | 計入損益 | (98) | (489) | - | (587) |
| Acquired from acquisition of a subsidiary | 收購一間附屬公司所得 | - | - | 151,433 | 151,433 |
| Reclassified as disposal groups held for sale | 重新分類為持作出售之出售集團 | (3,529) | 489 | - | (3,040) |
| At 31 December 2009 | 於二零零九年十二月三十一日 | - | - | 151,433 | 151,433 |
| Credit to profit or loss | 計入損益 | - | - | (28,750) | (28,750) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | - | - | 122,683 | 122,683 |

At the end of the reporting period, the Group has unused tax losses of approximately HK\$21,777,000 (2009: HK\$21,756,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of approximately HK\$63,815,000 (2009: HK\$87,969,000). No deferred tax assets have been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Under the New Enterprises Income Tax Law of PRC, withholding tax is imposed on dividends in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards (the "Post-2008 Earnings"). As at 31 December 2009 and 2010, deferred taxation has not been provided for in the consolidation financial statements in respect of temporary difference attributable to the "Post-2008 Earnings" as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. As at 31 December 2010, the Group has Post-2008 Earnings of approximately HK\$4,070,000 (2009: HK\$2,065,000).

32. 遞延稅項負債

本年度及過往年度已確認之遞延稅項負債及相應變動如下：

於報告期末，本集團有未動用稅項虧損約21,777,000港元（二零零九年：21,756,000港元），可用作對銷未來溢利。由於未能確定未來溢利來源，因此並無確認其餘稅項虧損為遞延稅項資產。稅項虧損可無限期結轉。

於報告期末，本集團有可扣減暫時差額約63,815,000港元（二零零九年：87,969,000港元）。由於並無應課稅溢利用作抵銷可動用之可扣減暫時差額，因此並無就有關可扣減暫時差額確認任何遞延稅項資產。

根據中國新企業所得稅法，自二零零八年一月一日起，有關中國附屬公司所賺取溢利（「二零零八年後溢利」）之股息須繳納預扣稅。於二零零九年及二零一零年十二月三十一日，本集團並未就「二零零八年後溢利」帶來之臨時差額，於綜合財務報表作出遞延稅項撥備，原因是本集團能控制撥回臨時差額之時間，且有關臨時差額可能不會於可見將來撥回。於二零一零年十二月三十一日，本集團有二零零八年後溢利約4,070,000港元（二零零九年：2,065,000港元）。

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33. SHARE-BASED PAYMENT TRANSACTIONS

The Company's current share option scheme (the "Scheme") was adopted by the shareholders on 30 May 2002 for the primary purpose of providing incentives to directors, employees and persons providing services to the Group. It will expire on 29 May 2012. Under the Scheme, the board may grant options to eligible employees, including directors of the Company and its subsidiaries and business associates to subscribe for shares in the Company.

At the end of the reporting period, the number of shares options remained outstanding under the Scheme was 32,387,029 (2009: 24,241,535), representing 3.80% (2009: 7.31%) of the shares of the Company in issue. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders and independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

HK\$1 is payable upon the acceptance of each grant. Options may be exercised at any time from the date of grant of the share option during the option period ending on 29 May 2012. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the offer date of the options; (ii) the average closing price of the shares for the five business days immediately preceding the offer date; and (iii) the nominal value of the Company's shares.

33. 股份付款交易

本公司現有購股權計劃(「該計劃」)於二零零二年五月三十日獲股東採納,主要旨在向董事、僱員及為本集團服務之人士提供獎勵,將於二零一二年五月二十九日屆滿。根據該計劃,董事會可向合資格僱員(包括本公司及其附屬公司董事)及業務夥伴授出購股權,以認購本公司股份。

於報告期末,根據該計劃仍未行使之購股權為32,387,029份(二零零九年:24,241,535份),相當於本公司已發行股份之3.80%(二零零九年:7.31%)。於未得本公司股東事先批准之情況下,根據該計劃可能授出之購股權所涉及股份總數,於任何時間不得超逾本公司已發行股份10%。於未得本公司股東事先批准之情況下,任何一年內已經及可能向任何個別人士授出之購股權所涉及已經及將會發行之股份數目,於任何時間不得超逾本公司已發行股份之1%。向主要股東及獨立非執行董事授出超逾本公司股本0.1%或價值超逾5,000,000港元之購股權,須事先經本公司股東批准。

於接納每次授出時須支付1港元。購股權可由購股權授出日期起至二零一二年五月二十九日止購股權期間內隨時行使。行使價由本公司董事釐定,不得少於以下較高者:(i)購股權提呈日期本公司股份收市價;(ii)緊接提呈日期前五個營業日股份平均收市價;及(iii)本公司股份面值。

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33. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

33. 股份付款交易 (續)

| Date of grant | Exercise period | Exercise price | Adjusted exercise price | Fair value at grant date |
|----------------------------------|---|----------------|-------------------------|--------------------------|
| 授出日期 | 行使期 | 行使價 | 經調整行使價 | 授出日期之公平值 |
| | | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 |
| | | (Note 2) | (Note 3) | |
| | | (附註2) | (附註3) | |
| 21 January 2000 二零零零年一月二十一日 | From date of grant to 20 January 2010 由授出日期至二零一零年一月二十日 | 2.498 | 24.98 | (Note 1) (附註1) |
| 16 April 2007 二零零七年四月十六日 | From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日 | 0.355 | 3.55 | 0.12500 |
| 9 July 2007 二零零七年七月九日 | From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日 | 0.651 | 6.51 | 0.20200 |
| 20 November 2007 二零零七年十一月二十日 | From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日 | 0.375 | 3.75 | 0.21700 |
| 13 March 2008 二零零八年三月十三日 | From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日 | 0.240 | 2.40 | 0.05060 |
| 15 August 2008 二零零八年八月十五日 | From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日 | 0.100 | 1.00 | 0.02474 |
| 8 October 2008 二零零八年十月八日 | From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日 | 0.100 | 1.00 | 0.01637 |
| 22 December 2009 二零零九年十二月二十二日 | From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日 | 2.340 | 2.34 | 0.65060 |
| 18 October 2010 二零一零年十月十八日 | From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日 | 1.490 | 1.49 | 0.42630 |
| 18 October 2010 二零一零年十月十八日 | From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日 | 1.490 | 1.49 | 0.36360 |

In accordance with the terms of the share-based arrangement, options issued vest at the date of grant.

根據股份安排條款，已發行購股權於授出日期歸屬。

Note 1: The fair value of the options granted under the previous scheme has not been estimated as the directors believe that the likelihood of the exercise of the right is remote in view of the high value of the exercise price of such options relative to the current market price of the Company's shares.

附註1: 鑑於根據過往計劃已授出購股權之行使價高於本公司股份現行市價，董事相信行使購股權之可能性不大，因而並無估算其公平值。

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33. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

The fair value of each of the share options granted by the Group during the year ended 31 December 2010 and 2009 have been arrived at on the basis of valuations carried out on the grant date by Greater China. The fair values were calculated using Binomial Option Pricing Model. The inputs into the model were as follows:

33. 股份付款交易 (續)

本集團於截至二零一零年及二零零九年十二月三十一日止年度各年授出之購股權公平值乃基於與漢華評值於授出日期進行之估值而計算。公平值乃採用二項式期權定價模型計算。模型之輸入值如下：

| | Share options grant on 購股權授出日期 | | | | | | | | |
|--|---|---|--|---------------------------------------|--|---------------------------------------|---|------------------------------------|---------------------------------------|
| | 18 October 2010 二零一零年 十月十八日 | 18 October 2010 二零一零年 十月十八日 | 22 December 2009 二零零九年 十二月二十二日 | 8 October 2008 二零零八年 十月八日 | 15 August 2008 二零零八年 八月十五日 | 13 March 2008 二零零八年 三月十三日 | 20 November 2007 二零零七年 十一月二十日 | 9 July 2007 二零零七年 七月九日 | 16 April 2007 二零零七年 四月十六日 |
| Weighted average share price 加權平均股價 | HK\$1.310 1.310港元 | HK\$1.310 1.310港元 | HK\$2.340 2.340港元 | HK\$0.072 0.072港元 | HK\$0.097 0.097港元 | HK\$0.219 0.219港元 | HK\$0.360 0.360港元 | HK\$0.350 0.350港元 | HK\$0.360 0.360港元 |
| Exercise price (Note 3) 行使價 (附註3) | HK\$1.490 1.490港元 | HK\$1.490 1.490港元 | HK\$2.340 2.340港元 | HK\$1.000 1.000港元 | HK\$1.000 1.000港元 | HK\$2.400 2.400港元 | HK\$3.750 3.750港元 | HK\$6.510 6.510港元 | HK\$3.550 3.550港元 |
| Expected volatility 預期波幅 | 58.05% | 58.05% | 63.67% | 68.95% | 65.82% | 66.70% | 113.59% | 54.32% | 53.87% |
| Expected option period 預期期權期限 | 1.61 years 1.61年 | 1.61 years 1.61年 | 2.44 years 2.44年 | 3.6 years 3.6年 | 3.8 years 3.8年 | 4.5 years 4.5年 | 2.26 years 2.26年 | 2.4 years 2.4年 | 2.6 years 2.6年 |
| Dividend yield 股息率 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Risk-free interest rate 無風險利率 | 0.430% | 0.457% | 0.771% | 1.782% | 2.770% | 1.765% | 2.491% | 4.417% | 4.015% |
| Option type 期權種類 | Call 認購期權 | Call 認購期權 | Call 認購期權 | Call 認購期權 | Call 認購期權 | Call 認購期權 | Call 認購期權 | Call 認購期權 | Call 認購期權 |

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognised the total expense of HK\$3,460,000 for the year ended 31 December 2010 (2009: HK\$5,530,000) in relation to the share options granted by the Company.

計算購股權公平值所採用變數及假設乃按照董事最佳估算得出。購股權價值隨著若干主觀假設之不同變數改變。

本集團於截至二零一零年十二月三十一日止年度就本公司所授出購股權確認費用總額3,460,000港元(二零零九年: 5,530,000港元)。

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33. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Movements of the Company's share options held by directors, employees and business associates during the year are:

33. 股份付款交易 (續)

年內，董事、僱員及業務夥伴所持本公司購股權之變動如下：

| Grantee | Date of Grant | Number of share options 購股權數目 | | | | | | | | Exercise price per share (Notes 2 and 3) 每股行使價 (附註2及3) HK\$ 港元 | | |
|--|----------------------------------|----------------------------------|-------------------------|---------------------|------------------------|---------------------------|---------------------------------|-------------------------|------------------------|---|---------------------------|-------|
| | | Outstanding at 1 January 2009 | Granted during the year | Adjustment (Note 3) | Lapsed during the year | Exercised during the year | Outstanding at 31 December 2009 | Granted during the year | Lapsed during the year | | Exercised during the year | |
| | | 於二零零九年一月一日未行使 | 年內授出 | 調整 (附註3) | 年內失效 | 年內行使 | 於二零零九年十二月三十一日未行使 | 年內授出 | 年內失效 | | 年內行使 | |
| Directors | | | | | | | | | | | | |
| 董事 | | | | | | | | | | | | |
| Mr. Tse Michael Nam 謝南洋先生 | 9 July 2007 二零零七年七月九日 | 1,009,645 | - | (908,681) | - | - | 100,964 | - | - | - | 100,964 | 6.510 |
| | 13 March 2008 二零零八年三月十三日 | 9,021,930 | - | (8,119,737) | - | - | 902,193 | - | - | - | 902,193 | 2.400 |
| | 15 August 2008 二零零八年八月十五日 | 15,316,425 | - | (13,784,783) | - | (1,531,642) | - | - | - | - | - | 1.000 |
| | 22 December 2009 二零零九年十二月二十二日 | - | 1,000,000 | - | - | - | 1,000,000 | - | - | - | 1,000,000 | 2.340 |
| | 16 April 2007 二零零七年四月十六日 | 608,220 | - | (547,398) | - | - | 60,822 | - | - | - | 60,822 | 3.550 |
| Mr. Lim Yew Kong, John Lim Yew Kong, John先生 | 15 August 2008 二零零八年八月十五日 | 1,925,780 | - | (1,733,202) | - | (192,578) | - | - | - | - | - | 1.000 |
| | 8 October 2008 二零零八年十月八日 | 6,466,000 | - | (5,819,400) | - | (646,600) | - | - | - | - | - | 1.000 |
| | 22 December 2009 二零零九年十二月二十二日 | - | 1,500,000 | - | - | - | 1,500,000 | - | - | - | 1,500,000 | 2.340 |
| | 18 October 2010 二零一零年十月十八日 | - | - | - | - | - | - | 1,000,000 | - | - | 1,000,000 | 1.490 |
| | 18 October 2010 二零一零年十月十八日 | - | - | - | - | - | - | 1,000,000 | - | - | 1,000,000 | - |
| Mr. Albert Theodore Powers Albert Theodore Powers先生 | 13 March 2008 二零零八年三月十三日 | 1,216,440 | - | (1,094,796) | - | (121,644) | - | - | - | - | - | 2.400 |
| | 15 August 2008 二零零八年八月十五日 | 1,317,560 | - | (1,185,804) | - | (131,756) | - | - | - | - | - | 1.000 |
| | 8 October 2008 二零零八年十月八日 | 7,466,000 | - | (6,719,400) | - | (746,600) | - | - | - | - | - | 1.000 |
| | 22 December 2009 二零零九年十二月二十二日 | - | 1,500,000 | - | - | - | 1,500,000 | - | - | - | 1,500,000 | 2.340 |
| | 13 March 2008 二零零八年三月十三日 | 1,216,440 | - | (1,094,796) | - | - | 121,644 | - | - | - | 121,644 | 2.400 |
| Mr. Pang Seng Tuong Pang Seng Tuong先生 | 15 August 2008 二零零八年八月十五日 | 1,317,560 | - | (1,185,804) | - | (131,756) | - | - | - | - | - | 1.000 |
| | 8 October 2008 二零零八年十月八日 | 6,466,000 | - | (5,819,400) | - | (646,600) | - | - | - | - | - | 1.000 |
| | 22 December 2009 二零零九年十二月二十二日 | - | 1,500,000 | - | - | - | 1,500,000 | - | - | - | 1,500,000 | 2.340 |

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33. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

33. 股份付款交易 (續)

| Grantee | Date of Grant | Number of share options 購股權數目 | | | | | | | | | Exercise price per share (Notes 2 and 3) 每股行使價 (附註2及3) HK\$ 港元 | |
|--|----------------------------------|----------------------------------|-------------------------|----------------------|------------------------|---------------------------|---------------------------------|-------------------------|------------------------|---------------------------|---|--------|
| | | Outstanding at 1 January 2009 | Granted during the year | Adjustment (Note 3) | Lapsed during the year | Exercised during the year | Outstanding at 31 December 2009 | Granted during the year | Lapsed during the year | Exercised during the year | | |
| | | 於二零零九年一月一日未行使 | 年內授出 | 調整 (附註3) | 年內失效 | 年內行使 | 於二零零九年十二月三十一日未行使 | 年內授出 | 年內失效 | 年內行使 | | |
| Directors (continued) 董事 (續) | | | | | | | | | | | | |
| Mr. Puongoun Sananikone Puongoun Sananikone先生 | 9 July 2007 二零零七年七月九日 | 608,220 | - | (547,398) | - | - | 60,822 | - | - | - | 60,822 | 6.510 |
| | 13 March 2008 二零零八年三月十三日 | 9,123,300 | - | (8,210,970) | - | - | 912,330 | - | - | - | 912,330 | 2.400 |
| | 15 August 2008 二零零八年八月十五日 | 15,616,480 | - | (14,054,832) | - | (1,561,648) | - | - | - | - | - | 1.000 |
| | 22 December 2009 二零零九年十二月二十二日 | - | 1,000,000 | - | - | - | 1,000,000 | - | - | - | 1,000,000 | 2.340 |
| Mr. Leung Po Wing, Bowen Joseph 梁寶榮先生 | 18 October 2010 二零一零年十月十八日 | - | - | - | - | - | - | 1,000,000 | - | - | 1,000,000 | 1.490 |
| Other employees 其他僱員 | | | | | | | | | | | | |
| In aggregate 集體 | 9 July 2007 二零零七年七月九日 | 3,294,525 | - | (2,965,073) | - | - | 329,452 | - | (329,452) | - | - | 6.510 |
| | 13 March 2008 二零零八年三月十三日 | 1,773,975 | - | (1,596,579) | - | - | 177,396 | - | (177,396) | - | - | 2.400 |
| | 15 August 2008 二零零八年八月十五日 | 6,967,800 | - | (6,091,022) | (200,000) | (662,983) | 13,795 | - | (13,795) | - | - | 1.000 |
| | 8 October 2008 二零零八年十月八日 | 1,320,550 | - | (1,188,495) | - | (132,000) | 55 | - | (55) | - | - | 1.000 |
| | 22 December 2009 二零零九年十二月二十二日 | - | 2,000,000 | - | - | - | 2,000,000 | - | - | - | 2,000,000 | 2.340 |
| | 18 October 2010 二零一零年十月十八日 | - | - | - | - | - | - | 6,000,000 | (200,000) | - | 5,800,000 | 1.490 |
| Business associates 業務夥伴 | | | | | | | | | | | | |
| In aggregate 集體 | 21 January 2000 二零零零年一月二十一日 | 1,338,084 | - | (1,204,276) | - | - | 133,808 | - | (133,808) | - | - | 24.980 |
| | 9 July 2007 二零零七年七月九日 | 70,959,000 | - | (63,863,100) | - | - | 7,095,900 | - | - | - | 7,095,900 | 6.510 |
| | 20 November 2007 二零零七年十一月二十日 | 8,186,494 | - | (7,367,845) | - | - | 818,649 | - | - | - | 818,649 | 3.750 |
| | 13 March 2008 二零零八年三月十三日 | 80,791,890 | - | (72,712,701) | - | (3,365,484) | 4,713,705 | - | - | - | 4,713,705 | 2.400 |
| | 15 August 2008 二零零八年八月十五日 | 51,715,200 | - | (46,543,585) | - | (5,171,615) | - | - | - | - | - | 1.000 |
| | 8 October 2008 二零零八年十月八日 | 3,000,000 | - | (2,700,000) | - | - | 300,000 | - | - | - | 300,000 | 1.000 |
| Total | 總計 | 308,043,518 | 8,500,000 | (277,059,077) | (200,000) | (15,042,906) | 24,241,535 | 9,000,000 | (854,506) | - | 32,387,029 | |

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

33. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Note 2: As a result of a rights issue on 8 August 2008, the exercise prices and the numbers of shares issuable upon exercise in full of the outstanding options have been adjusted.

Note 3: As a result of the Shares Consolidation on 9 March 2009, the exercise prices and the numbers of shares issuable upon exercise in full of the outstanding options have been adjusted.

Note 4: In respect of the share option exercised during the year ended 31 December 2009, the weighted average share price at the dates of exercise HK\$1.91 and the weighted average closing price of shares immediately before the date(s) on which options were exercised is HK\$2.

33. 股份付款交易 (續)

附註2: 因於二零零八年八月八日進行供股，行使價及未行使購股權獲悉數行使時可予發行之股份數目已作調整。

附註3: 因於二零零九年三月九日進行之股份合併，行使價及未行使購股權獲悉數行使時可予發行之股份數目已作調整。

附註4: 就截至二零零九年十二月三十一日止年度行使之購股權而言，於行使日期之加權平均股價為1.91港元，而緊接購股權獲行使日期前之加權平均股份收市價為2港元。



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34. ACQUISITION OF SUBSIDIARIES

On 16 December 2009, the Group acquired the entire equity interest in NAR for a consideration of HK\$3,885,560,000. NAR is engaged in the exploration and development of iron and other mineral deposits and its 90% owned subsidiary Golden Pogada LLC (“Golden Pogada”) is engaged in mining operation (“NAR Group”). The NAR Group has not commenced any production activity at the date of acquisition and planned to start the production in 2011. The acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was HK\$2,653,767,000.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

34. 收購附屬公司

於二零零九年十二月十六日，本集團收購北亞資源全部股本權益，代價為3,885,560,000港元。北亞資源從事勘探及開發鐵礦及其他礦物，其擁有90%權益之附屬公司Golden Pogada LLC（「Golden Pogada」）從事礦業營運業務（「北亞資源集團」）。北亞資源集團於收購日期尚未開展任何生產業務，並計劃於二零一一年投產。收購已按購買法入賬。收購所產生商譽金額為2,653,767,000港元。

於該項交易中已收購資產淨值及所產生商譽如下：

| | | Acquiree's carrying amount before combination 被收購公司 於合併前之 賬面值 HK\$'000 千港元 | Fair value adjustments 公平值調整 HK\$'000 千港元 | Fair value 公平值 HK\$'000 千港元 |
|--|---------------|--|---|--------------------------------------|
| Plant and equipment | 廠房及設備 | 383 | - | 383 |
| Mining right | 採礦權 | 5,715 | 1,513,076 | 1,518,791 |
| Trade and other receivables | 貿易及其他應收款項 | 223 | - | 223 |
| Bank balances and cash | 銀行結餘及現金 | 1,087 | - | 1,087 |
| Trade and other payables | 貿易及其他應付款項 | (1,155) | - | (1,155) |
| Deferred tax liabilities | 遞延稅項負債 | (125) | (151,308) | (151,433) |
| Net assets | 資產淨值 | 6,128 | 1,361,768 | 1,367,896 |
| Non-controlling interests | 非控股權益 | 73 | (136,176) | (136,103) |
| Goodwill | 商譽 | | | 2,653,767 |
| Total consideration | 總代價 | | | 3,885,560 |
| Total consideration satisfied by: | 總代價以下列方式償付： | | | |
| Cash | 現金 | | | 12,800 |
| Share issued (Note 29(d)) | 發行股份(附註29(d)) | | | 149,940 |
| Convertible preference shares (Note 30) | 可轉換優先股(附註30) | | | 3,325,895 |
| Promissory notes (Note 31) | 承兌票據(附註31) | | | 393,231 |
| Transaction costs directly attributable to acquisition | 收購直接應佔交易成本 | | | 3,694 |
| | | | | 3,885,560 |
| Net cash outflow arising on acquisition: | 收購產生之現金流出淨額： | | | |
| Cash consideration paid | 已付現金代價 | | | (16,494) |
| Bank balances and cash acquired | 已收購銀行結餘及現金 | | | 1,087 |
| | | | | (15,407) |

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34. ACQUISITION OF SUBSIDIARIES (continued)

The fair values of the mining right acquired by the Group were determined on the basis of the Income Approach – Relief from Royalty Method using the discounted cash flow analysis. An independent valuation was performed by Greater China to determine the fair value of the mining right. The fair value calculation uses cash flow projections, based on finance forecast approved by management covering fifteen years during the useful life of the mining right, pre-tax royalty rate of 16% was applied to the profit split and a discount rate of 17.67%. The key assumptions for the fair value calculation relate to the estimated mine reserves in the technical report and the estimated prices of mineral resources by reference to the current market condition.

NAR had no significant contribution to the Group's turnover and contributed approximately HK\$1,290,000 loss to the Group's loss before taxation for the period between the date of acquisition and 31 December 2009.

If the acquisition had been completed on 1 January 2009, there would have been no significant impact on the Group's turnover and contributed approximately HK\$20,137,000 loss to the Group's loss for the year ended 31 December 2009. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 January 2009, nor is it intended to be a projection of future results.

The goodwill is attributable to the industry expertise as well as the sustainable and profitable business model of the acquired business.

34. 收購附屬公司 (續)

本集團所收購採礦權之公平值乃按收益法—專利權節省法按貼現現金流量分析釐定。漢華評值就釐定採礦權之公平值作出獨立估值。公平值乃根據現金流量預測按經管理人員批准之財務預測計算，涵蓋採礦權之可使用年期十五年，並就分享利潤應用除稅前專利權16%及貼現率17.67%。計算公平值之主要假設與技術報告項下估計礦物蘊藏量及參照當前市況釐定之礦物資源估計價格有關。

於收購日期至二零零九年十二月三十一日，北亞資源對本集團之營業額並無重大貢獻，並為本集團之除稅前虧損帶來約1,290,000港元之虧損。

倘收購已於二零零九年一月一日完成，本集團之營業額並無受到重大影響，並於截至二零零九年十二月三十一日止年度為本集團之虧損帶來約20,137,000港元之虧損。備考資料僅供說明用途，並不代表倘收購已於二零零九年一月一日完成之本集團實際收益及業績，亦不擬作為日後業績之預測。

商譽指業界專業知識及所收購業務之可持續取得利潤之業務模式。

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35. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

On 25 April 2010, the Group acquired 100% equity interest in Boxall Investment Limited (“Boxall Investment”) at a consideration of RMB35,000,000 (equivalent to approximately HK\$39,898,000) in cash. Boxall Investment is principally engaged in investment holding and its wholly owned subsidiary Dadizi Yuan LLC (“Dadizi Yuan”) possessed a mining right and an exploration right for alluvial gold (“Boxall Group”).

The Target Group has not commenced any production activity at the date of acquisition.

Assets and liabilities of the Boxall Group recognised at the date of acquisition

35. 透過收購附屬公司添置資產

於二零一零年四月二十五日，本集團收購Boxall Investment Limited（「Boxall Investment」）之100%股本權益，代價為現金人民幣35,000,000元（相當於約39,898,000港元）。Boxall Investment主要從事投資控股，其全資附屬公司蒙古大地公司（「蒙古大地」）擁有砂金採礦權及勘探權（「Boxall集團」）。

於收購日，Boxall集團尚未開始任何生產活動。

於收購日確認之Boxall集團資產及負債

| | | HK\$'000 千港元 |
|---|---------------|-----------------|
| Plant and equipment | 廠房及設備 | 16 |
| Exploration and evaluation assets | 勘探及評估資產 | 6,682 |
| Mining rights | 採礦權 | 32,610 |
| Other receivables | 其他應收款項 | 1,229 |
| Bank balances and cash | 銀行結餘及現金 | 372 |
| Other payables | 其他應付款項 | (1,011) |
| | | 39,898 |
| | | HK\$'000 千港元 |
| Consideration paid in cash | 已付現金代價 | 39,898 |
| Less: cash and cash equivalent acquired | 減：已收購現金及現金等價物 | (372) |
| | | 39,526 |

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36. ACQUISITION OF FURTHER EQUITY INTEREST IN A SUBSIDIARY

On 19 February 2010, the Group entered into an acquisition agreement to acquire 9.999% equity interest of GPL, a 90% owned subsidiary of the Group before the acquisition, for an aggregate consideration of HK\$192,600,000, of which, 50,690,000 ordinary shares of the Company with par value of HK\$0.01 each were issued as the consideration for the acquisition.

On 26 April 2010, the Group entered into a supplementary agreement in regard to the acquisition mentioned above, pursuant to which the Group acquired 100% equity interest in Green Paradise Enterprises Ltd ("Green Paradise"), which in turn holds 9.999% equity interest of GPL. The fair value of 50,690,000 ordinary shares of the Company as at 26 April 2010, the completion date of acquisition, determined using the published price available of the date of acquisition, amounted to approximately HK\$87,694,000.

Green Paradise is principally engaged in investment holding and the only asset acquired by the Group in the acquisition represents 9.999% equity interest in GPL. The increase in the ownership interests in GPL are dealt with in equity, with no impact on goodwill or profit or loss.

37. DISPOSAL OF SUBSIDIARIES

As referred to Note 13, on 23 November 2009, the Company entered into a sale and purchase agreement with Marigold, whereby the Company has conditionally agreed to sell and Marigold has conditionally agreed to buy the entire interests in Disposal Groups including the amounts owing by the Disposal Groups to the Remaining Group for a consideration of HK\$180,000,000.

36. 收購一間附屬公司更多股本權益

於二零一零年二月十九日，本集團訂立收購協議以收購GPL之9.999%股本權益（於收購前GPL為本集團擁有90%股本權益之附屬公司），總代價為192,600,000港元。其中50,690,000股每股面值為0.01港元之本公司普通股獲發行作收購代價。

於二零一零年四月二十六日，本集團就上述收購事項訂立補充協議，據此，本集團收購Green Paradise Enterprises Ltd（「Green Paradise」）之100%股本權益（其持有GPL之9.999%股本權益）。於二零一零年四月二十六日（即完成收購當日），50,690,000股本公司普通股之公平值約為87,694,000港元，乃根據收購日可取得之已公佈價格釐定。

Green Paradise主要從事投資控股。本集團於收購事項所收購之唯一資產為GPL之9.999%股本權益。於GPL之擁有股權增加於權益中處理，對商譽或損益並無影響。

37. 出售附屬公司

如附註13所述，於二零零九年十一月二十三日，本公司與Marigold訂立買賣協議，據此，本公司已有條件同意出售，而Marigold已有條件同意購買出售集團全部權益，包括出售集團結欠餘下集團之金額，代價為180,000,000港元。

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37. DISPOSAL OF SUBSIDIARIES (continued)

The disposal was approved by the shareholders of the Company in the special general meeting held on 20 January 2010 and was completed on 24 March 2010. The relevant information of the disposal was as follows:

37. 出售附屬公司 (續)

出售已於二零一零年一月二十日舉行之股東特別大會上獲本公司股東批准，並於二零一零年三月二十四日完成。相關出售資產如下：

| | | HK\$'000 千港元 |
|---|-------------------|-----------------|
| Net assets disposed of: | 已出售資產淨值： | |
| Plant and equipment | 廠房及設備 | 7,517 |
| Deferred plantation expenditure | 遞延種植開支 | 8,963 |
| Deposit for plantation expenditure | 種植開支按金 | 30,230 |
| Biological assets | 生物資產 | 66,200 |
| Intangible assets | 無形資產 | 72,909 |
| Loan advanced to a minority shareholder | 向一名少數股東提供貸款 | 759 |
| Deferred tax assets | 遞延稅項資產 | 489 |
| Trade and other receivables | 貿易及其他應收款項 | 8,471 |
| Bank balances and cash | 銀行結餘及現金 | 1,133 |
| Interest in a jointly controlled entity | 於一間共同控制實體之權益 | (1,130) |
| Other payables | 其他應付款項 | (5,473) |
| Income tax liabilities | 所得稅負債 | (8,082) |
| Deferred tax liabilities | 遞延稅項負債 | (3,504) |
| Non-controlling interests | 非控股權益 | (484) |
| Net assets at date of disposal | 出售當日之資產淨值 | 177,998 |
| Exchange reserves realised on disposal of subsidiaries | 出售附屬公司時變現之匯兌儲備 | (1,677) |
| Reversal of loss on remeasurement to fair value less cost to sell | 撥回重新計量公平值減出售成本之虧損 | 1,952 |
| Total consideration | 總代價 | 178,273 |
| Satisfied by cash | 以現金支付 | 180,000 |
| Less: Transaction costs | 減：交易成本 | (1,727) |
| | | 178,273 |
| Net cash inflow arising on disposal: | 出售產生之現金流入淨額： | |
| Cash consideration received | 已收現金代價 | 180,000 |
| Transaction costs paid | 已付交易成本 | (1,727) |
| Bank balances and cash disposed of | 已出售銀行結餘及現金 | (1,133) |
| | | 177,140 |

The impact of Disposal Groups on the Group's results and cash flows in the current and prior periods is disclosed in Note 13.

出售集團於目前及過往期間對本集團業績及現金流量之影響於附註13披露。

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38. DEREGISTRATION OF SUBSIDIARIES

During the year ended 31 December 2009, the Company deregistered two wholly-owned subsidiaries, Acacia PRC and Sequent (Beijing) Computer Technology Services Limited* (“Sequent Beijing”) on 23 March 2009 and 11 February 2009, respectively.

Net (liabilities) assets at the respective dates of the deregistration of these two subsidiaries were as follows:

| | | Acacia PRC 上海阿加斯 HK\$'000 千港元 | Sequent Beijing 宏昌思群北京 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-----------------------|--|--|--------------------------------|
| Trade and other receivables | 貿易及其他應收款項 | 5 | – | 5 |
| Trade and other payables | 貿易及其他應付款項 | (45) | (1,216) | (1,261) |
| Exchange reserves realised on the deregistration of subsidiaries | 撤銷附屬公司註冊而變現 之匯兌儲備 | (262) | 2,113 | 1,851 |
| Net (liabilities) assets | (負債)資產淨值 | (302) | 897 | 595 |
| Gain (loss) on deregistration of subsidiaries | 撤銷附屬公司註冊產生之 收益(虧損) | 302 | (897) | (595) |
| | | – | – | – |

* The English transliteration of the Chinese name of the company is for identification purpose only and should not be regarded as the official English name of the company.

The subsidiaries deregistered during the year ended 31 December 2009 had no significant impact on the turnover and results of the Group.

38. 撤銷附屬公司註冊

截至二零零九年十二月三十一日止年度，本公司分別於二零零九年三月二十三日及二零零九年二月十一日撤銷兩間全資附屬公司上海阿加斯及宏昌思群(北京)計算機技術服務有限公司(「宏昌思群北京」)之註冊。

該兩間附屬公司於相關撤銷註冊日期之(負債)資產淨值如下：

* 該公司中文名稱之英譯僅供識別，不應視作該公司之正式英文名稱。

於截至二零零九年十二月三十一日止年度撤銷註冊之附屬公司並無對本集團之營業額及業績造成重大影響。

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39. RELATED PARTIES AND CONNECTED PARTIES TRANSACTIONS

Except as disclosed elsewhere in the consolidated financial statements, the Group entered into the following significant related party transactions with related parties:

Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management during the year was as follows:

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--------------------------|-------|----------------------------------|----------------------------------|
| Short-term benefits | 短期福利 | 8,914 | 4,822 |
| Post-employment benefits | 離職後福利 | 36 | 24 |
| Share-based payments | 股份付款 | 1,279 | 4,881 |
| | | 10,229 | 9,727 |

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

39. 有關連人士及關連人士交易

除綜合財務報表其他部分所披露者外，本集團曾與有關連人士進行以下重大關連人士交易：

主要管理人員補償

本公司董事及其他主要管理人員於年內之酬金如下：

本公司董事及主要行政人員之薪酬由薪酬委員會按個別員工之表現及市場趨勢釐定。

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40. COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

(a) Commitments under operating leases

The Group as lessee

The Group leases certain of its office premises and staff quarters under operating lease arrangements. Lease for properties are negotiated for a term ranging from two months to three years and rentals are fixed.

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

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---------------------------------------|----------------|----------------------------------|----------------------------------|
| Land and buildings | 土地及樓宇 | | |
| Within one year | 一年內 | 3,640 | 1,715 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 3,988 | 568 |
| | | 7,628 | 2,283 |

(b) Capital commitment for acquisition of plant and machinery

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---------------------------------|---------|----------------------------------|----------------------------------|
| Contracted but not provided for | 已訂約但未撥備 | 18,453 | - |

(c) Capital commitment for investment in a cooperation project

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---------------------------------|---------|----------------------------------|----------------------------------|
| Contracted but not provided for | 已訂約但未撥備 | 6,552 | 21,034 |

40. 承擔

於報告期末，本集團有以下承擔：

(a) 經營租賃承擔

本集團作為承租人

本集團根據經營租賃安排租賃其若干寫字樓物業及員工宿舍。物業租期議定為兩個月至三年不等，而租金為固定。

於報告期末，本集團根據不可撤銷經營租賃在以下期間到期之未來最低租金如下：

(b) 收購廠房及機器之資本承擔

(c) 合作項目投資之資本承擔

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綜合財務報表附註

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

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 41. 本公司財務狀況表

| | | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|-------------------|-----|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Plant and equipment | 廠房及設備 | | 2,686 | 365 |
| Investments in subsidiaries | 於附屬公司之投資 | | 1,011,924 | 3,953,191 |
| | | | 1,014,610 | 3,953,556 |
| Current assets | 流動資產 | | | |
| Other receivables | 其他應收款項 | | 1,769 | 4,982 |
| Amounts due from subsidiaries | 應收附屬公司款項 | (a) | 337,190 | 179,818 |
| Amount due from a director | 應收一名董事款項 | | 262 | – |
| Bank balances and cash | 銀行結餘及現金 | | 219,023 | 9,734 |
| | | | 558,244 | 194,534 |
| Current liabilities | 流動負債 | | | |
| Other payables | 其他應付款項 | | 6,834 | 3,999 |
| Other borrowings | 其他借貸 | | – | 15,000 |
| Convertible loan notes | 可換股貸款票據 | | – | 23,082 |
| Amounts due to subsidiaries | 應付附屬公司款項 | (a) | 34,472 | 1,909 |
| | | | 41,306 | 43,990 |
| Net current assets | 流動資產淨值 | | 516,938 | 150,544 |
| | | | 1,531,548 | 4,104,100 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | | 8,514 | 3,315 |
| Convertible preference shares | 可轉換優先股 | | 23,387 | 25,473 |
| Reserves | 儲備 | (b) | 1,188,527 | 3,681,051 |
| Total equity | 權益總額 | | 1,220,428 | 3,709,839 |
| Non-current liabilities | 非流動負債 | | | |
| Convertible loan notes | 可換股貸款票據 | | 295,950 | – |
| Derivative component of convertible loan notes | 可換股貸款票據 衍生工具部分 | | 15,170 | – |
| Promissory notes | 承兌票據 | | – | 394,261 |
| | | | 311,120 | 394,261 |
| | | | 1,531,548 | 4,104,100 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

(a) Amounts due from/to subsidiaries

The amounts are unsecured, non-interest bearing and repayable on demand. The fair values of the amounts at the end of the reporting period was approximated to the corresponding carrying amounts due to their short-term maturity.

(b) Reserves

41. 本公司財務狀況表 (續)

(a) 應收／應付附屬公司款項

該等款項為無抵押、免息及須於要求時付還。由於該等款項於短期內到期，故其於報告期末之公平值與賬面值相若。

(b) 儲備

| | | Share premium | Contributed surplus | Convertible bonds reserve | Share options reserve | Accumulated losses | Total |
|---|------------------------|---------------|---------------------|---------------------------|-----------------------|--------------------|-------------|
| | | 股份溢價 | 繳入盈餘 | 可換股債券儲備 | 購股權儲備 | 累積虧損 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2009 | 於二零零九年一月一日 | 526,100 | 39,431 | 19,398 | 24,975 | (600,233) | 9,671 |
| Reduction on convertible loan notes to set off the profit guarantee payment | 就抵銷溢利保證付款削減可換股貸款票據 | - | - | (13,370) | - | 6,633 | (6,737) |
| Reduction of issued share capital through a cancellation of paid up capital – placement of shares | 透過註銷繳足股本削減已發行股本 – 配售股份 | - | 250,950 | - | - | - | 250,950 |
| Cancellation of the share premium | 註銷股份溢價 | (521,158) | 521,158 | - | - | - | - |
| Utilisation of the contributed surplus account to offset the entire balance of accumulated losses | 動用繳入盈餘賬抵銷累積虧損全部餘額 | - | (403,271) | - | - | 403,271 | - |
| Issue of shares upon | 因以下事項發行股份： | | | | | | |
| - exercise of share options | - 行使購股權 | 24,195 | - | - | (4,420) | - | 19,775 |
| - acquisition of a subsidiary | - 收購一間附屬公司 | 3,449,732 | - | - | - | - | 3,449,732 |
| Issue of share options | 發行購股權 | - | - | - | 5,530 | - | 5,530 |
| Loss for the year | 年內虧損 | - | - | - | - | (47,870) | (47,870) |
| At 31 December 2009 | 於二零零九年十二月三十一日 | 3,478,869 | 408,268 | 6,028 | 26,085 | (238,199) | 3,681,051 |
| At 1 January 2010 | 於二零一零年一月一日 | 3,478,869 | 408,268 | 6,028 | 26,085 | (238,199) | 3,681,051 |
| Issue of shares upon | 因以下事項發行股份： | | | | | | |
| - placement of shares | - 配售股份 | 387,674 | - | - | - | - | 387,674 |
| - transaction costs attributable to issue of shares | - 發行股份應佔之交易成本 | (13,045) | - | - | - | - | (13,045) |
| - conversion of convertible preference shares | - 兌換可轉換優先股 | (285) | - | - | - | - | (285) |
| - acquisition of non-controlling interests of a subsidiary | - 收購一間附屬公司之非控股權益 | 87,187 | - | - | - | - | 87,187 |
| Redemption of convertible loan notes | 贖回可換股貸款票據 | - | - | (6,028) | - | 6,028 | - |
| Recognition of equity component of convertible loan notes | 確認可換股貸款票據權益部分 | - | - | 29,631 | - | - | 29,631 |
| Deemed contribution from equity holders arisen from waiver of promissory notes | 豁免承兌票據產生之視作權益持有人注資 | - | 50,293 | - | - | - | 50,293 |
| Recognition of equity-settled share based payments | 確認股本結算股份付款 | - | - | - | 3,460 | - | 3,460 |
| Loss for the year | 年內虧損 | - | - | - | - | (3,037,439) | (3,037,439) |
| At 31 December 2010 | 於二零一零年十二月三十一日 | 3,940,400 | 458,561 | 29,631 | 29,545 | (3,269,610) | 1,188,527 |

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

42. INVESTMENTS IN SUBSIDIARIES

At the end of the reporting period, the Company has interests in the following principal subsidiaries:

42. 於附屬公司之投資

於報告期末，本公司於下列主要附屬公司擁有權益：

| Company 公司 | Place of incorporation 註冊成立地點 | Nominal value of paid-up share/ registered capital 實繳股份/ 註冊資本之面值 | Proportion of ownership interest 擁有股權比例 | | Principal activities 主要業務 |
|--|--|--|---|--------------------|---|
| | | | 2010 二零一零年 % | 2009 二零零九年 % | |
| Held directly: 直接持有： | | | | | |
| Technology Venture Investments Limited | British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」) | US\$1,000 1,000美元 | 100 | 100 | Investment holding 投資控股 |
| # Beijing Gelin Wude Zhisha Limited 北京格林伍德德治沙有限公司 | The PRC 中國 | Registered Capital HK\$28,000,000 註冊資本 28,000,000港元 | 100 | 100 | Investment holding 投資控股 |
| NAR 北亞資源 | BVI 英屬處女群島 | US\$60,000 60,000美元 | 100 | 100 | Investment holding 投資控股 |
| Held indirectly: 間接持有： | | | | | |
| Dadizi Yuan 蒙古大地 | Mongolia 蒙古 | US\$107,366 107,366美元 | 100 | – | Mining operation 採礦 |
| GPL | Mongolia 蒙古 | US\$100,010 100,010美元 | 99.99 | 90 | Mining operation 採礦 |
| Green Paradise | BVI 英屬處女群島 | USD50,000 50,000美元 | 100 | – | Investment holding of mining operation 採礦業務投資控股 |
| Sequent China/Hong Kong Limited | Hong Kong 香港 | HK\$10,000 10,000港元 | 100 | 100 | Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及提供 電腦技術服務 |

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綜合財務報表附註

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

42. INVESTMENTS IN SUBSIDIARIES (continued)

42. 於附屬公司之投資 (續)

| Company 公司 | Place of incorporation 註冊成立地點 | Nominal value of paid-up share/ registered capital 實繳股份/ 註冊資本之面值 | Proportion of ownership interest 擁有股權比例 | | Principal activities 主要業務 |
|--|-------------------------------------|--|---|--------------------|---|
| | | | 2010 二零一零年 % | 2009 二零零九年 % | |
| Techology Venture (Software) Holdings Limited | BVI 英屬處女群島 | US\$1,000 1,000美元 | 100 | 100 | Investment holding 投資控股 |
| Topasia Computer Limited 冠亞電腦有限公司 | Hong Kong 香港 | HK\$10,000 10,000港元 | 100 | 100 | Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及提供 電腦技術服務 |
| Topsoft Limited 宏昌軟件有限公司 | Hong Kong 香港 | HK\$10,000 10,000港元 | 100 | 100 | Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及提供 電腦技術服務 |
| # Topasia Tech (Shanghai) Limited (Note) 冠亞科技(上海)有限公司 (附註) | The PRC 中國 | Registered Capital US\$3,800,000 註冊資本 3,800,000美元 | 100 | 100 | Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及提供 電腦技術服務 |
| # Topasia IT (Shanghai) Limited (Note) 冠亞信息科技服務(上海)有限公司 (附註) | The PRC 中國 | Registered Capital US\$1,000,000 註冊資本 1,000,000美元 | 100 | 100 | Provision of systems integration and maintenance services 提供系統集成及保養服務 |

Note: Wholly-owned foreign enterprises.

#: For identification purpose only

附註：外商獨資企業。

#: 僅供識別。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during both years ended 31 December 2010 and 2009.

上表所列本公司附屬公司均為董事認為主要影響本集團年內業績或構成本集團資產淨值重大部分之公司。董事認為，提供其他附屬公司之詳情將令篇幅過於冗長。

概無附屬公司擁有任何於年結日或於截至二零一零年及二零零九年十二月三十一日止年度內任何時間有效之債務證券。

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43. SUBSEQUENT EVENTS

As details in the Company's announcement made on 27 January 2011, 9 February 2011 and 18 February 2011, the Group had the following subsequent events:

- 1) Both Mr. King and Mr. Chan have resigned from the directorship of the Company with effect from 27 January 2011 (the "Resignation"). Thus, it was alleged by the subscribers that the Resignation had constituted a breach of the Subscription Agreements and an event of default under the terms and conditions (the "Conditions") of the 2010 Convertible Loan Notes, which would entitle the subscribers to give notice to the Company that each of the Convertible Loan Notes is due and payable at its principal amount. In addition, it was further alleged by the subscribers that the resignation of Mr. King had also constituted a change of control event as defined in the Conditions, which would entitle the subscribers to require the Company to redeem all or some of the 2010 Convertible Loan Notes.
- 2) As explained in the Company's announcement on 9 February 2011, the Company received the letter from the subscriber of the 2010 Convertible Loan Notes A and B ("Bond Holder A") on 9 February 2011 (the "Letter") notifying the Company of the alleged breach of the subscription agreements and the Conditions of the 2010 Convertible Loan Notes. However, as a gesture of goodwill and support to the Company, the Bond Holder A stated in the Letter that it may not exercise its right to give notice to the Company that each of the 2010 Convertible Loan Notes is due and payable at its principal amount or the right to require the Company to redeem all or some of the 2010 Convertible Loan Notes A and B until 31 December 2011 (or a later time as the Bond Holder A and the Company will mutually agree) on the following conditions:
 - (i) the Company shall notify the Bond Holder A immediately on each occasion after the Company has withdrawn US\$1,000,000 or more out of the bank account (the "Account") where proceeds from the 2010 Convertible Loan Notes A and B are credited; and
 - (ii) the Company shall submit to the Bond Holder A a copy of the bi-weekly electronic bank statements in relation to the Account within 3 business days after the end of each of the aforesaid reporting period.

On 10 February 2011, the Company has accepted the above conditions.

On 24 February 2011, the Company received the letter from the holder of 2010 Convertible Loan Notes C ("Bond Holder B") notifying the Company of the alleged breach of subscription agreement and the condition of 2010 Convertible Loan Notes C. The Bond Holder B offered to withhold enforcing right to request the Company to redeem all or some of the 2010 Convertible Loan Notes C and the Company had accepted the offer.

43. 報告期後事項

於本公司於二零一一年一月二十七日、二零一一年二月九日及二零一一年二月十八日發表之公告所詳述，本集團發生下列報告期後事項：

- 1) 金先生及陳先生均已辭任本公司董事職務，由二零一一年一月二十七日起生效（「辭任」）。因此，認購人指稱辭任構成違反認購協議以及二零一零年可換股貸款票據條款及條件（「條件」）下之違約事件，賦予認購人權利向本公司發出各份可換股貸款票據已到期及須按其本金額付款之通知。此外，認購人進一步指稱金先生辭任同時構成條件所界定之控制權變動事件，賦予認購人權利要求本公司贖回所有或部分二零一零年可換股貸款票據。
- 2) 如本公司於二零一一年二月九日發表之公告所闡述，本公司於二零一一年二月九日接獲A及B類二零一零年可換股貸款票據認購人（「債券持有人甲」）之函件（「函件」），通知本公司指稱違反二零一零年可換股貸款票據之認購協議及條件。然而，作為善意表現及對本公司之支持，債券持有人甲於函件中表示，倘符合下列條件，則債券持有人甲未必會於二零一一年十二月三十一日或之前（或債券持有人甲與本公司將相互同意之較後時間）行使其向本公司發出各份二零一零年可換股貸款票據已到期及須按其本金額付款之通知之權利，或要求本公司贖回全部或部分A及B類二零一零年可換股貸款票據之權利：
 - (i) 本公司須於本公司每次於銀行賬戶（「賬戶」，即存入A及B類二零一零年可換股貸款票據所得款項之處）提取1,000,000美元或以上後，即時知會債券持有人甲；及
 - (ii) 本公司須於上述各申報期結束後三個營業日內向債券持有人甲提交賬戶之雙週電子銀行結單副本。

於二零一一年二月十日，本公司接納上述條件。

於二零一一年二月二十四日，本公司接獲C類二零一零年可換股貸款票據持有人（「債券持有人乙」）之函件，通知本公司指稱違反C類二零一零年可換股貸款票據之認購協議及條件。債券持有人乙已作出暫緩執行要求本公司贖回全部或部分C類二零一零年可換股貸款票據之權利之要約，而本公司已接納要約。



Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司
Stock Code 股份代號 : 0061

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