



中國長遠控股有限公司 China Fortune Holdings Limited

(Incorporated in Bermuda with limited liability,
carrying on business in Hong Kong as CFH Limited)

(於百慕達註冊成立之有限公司，以CFH Limited之名稱於香港進行業務)
Stock Code 股份代號: 0110



年度報告
2009
Annual Report

Contents 目錄

Corporate Information	公司資料	2
Corporate Profile	公司簡介	4
Business Structure	業務架構	5
Corporate Milestones	企業里程	6
Chairman's Statement	主席報告書	8
Management Discussion and Analysis	管理層討論與分析	10
Directors and Senior Management Profile	董事及高級管理人員簡介	18
Corporate Governance Report	企業管治報告書	23
Directors' Report	董事會報告書	32
Independent Auditor's Report	獨立核數師報告	43
Consolidated Statement of Comprehensive Income	綜合全面收入表	45
Consolidated Statement of Financial Position	綜合財務狀況表	47
Consolidated Statement of Changes In Equity	綜合權益變動表	49
Consolidated Statement of Cash Flows	綜合現金流量表	51
Notes to the Consolidated Financial Statements	綜合財務報表附註	54
Financial Summary	財務概要	151

Corporation Information

公司資料

BOARD OF DIRECTORS

Chairman and Executive Director

Mr. Lau Siu Ying

Executive Directors

Mr. Luo Xi Zhi

Mr. Wang Yu

Non-executive Directors

Mr. Fung Oi Ip, Alfonso

Mr. Lo Wing Yat

Independent Non-executive Directors

Mr. Chang Wing Seng, Victor

Mr. Wong Lit Chor, Alexis

Mr. Chen Yi Gang

COMPANY SECRETARY

Mr. Lam Man Kit

AUDIT COMMITTEE

Mr. Chang Wing Seng, Victor (*Committee Chairman*)

Mr. Wong Lit Chor, Alexis

Mr. Fung Oi Ip, Alfonso

REGISTERED OFFICE

Clarendon House, 2 Church Street,
Hamilton HM11, Bermuda.

HONG KONG HEAD OFFICE

Room 1505-07, Tower A, Regent Centre,
63 Wo Yi Hop Road, Kwai Chung,
Hong Kong.

CHINA HEAD OFFICE

Room 1901, 19/F.,
BM Tower,
218 Wu Song Road, Shanghai
PRC

董事會

主席兼執行董事

劉小鷹先生

執行董事

羅習之先生

王愚先生

非執行董事

馮靄業先生

盧永逸先生

獨立非執行董事

鄭永勝先生

黃烈初先生

陳亦剛先生

公司秘書

林文傑先生

審核委員會

鄭永勝先生 (*委員會主席*)

黃烈初先生

馮靄業先生

註冊辦事處

Clarendon House, 2 Church Street,
Hamilton HM11, Bermuda.

香港總辦事處

香港
葵涌和宜合道63號
麗晶中心A座1505-07室

中國總辦事處

中國
上海吳淞路218號
寶礦國際大廈19樓1901室

Corporation Information 公司資料

SHANGHAI OFFICE

Room 328, Xin Mao Lou, 2 Tai Zhong Nan Lu, Waigaoqiao Free Trade Zone, Shanghai, PRC.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

The Bank of Bermuda Limited
Bank of Bermuda Building,
6 Front Street, Hamilton HM11,
Bermuda.

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
26/F., Tesbury Centre,
28 Queen's Road East, Wanchai,
Hong Kong.

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISORS

Conyers Dill & Pearman

PRINCIPAL BANKERS

CITIC Ka Wah Bank
Hang Seng Bank

CORPORATE WEBSITES

www.fortunetele.com
www.chinafortune.com

STOCK CODE

110

上海辦事處

中國上海外高橋保稅區
台中南路2號新貿樓328室

主要股份登記及過戶處

The Bank of Bermuda Limited
Bank of Bermuda Building,
6 Front Street, Hamilton HM11,
Bermuda.

股份登記及過戶處香港分處

卓佳雅柏勤有限公司
香港
灣仔皇后大道東28號
金鐘匯中心26樓

核數師

德勤•關黃陳方會計師行

法律顧問

Conyers Dill & Pearman

主要往來銀行

中信嘉華銀行
恒生銀行

公司網站

www.fortunetele.com
www.chinafortune.com

股份代號

110

Corporate Profile 公司簡介

China Fortune Holdings Limited (“China Fortune” or the “Group”), formerly named Fortune Telecom Holdings Limited, mainly distributes mobile phones and digital products in the People’s Republic of China (the “PRC”). The Group was established in Hong Kong in 1992. It was first listed on the GEM Board of the Stock Exchange of Hong Kong Limited (Stock code: 8040) on 16th February, 2000, and then successfully shifted to the Main Board (Stock code: 110) on 26th January, 2004. The Group has a strong shareholder background and well operational and professional management team.

The Group is the sole Nokia fulfillment distributor for all Nokia Stores in the PRC. Besides, the Group owns a retail chain in Zhuhai, the PRC for selling mobile phones and telecommunication equipments.

In 2009, the Group acquired a Strontium mining site in the PRC, as its first step in entering the natural resource industry.

The corporate culture of the Group rests on the integration of the West and the East, modern and traditional management philosophy, with an aim to build up a “Continuous Learning Enterprise”. The corporate spirit of China Fortune focuses on “Human Enterprise”. Under the leadership of its aspiring and energetic management, China Fortune’s staff will team up and move towards the Group’s goal of ranking as one of the largest and best wireless communication and data products and services providers in the region.

中國長遠控股有限公司（「中國長遠」或「本集團」）（前稱長遠電信網絡集團有限公司）主要在中華人民共和國（「中國」）分銷移動電話和數碼產品。本集團於一九九二年在香港成立，首先於二零零零年二月十六日在香港聯合交易所有限公司創業板上市（股份代號：8040），及後於二零零四年一月二十六日成功轉至主板上市（股份代號：110）。本集團擁有強大之股東背景及盡職之專業管理團隊。

本集團為所有諾基亞專賣店之唯一諾基亞配送貨運分銷商。此外，本集團亦於中國珠海擁有一間零售連鎖店，銷售移動電話及電訊設備。

二零零九年，本集團收購了中國一家鋇礦場，作為其涉足天然資源行業之第一步。

揉合中西文化、兼收傳統及現代之管理哲學，乃本集團之企業文化，以達致「注重長遠，天天進步」之宗旨。「人為本，企業為家」乃中國長遠之企業精神。在有幹勁及魄力之管理層領導下，中國長遠全體員工定將團結一致，實踐本集團之目標，成為區內最大及最佳之無線通訊及數據產品服務供應商之一。

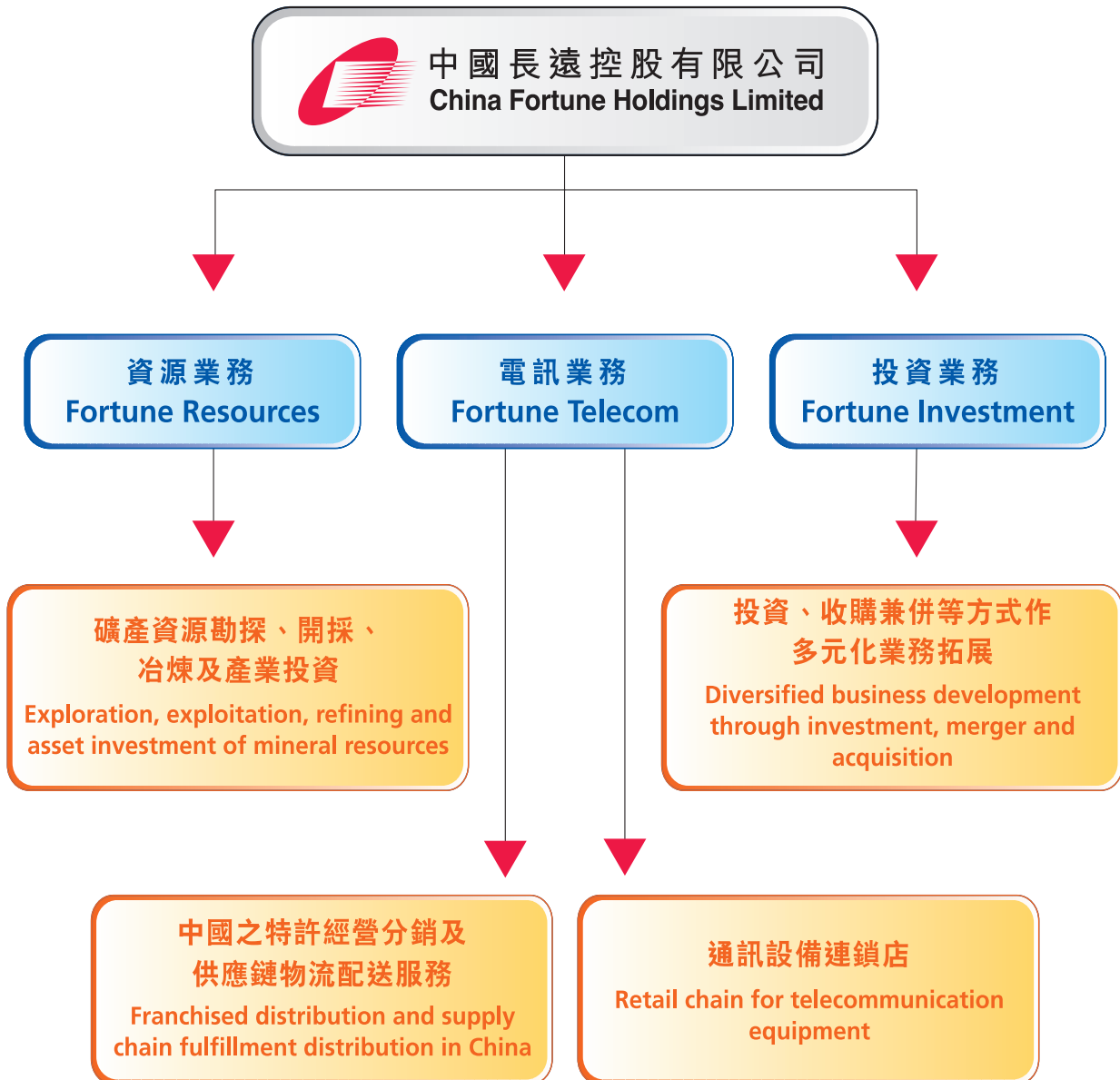
Subsidiary:
Mobile Phone Retail Chain
附屬公司：
移動電話零售連鎖



Major Business Partner:
主要業務夥伴：



Business Structure 業務架構



Corporate Milestones 企業里程碑

92 **2.18** The former trading arm of the Group – Express Fortune Limited (“EFL”) was founded by Mr. Lau Siu Ying and his brothers in Hong Kong.
劉小鷹先生及其兄弟於香港創立長遠有限公司(「長遠」) — 本集團前身之貿易旗艦。

92-94 EFL became one of Nokia’s earliest authorized distributors in the PRC.
長遠成為諾基亞最早中國指定代理商之一。

97 Commenced Fortune Telecom Group’s franchise retail business in the PRC.
於中國開展長遠電信集團之專營權零售業務。

00 **2.16** Listed on the GEM Board of the Hong Kong Stock Exchange (Stock code: 8040).
於香港聯交所創業板上市(股份代號：8040)。

12 A US\$12 million syndicated loan was successfully arranged.
成功安排一項12,000,000美元之銀團貸款。

01 **7** Completed the acquisition of 51% shareholdings of Synergy Pacific (Holding) Limited (“Synergy Pacific”).
完成收購長遠智揚(控股)有限公司(「長遠智揚」)之51%股權。

02 **5** Fortune Shanghai was acknowledged by Shanghai Waigaoqiao Free Trade Zone Management Committee as one of the best enterprises for commodity sales.
長遠上海獲上海外高橋保稅區管理委員會譽為商品銷售額績優企業之一。

9 A HK\$160 million syndicated loan was successfully arranged.
成功安排一項160,000,000港元之銀團貸款。

03 **3** The Group has achieved a record annual sale of 2.1 million sets of mobile phones and a record net profit over HK\$60 million.
本集團創下年銷二百一十萬台移動電話和超過六千萬港元純利的紀錄。

6 For a consecutive year, Fortune Shanghai was again acknowledged by Shanghai Waigaoqiao Free Trade Zone Management Committee as one of the best enterprises for commodity sales.
連續第二年，長遠上海再度獲上海外高橋保稅區管理委員會譽為商品銷售額績優企業之一。

Corporate Milestones 企業里程碑

- 04** **1.26** Listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 110).
於香港聯交所主板上市(股份代號：110)。
-
- 05** **9** A US\$16 million syndicated loan was successfully arranged.
成功安排一項16,000,000美元之銀團貸款。
- 11** Fortune Shanghai increased its share capital from US\$6 million to US\$25 million.
長遠上海將其股本由6,000,000美元增加至25,000,000美元。
- 12** Successfully completed the acquisition of 100% shareholdings of Synergy Technologies (Asia) Limited, and the disposal of 46% shareholdings of Synergy Pacific.
成功完成收購Synergy Technologies (Asia) Limited 之100%股權及出售長遠智揚之46%股權。
-
- 06** **1** Newly obtained the nationwide distributorship of Samsung mobile phones.
新取得三星移動電話之全國分銷權。
- 9** Successfully obtained the Fulfillment Distributorship for all Nokia Stores in the PRC.
成功取得中國所有諾基亞專賣店之配送貨運分銷權。
-
- 07** **2** Contracted to acquire 51% stake in Zhuhai Reminda Telecom Equipment Company Limited (珠海市雷鳴達通訊設備有限公司) and completed the acquisition in October 2007.
訂約收購珠海市雷鳴達通訊設備有限公司之51%股權，並於二零零七年十月完成收購。
- 9** Formed a joint venture with TeleChoice International Limited for the Nokia fulfillment business.
與TeleChoice International Limited成立一間合營公司，從事諾基亞配送貨運業務。
- 10.18** Name changed to China Fortune Holdings Limited.
更名為中國長遠控股有限公司。
-
- 09** **12. 23** Completed the acquisition of 50.8% interest in Sifa Mining which has the right to conduct mining activities in a Celestite (Strontium), Zinc and Lead mining site situated in the Hubei Province, the PRC.
成功收購有權於中國湖北省一個天青石(鋇)、鋅及鉛礦場進行採礦活動的鋸發礦業共50.8%股權

Chairman's Statement

主席報告書



Lau Siu Ying

劉小鷹

Chairman and Chief Executive Officer

主席兼首席執行官

Dear shareholders,

REVIEW

In the year, the world seems to be recovering from the hit bought by the financial tsunami in 2008, but no one can deny we are still under a very challenging business environment. In such a harsh year, China Fortune has managed to achieve a better performance in fulfillment distribution business in Year 2009 as compared to Year 2008. The Group has acted as an exclusive fulfillment distributorship for Nokia, which is believed to be the most successful handset manufacturer in the world, among all Nokia Stores ("NS") in the People's Republic of China (the "PRC"), where is believed to be the country with the strength and potential in taking a lead in the future global economy. In view of this, the Group is optimistic on the future performance of our fulfillment distribution business for NS and as our core business.

In the year, the Group completed acquiring in total 50.8% equity interest in Sifa Mining which holds a mining right in a site with Strontium, Lead and Zinc reserves located in the PRC. Because of the elapse of time for completing the said acquisition, a substantially higher goodwill was arisen by market and industry

各位股東：

回顧

經歷二零零八年金融海嘯的衝擊後，全球經濟於本年度逐漸復甦，惟現時的營商環境無疑仍充滿挑戰。在此艱難的環境下，本集團配送貨運分銷業務於二零零九年的業績更勝二零零八年。本集團一直為相信是全球最成功的手機製造商諾基亞在中華人民共和國（「中國」）專賣店（「諾基亞專賣店」）之獨家配送貨運分銷商，而中國相信是最具實力及潛質成為未來全球經濟的領航者。因此，本集團對於諾基亞專賣店配送貨運分銷業務的未來表現及作為本集團之核心業務相當樂觀。

本年度，本集團完成收購擁有中國一個礦場（含鋰、鉛及鋅儲藏）採礦權的鋰發礦業共50.8%股權。由於上述收購經過一段長期間才完成，故此年內的市場及行業波動導致大額商譽。基於未必能收

Chairman's Statement 主席報告書

fluctuations during the year. As such goodwill arising from the acquisition of Sifa Mining may not be recoverable, it was fully impaired and recorded as a loss in the year in the sake of conservatism. This impairment loss was a non-cash expense with no impact on the Group's cash flows or operations.

OPPORTUNITIES AND CHALLENGES

The world becomes even more and more challenging nowadays, so as the mobile phone industry in the PRC. The PRC is one of the strongest countries in terms of economic performance, and with its huge internal consumption and room for expansion. Though with keen competition, development potential is still enormous. The Group will continue to strengthen our existing relationship with the leading manufacturer to look for further cooperation opportunities.

With a view to diversify the business of the Group, the Group is actively looking for opportunities which will further enhance the shareholders' value.

APPRECIATION

Finally, I wish to sincerely thank our employees and business partners for their continued dedication and commitment to the Group, and I would like to express my appreciation to our financial institutions, shareholders and investors for their continuing supports and trust towards the Group.

Lau Siu Ying

Chairman and Chief Executive Officer

Hong Kong, 20th April, 2010

回上述因收購錫發礦業而產生的商譽，為審慎起見，年內該商譽已全數減值及入賬為虧損。該減值虧損為非現金開支，對本集團現金流量或營運並無任何影響。

機會與挑戰

現時，全球經濟和中國移動電話市場所面對的困難日益加劇。中國擁有龐大內部消費和增長空間，是世界經濟強國之一，即使競爭十分激烈，仍有巨大發展潛力。本集團會不斷加強與領先製造商的現有關係，爭取更多合作機會。

本集團正積極物色可進一步提升股東價值之商機，使業務更多元化發展。

致謝

最後，本人謹藉此機會，衷心感謝各僱員及業務夥伴一直對本集團傾力襄助，並謹此就各財務機構、股東及投資者對本集團之鼎力支持及信賴致謝。

劉小鷹

主席兼首席執行官

香港，二零一零年四月二十日

Management Discussion and Analysis

管理層討論與分析

REVIEW AND OUTLOOK

Financial Review

The operational performance of the Group was improved due to the amounts recovered from previous provision made for accounts and other receivables and also the improved result of the fulfillment distribution business for Nokia Stores in the People's Republic of China ("PRC") which is the core business of the Group. However, owing to a substantial impairment loss amount to HK\$184.3 million in respect of a goodwill arising from the acquisition of a mining company in the PRC. The Group incurred a net loss of HK\$172.4 million in this year, as compared with a net loss of HK\$78.8 million in last year, despite the fact that the Group has recorded a profit in the first half of this year.

On 23rd December, 2009 (the "Completion Date"), the Group completed the acquisition of a total of 50.8% effective equity interest (the "Acquisition") in Huangshi Sifa Mining Company Limited ("Sifa Mining") from Mr. Lau Siu Ying, the Chairman and the Chief Executive Officer of the Group, and his affiliates (collectively referred to as the "Vendors").

As part of the agreement to the acquisition, the Vendors have undertaken to the Group that the audited profit before tax of Sifa Mining will not be less than RMB72 million for the first twelve months following the Completion Date (the "Profit Guarantee"). If Sifa Mining makes profit before tax of less than RMB72 million, the compensation for the shortfall of Profit Guarantee payable by the Vendors to the Group is equivalent to 50.8% of the shortfall amount of the audited profit before tax compared to RMB72 million, net of tax effect. If Sifa Mining incurs a loss after tax, the compensation payable by the Vendors to the Group is equivalent to 50.8% of either the total loss after tax incurred by Sifa Mining or RMB10 million (whichever is lower) in addition to the compensation payable if Sifa Mining makes profit before tax of less than RMB72 million as detailed above. The compensation payable by the Vendors to the Group will be set off by the first tranche of the promissory notes issued to the Vendors as part of the consideration for the Acquisition.

回顧及前景

財務回顧

由於收回先前為有關賬款及其他應收款項所作撥備款項，且本集團核心業務為諾基亞專賣店在中華人民共和國（「中國」）的配送貨運分銷業務業績有所改善，故本集團的經營表現提升。然而，由於完成收購一家中國礦業公司所產生商譽相關之大額減值虧損184,300,000港元，儘管本集團本年度上半年錄得溢利，本年度仍招致淨虧損172,400,000港元，而上年度則錄得淨虧損78,800,000港元。

於二零零九年十二月二十三日（「完成日期」），本集團完成向本集團主席兼首席執行官劉小鷹先生及其聯繫人（統稱「賣方」）收購黃石錳發礦業有限公司（「錳發礦業」）合共50.8%實際股權（「收購」）。

根據收購協議，賣方向本集團承諾，於完成日期後首十二個月內錳發礦業的除稅前經審核溢利不會少於人民幣72,000,000元（「溢利保證」）。倘錳發礦業的除稅前溢利少於人民幣72,000,000元，則賣方應付予本集團的溢利保證不足差額補償相當於經審核除稅前溢利較人民幣72,000,000元的不足差額50.8%（已扣除稅務影響）。倘錳發礦業錄得除稅後虧損，則除上文詳述在錳發礦業除稅前溢利少於人民幣72,000,000元的情況下應付的補償外，賣方亦須向本集團支付相當於錳發礦業除稅後虧損總額或人民幣10,000,000元（以較低者為準）之50.8%的補償。賣方應付予本集團的補償將以支付收購部分代價而向賣方發行的第一批承兌票據抵銷。

Management Discussion and Analysis

管理層討論與分析

In compliance with Rule 14A.59(10)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Independent Non-executive Directors will provide an opinion in the Company's next published annual report as to whether the Profit Guarantee is fulfilled, and the Company will publish an announcement if the audited profit before tax of Sifa Mining for the first twelve months following the Completion Date is less than the Profit Guarantee.

In January 2009, the Group entered into a revised agreement for the Acquisition. The consideration payable for the Acquisition comprised cash, promissory notes, convertible loan notes and the Company's shares. Completion of the acquisition finally took place on 23rd December, 2009. Because of the elapse of time between January and December 2009, market conditions changed and as a result, the fair value of the consideration payable has increased while the fair value of Sifa Mining's major asset, a mining right, has decreased. Accordingly, the acquisition gave rise to goodwill of approximately HK\$184.3 million which represents the excess of the fair value of the consideration payable, as adjusted by the Profit Guarantee, over the fair value of the net assets acquired.

The directors have carefully reviewed Sifa Mining as a cash-generating unit based on a value in use calculation. Based on the above review, the directors of the Company are of the opinion that the goodwill arising from the acquisition of Sifa Mining may not be recoverable. In the sake of conservatism, such goodwill was fully impaired and charged to the profit or loss for this year. This impairment loss was a non-cash expense which has no impact on the Group's cash flows or operations.

The Group recorded a consolidated revenue during this year of HK\$2,100.0 million when compared to the last year of HK\$1,834.5 million. This was resulted from an increase in revenue from the fulfillment distribution business for Nokia Stores which could offset the drop in revenue contribution to the Group from the distribution business in Hong Kong.

The gross profit amounted to HK\$42.2 million, an increase when compared to the last year of HK\$24.1 million. The gross margin percentage during the year was 2.0% which was slightly higher than the last year of 1.3% due to the improvement in the fulfillment distribution business in this year.

為遵守香港聯合交易所有限公司證券上市規則第14A.59(10)(a)條，獨立非執行董事會就溢利保證是否達成而在本公司下一份刊發的年報內發表意見，而倘鋸發礦業於完成日期後首十二個月的經審核除稅前溢利少於溢利保證，則本公司會發出公佈。

於二零零九年一月，本集團訂立經修訂收購協議。收購應付代價包括現金、承兌票據、可換股貸款票據及本公司股份。收購最終於二零零九年十二月二十三日完成。由於二零零九年一月至十二月相隔相當時間，市場條件有變，故此應付代價的公平值有所增加，而鋸發礦業的主要資產採礦權的公平值則減少。因此，收購產生商譽約184,300,000港元，即應付代價公平值（已就溢利保證調整）超逾所收購資產淨值公平值的差額。

董事已按使用價值計算法將鋸發礦業視為現金生產單位而進行審慎檢討。根據有關檢討，本公司董事認為，收購鋸發礦業所產生的商譽未必可收回。為保守起見，有關商譽已悉數減值，並在年內的損益扣除。該減值虧損為非現金開支，對本集團的現金流量或營運並無影響。

本集團本年度錄得綜合收入2,100,000,000港元，而上年度則為1,834,500,000港元，是由於來自諾基亞專賣店的配送貨運分銷業務收益增加，可抵銷香港分銷業務對本集團的收益貢獻減少。

毛利由上年度的24,100,000港元增至42,200,000港元。毛利率亦由上年度的1.3%略增至年內的2.0%，是由於本年度配送貨運分銷業務改善所致。

Management Discussion and Analysis

管理層討論與分析

The selling and distribution costs amounted to HK\$25.1 million when compared to the last year of HK\$15.0 million as the overall revenue achieved during the year was comparably higher than the last year in the fulfillment distribution business for Nokia Stores. The administrative expenses amounted to HK\$20.3 million, a decrease when compared to the last year of HK\$26.4 million mainly due to the streamlining of staff cost in the year.

Owing to the amounts recovered from previous provision made for accounts and other receivables in the old business (i.e. the national distribution business in the PRC), the Group has made a gain of HK\$14.9 million during the year when compared to last year of HK\$2.4 million.

As far as the distribution business in Hong Kong is concerned, due to the weak sentiment in the Hong Kong market which was experienced by the substantial drop in revenue during the year, the Group has disposed of this business in August 2009 with a view to focus its resources in the PRC market which offers more opportunities to the Group. For disposing this Hong Kong distribution business, the Group incurred a loss of HK\$5.1 million. The Group disposed one of the associates named Intelligence Tech Limited in this year which achieved an one-off gain on disposal of HK\$1.4 million.

As far as the mobile phone retail chain business in Zhuhai was concerned, the revenue achieved during the year amounted to HK\$30.7 million, a drop of 27.7% as compared with last year of HK\$42.5 million. Although there was a drop of revenue, the Group could share a profit from it during this year rather than sharing a loss in last year due to the streamlining of its operating costs during the year. The Group shared net gains of HK\$0.7 million from the results of two associates during the year as compared to the losses in last year of HK\$4.0 million due to the better performance achieved during the year.

The finance costs were substantially reduced from HK\$11.6 million in last year to HK\$2.3 million in this year due to the decrease in the level of bank borrowings and decrease in other financial liabilities.

As a result of the above, the Group reported a net loss of HK\$172.4 million during the year when compared to the net loss of HK\$78.8 million in last year.

年內，銷售及分銷成本為25,100,000港元，而上年度則為15,000,000港元，是由於諾基亞專賣店配送貨運分銷業務的整體收益較上年度增加。行政費用為20,300,000港元，較上年度的26,400,000港元減少，是主要由於本年度削減僱員成本所致。

由於過往舊業務（即全國分銷業務）之賬款及其他應收款項所作撥備收回，本集團於年內獲得收益14,900,000港元，而上年度則為2,400,000港元。

香港分銷業務方面，由於年內收益大幅下滑，香港市場疲弱，本集團於二零零九年八月出售該業務，以集中資源為本集團提供更多商機的中國市場。有關出售香港分銷業務方面，本集團招致虧損5,100,000港元。本集團本年度出售聯營公司英騰科技有限公司獲得一次過出售收益1,400,000港元。

有關珠海的移動電話零售鏈業務方面，於年內錄得收益30,700,000港元，較上年度的42,500,000港元減少27.7%。儘管收益下降，由於本年度經營成本下降，本集團年內仍可分享溢利，而上年度則分佔虧損。由於年內業績提升，本集團本年度自兩家聯營公司之業績獲得淨收益700,000港元，而上年度則虧損4,000,000港元。

本年度之融資成本自上年度的11,600,000港元大幅減至2,300,000港元，乃由於銀行借貸減少及其他財務負債減少所致。

綜上所述，本集團年內錄得淨虧損172,400,000港元，而上年度則錄得淨虧損78,800,000港元。

Management Discussion and Analysis

管理層討論與分析

The net asset value of the Group as at 31st December, 2009 amounted to HK\$158.3 million or HK\$0.23 per share when compared to HK\$189.5 million or HK\$0.51 per share as at 31st December, 2008. The basic deficit per share was HK\$0.45 as compared to HK\$0.21 in last year.

As at 31st December, 2009, the Group's aggregate bank and other borrowings amounted to HK\$14 million when compared to HK\$52.7 million as at 31st December, 2008. Less borrowings as at the year end was mainly attributable to the intention of the Group to reduce bank borrowing level and to restructure a better borrowing facility in the future. The gearing ratio of the Group, defined as the ratio of the total long term liabilities to the shareholder's equity, was 1.54 as compared to zero as at 31st December, 2008. The Group did not have any long term liability in last year but incurred long term deferred tax liabilities, convertible loan notes and promissory notes in the acquisition of Sifa Mining in this year.

The total bank deposits and cash balances amounted to HK\$7.3 million as at 31st December, 2009 without any deposit pledged to banks. The Group is financed by a combination of its equity capital, cash flow generated from its operation and bank borrowings. During the year, there was no material change in the funding and treasury policy of the Group. The Group considers the only potential currency exposure is in Renminbi as the majority of its revenue is derived in the PRC. It is the treasury policy of the Group to manage its foreign currency exposure whenever its financial impact is material to the Group.

The inventories of the Group as at 31st December, 2009 amounted to HK\$164.8 million, mainly comprised inventories from the fulfillment distribution business for Nokia Stores. The inventories of the Group as of 31st December, 2008 amounted to HK\$160.3 million in which around HK\$20 million was coming from the distribution business in Hong Kong which was disposed during this year. The inventory turnover period was 29 days in this year when compared to 32 days of last year. The Group will continue to apply strict policy in inventory control in the future.

本集團於二零零九年十二月三十一日的資產淨值達158,300,000港元或每股0.23港元，而於二零零八年十二月三十一日則為189,500,000港元或每股0.51港元。年內每股基本虧損為0.45港元，而上年度的每股基本虧損則為0.21港元。

於二零零九年十二月三十一日，本集團銀行及其他借貸總額為14,000,000港元，而於二零零八年十二月三十一日則為52,700,000港元。本年度借貸之減少主要是由於本集團有意減少借貸水平及為日後需要而重組最佳的借貸安排所致。本集團本年度負債資產比率（長期負債總額對股東權益的比率）為1.54，而於二零零八年十二月三十一日為零。本集團上年度並無長期負債，但因本年度收購鋁發礦業而有長期遞延稅項負債、可兌換貸款票據及承兌票據。

於二零零九年十二月三十一日的銀行存款及現金結餘總額為7,300,000港元，並無任何存款質押予銀行。本集團同時透過股本、經營業務所得現金流及銀行借貸等方式籌集資金。年內，本集團融資及庫務政策並無重大轉變。本集團認為，由於本集團收入大部分來自中國，故此唯一潛在貨幣風險為人民幣。本集團的庫務政策為管理對本集團有重大財務影響的外幣風險。

本集團於二零零九年十二月三十一日的存貨金額為164,800,000港元，主要包括諾基亞專賣店配送貨運分銷業務的存貨。於二零零八年十二月三十一日的存貨為160,300,000港元，其中約20,000,000港元來自年內出售的香港分銷業務。本年度的存貨周轉期為29天，而上年度則為32天。本集團日後將繼續實施嚴格存貨控制政策。

Management Discussion and Analysis 管理層討論與分析

The amount of trade and other receivables as at 31st December, 2009 was HK\$85.8 million, mainly comprised receivables from the fulfillment distribution business for Nokia Stores. The trade and other receivables of the Group as of 31st December, 2008 amounted to HK\$76.8 million in which around HK\$17.4 million was coming from the distribution business in Hong Kong which was disposed during this year. In order to minimize the credit risk for the trade receivables, the Group has implemented strict control on the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the revenue generated from the fulfillment distribution business for Nokia Stores is mainly on cash basis which further reduces the credit risk of the Group.

Upon completion of the acquisition of Sifa Mining in this year, the Company issued convertible loan notes and promissory notes as part of the consideration in the Acquisition with carrying values amounted to HK\$100.3 million and HK\$49.7 million respectively as at 31st December, 2009. Besides, the Company issued approximately 306 million new shares as part of the consideration in the Acquisition, amounted to HK\$30.6 million at par value. On 4th January, 2010, the Company issued and allotted a total of 142,857,142 ordinary shares of HK\$0.10 each in the Company upon exercise in full by the holders of the Company's convertible loan notes.

On 4th September, 2007, the Group and TeleChoice International Limited ("TeleChoice"), entered into an agreement to establish a subsidiary (the "Fulfillment Subsidiary") to engage in the logistics and fulfillment business for Nokia Stores in the PRC (the "Fulfillment Business"). TeleChoice injected HK\$50 million for 40% equity interest in the Fulfillment Subsidiary, while the Group injected HK\$25 million for 60% equity interest therein. At the same time, the Company granted a put option to TeleChoice pursuant to which TeleChoice can require the Company to purchase its entire 40% equity interest in the Fulfillment Subsidiary at a price of HK\$50 million during the period from 1st March, 2008 to 31st December, 2008. The put option liability, representing a host debt instrument with a not closely related embedded non-option derivative which is linked to the profitability of the Fulfillment Business, was recognised as other financial liabilities. In late December 2008, TeleChoice exercised its put option. The financial liabilities due to TeleChoice amounted to HK\$52.6 million as of 31st December, 2008 had been fully settled by the Group in the year.

於二零零九年十二月三十一日，應收貿易賬款及其他應收賬款為85,800,000港元，主要包括諾基亞專賣店配送貨運分銷業務的應收款項。於二零零八年十二月三十一日的應收貿易賬款及其他應收賬款為76,800,000港元，其中約17,400,000港元來自年內出售的香港分銷業務。為降低應收貿易賬款的信貸風險，本集團一直嚴格控制信貸限額的釐定、信貸額的批核及其他監管程序，以確保能跟進追討過期債務。此外，諾基亞專賣店的配送貨運分銷業務所得收益主要以現金結算，可進一步降低本集團信貸風險。

本年度完成收購鋸發礦業後，本公司分享可換股貸款票據及承兌票據，作為收購的部分代價，於二零零九年十二月三十一日賬面淨值分別為100,300,000港元及49,700,000港元。此外，本公司已發行約306,000,000股新股作為收購的部分代價，面值為30,600,000港元。二零一零年一月四日，於本公司可換股貸款票據持有人全數行使可換股貸款票據後，本公司發行及配發合共142,857,142股每股面值0.10港元之本公司普通股。

於二零零七年九月四日，本集團與TeleChoice International Limited (「TeleChoice」) 訂立協議，成立附屬公司 (「配送附屬公司」)，在中國從事諾基亞專賣店的物流及配送貨運業務 (「配送貨運業務」)。TeleChoice注資50,000,000港元，佔配送附屬公司40%股權，而本集團注資25,000,000港元，佔60%股權。同時，本公司向TeleChoice授出認沽期權，於二零零八年三月一日至二零零八年十二月三十一日期間，TeleChoice可要求本公司按50,000,000港元的價格購買其所持配送附屬公司的全部40%股權。該項認沽期權負債指與配送貨運業務盈利能力有關的非密切相關內含無選擇權衍生主債務工具，確認為其他財務負債。於二零零八年十二月底，TeleChoice行使認沽期權。於二零零八年十二月三十一日應付TeleChoice財務負債52,600,000港元已由本集團於本年度全數償還。

Management Discussion and Analysis

管理層討論與分析

As at 31st December, 2009, the Group had in total 243 employees as compared to 218 employees as at 31st December, 2008. Employees were remunerated according to the nature of their job duties and market trend. The Group provided staff welfare and fund contribution to its employees in accordance with the prevailing regulations in the PRC and Hong Kong. There was no material change in the remuneration policy, bonus scheme and share option scheme during the year. The Group has a share option scheme under which the Company may grant share options to the participants, including directors and employees, to subscribe for shares of the Company.

OPERATIONAL REVIEW

Market Overview

According to the statistics released by the Ministry of Industry and Information Technology of the People's Republic of China ("MIIT"), there were more than 747 million subscribers to mobile phone services in the PRC as at the end of 2009, equivalent to a penetration rate of 56.3 users per 100 persons. The low penetration rate in the rural market, where more than half of the population in the PRC resides, together with the 3G services and the continued economic growth in the PRC, mean that the PRC market still has a lot of untapped potential.

While there are continuing intense competitions among the big mobile phone manufacturers in the PRC, they are trying to cut the distribution layers by directly supplying to the provincial distributors and leading retailers with a view to increase their profitability. Because of this, leading vendors have developed multi-channel distribution models which include "national distribution", "provincial distribution", "direct to retail" and "direct to operator".

As one of the integrated fulfillment distributors in the PRC, the Group provides all necessary services, which include but not limited to transaction handling, credit financing, delivery, rebate execution, stock buffering and B2B system integration, etc. In return, the Group receives a contractual margin, as well as various rebates as its service income. This business model is more transparent, allowing the buyers, the suppliers and the Group to share common information and enhances the efficiency of all the activities of the value chain.

於二零零九年十二月三十一日，本集團共聘用243名僱員，而於二零零八年十二月三十一日則有218名僱員。僱員薪酬按彼等職責性質及市場趨勢而定。本集團根據中國及香港的適用規例向僱員提供員工福利及退休金供款。年內，薪酬政策、花紅計劃及購股權計劃並無重大變更。本集團已制訂購股權計劃，本公司可向參與者（包括董事及僱員）授出可認購本公司股份的購股權。

營運回顧

市場概覽

根據中華人民共和國工業和信息化部（「工業和信息化部」）發佈的統計數據，於二零零九年底，中國的流動電話服務用戶人數超過747,000,000人，普及率為每100人有56.3名用戶。人口佔中國居民五成以上的郊區市場普及率較低，加上3G服務及中國經濟持續增長，反映中國市場仍有龐大發展潛力。

隨著競爭不斷加劇，中國各大流動電話製造商正試圖通過直接向省級分銷商及主要零售商供貨而減少分銷層數，以增強盈利能力。因此，大廠商已創出多渠道分銷模式，包括「全國分銷」、「省級分銷」、「直達零售」及「直達營運商」。

作為中國綜合配送貨運分銷商之一，本集團提供一切必要服務，包括但不限於交易處理、信貸融資、付運、回扣執行、庫存緩轉和B2B系統集成等。本集團會收取約定利潤及多種回扣作為服務收入。該業務模式透明度較高，讓買家、供應商與本集團可共享資訊及提高價值鏈內所有業務的效率。

Management Discussion and Analysis

管理層討論與分析

Business Review

The fulfillment distribution business for Nokia Stores, contributing to more than 90% of the Group's revenue, continued to make significant contribution to the overall performance of the Group during the year. It will continue to be a core business of the Group in view of the enormous mobile phone market in the PRC and the leading position of Nokia in the PRC market. On the other hand, the businesses of the associate and the subsidiary engaging in the mobile phone retail chain in Zhuhai of the Group remained a challenge due to the intense competition in the market. As far as the distribution business in Hong Kong is concerned, due to the weak sentiment in the Hong Kong market which was experienced by the substantial drop in revenue as explained before, the Group had disposed of this Hong Kong business in August 2009 with a view to focus its resources in the PRC market which offers more opportunities to the Group. In October 2009, the Group had also disposed one of the associates named Intelligence Tech Limited with the same reason. In June 2009, the Group had entered into a deed of termination by mutual consents of the vendor (a wholly-owned subsidiary of the Company) and the purchaser (Mr. Lau Siu Ying, Chairman and CEO of the Company) to terminate the proposed disposal of 49% interest in the FTC distribution business.

In December 2009, the Group completed the acquisition of 50.8% interest in Sifa Mining, which owns the right to conduct mining activities in a mining site which is located in Huangshi, southeastern Hubei. The said mining site has a general mining area of approximately 0.62 square kilometers and the mineral resources of the mining site include Celestite, Zinc and Lead.

業務回顧

諾基亞專賣店配送貨運分銷業務對本集團年內收益貢獻超過90%，繼續為本集團本年度的整體表現作出重大貢獻，由於中國流動電話市場龐大及諾基亞在中國市場的領先地位，其仍將為本集團的核心業務。另一方面，本集團在珠海從事流動電話零售鏈經營的聯營公司及附屬公司業務因市場競爭激烈而仍然面對挑戰。香港分銷業務方面，由於上文所述年內收益大幅下滑，香港市場疲弱，本集團於二零零九年八月出售該業務，以集中資源為本集團提供更多商機的中國市場。二零零九年十月，本集團因相同原因出售聯營公司英騰科技有限公司。二零零九年六月，經賣方（本公司全資附屬公司）與買方（本公司主席兼首席執行官劉小鷹先生）一致同意，本集團訂立終止契約，終止建議出售FTC分銷業務之49%權益。

二零零九年十二月，本集團完成收購錫發礦業50.8%權益，錫發礦業擁有一位於湖北省東南部黃石市礦場之採礦權。該礦場的採礦總面積約0.62平方公里，礦產資源包括天青石、鋅及鉛。

Management Discussion and Analysis

管理層討論與分析

Prospect and Outlook

The Group entered into the market of natural resources in the year after completing the acquisition of Sifa Mining. After this, the Group can further explore business and investment opportunities in the natural resources industry.

The continued economic growth in the PRC, supported by a high internal consumption and together with the room for expansion in the penetration rate of the mobile phone users in the PRC, creates a huge market and great opportunities for the Group to move forward. The Group will continue to strengthen our existing relationships with the leading manufacturers and to look for new cooperation opportunities with all other manufacturers and operators with a view to establish a firm foundation for our future growth, based on our successful experience in the fulfillment distributorship business with Nokia.

With a view to diversify the business of the Group, the Group is actively looking for opportunities which will further enhance the shareholders' value.

前景及展望

完成收購錫發礦業後，本集團本年度進入天然資源市場。此後，本集團可進一步發掘天然資源市場的業務及投資機遇。

國內消費強勁帶動中國經濟持續發展，加上中國流動電話用戶普及率仍有擴充空間，為本集團的躍進創造良機。基於本集團諾基亞配送貨運分銷業務的成功經驗，本集團將繼續加強與主要製造商的現有關係，並物色與所有其他製造商及營辦商進行新合作的良機，為本集團日後發展奠定堅實基礎。

為擴充本集團業務，本集團正積極物色良機以進一步提高股東價值。

Directors and Senior Management Profile

董事及高級管理人員簡介

DIRECTORS

Executive Directors

Mr. LAU Siu Ying, aged 46, is the founder, Chairman and Chief Executive Officer of the Company since 1992. Mr. Lau has extensive working experiences in the telecommunications industry for over 18 years and has established solid business contacts in both Hong Kong and the PRC. Mr. Lau is responsible for directing the Group's overall business policy and strategies as well as overseeing the Group's business development in Hong Kong and the PRC. Prior to setting up his business, Mr. Lau worked for Hutchison Whampao Group for approximately 5 years, in charge of the business development of the telecommunications in the PRC. Mr. Lau holds a bachelor degree in Business Administration from the Chinese University of Hong Kong and a Master of Science degree in Information Technology from the National University of Ireland, Dublin.

Mr. Lau is currently the trustee in New Asia College of The Chinese University of Hong Kong, the Board Councilor of China Mobile Communications Association and the executive chairman of Chinese Chamber of Information and Communication Technologies. In the aspects of social and economic activities, Mr. Lau is devoted to promoting economic and educational development. He served as the vice president of the Hong Kong Association of Jieyang, the honorary president of Shanghai Chaoshan Chamber of Commerce, the committee member of the Chinese People's Political Consultative Conference in Yunfu city, Guangdong province of the PRC, Hong Kong and Macau Director of the Dongguan City Youth Federation.

Mr. LUO Xi Zhi, aged 52, joined the Group in October 1995 and was appointed as an Executive Director of the Company in September 2002. Mr. Luo is also the Financial Controller of the Group's PRC operation. Mr. Luo holds a certificate in Accounting from the Finance Academy of Jiangxi Province. Mr. Luo has over 20 years of financial and accounting experience in the PRC. Prior to joining the Group in 1995, Mr. Luo was the chief accountant for Zhaoqing Sz Di Telecom Co., Ltd.

董事

執行董事

劉小鷹先生，46歲，自一九九二年起為本公司創辦人、主席兼首席執行官。劉先生已從事電信行業逾18年，於行內取得豐富經驗，且於香港及中國建立穩固業務聯繫。劉先生負責制定本集團之整體業務政策及策略，並監督本集團於香港及中國之業務發展。劉先生在建立其個人事業之前，曾於香港和記黃埔集團工作約5年，主要負責於中國電信市場之業務發展。劉先生持有香港中文大學工商管理學士學位及位於都柏林的愛爾蘭國立大學資訊科技碩士學位。

劉先生現任香港中文大學新亞書院之校董，並為中國移動通訊聯合會常務理事和中華資訊科技商會執行主席。在社會和經濟活動方面，劉先生熱心推動經濟及教育發展；他歷任香港揭陽同鄉會副會長、上海潮汕商會名譽會長、中國人民政治協商會議廣東雲浮市委員、東莞市青年聯合會港澳常委。

羅習之先生，52歲，於一九九五年十月加盟本集團，於二零零二年九月獲委任為本公司執行董事。羅先生亦為本集團中國業務之財務總監。羅先生持有江西省財經學院之會計學證書。羅先生於中國財務及會計方面擁有逾20年之經驗。羅先生於一九九五年加入本集團前為肇慶斯迪通訊有限公司首席會計師。

Directors and Senior Management Profile 董事及高級管理人員簡介

Mr. WANG Yu, aged 44, joined the Group in April 2006 and was appointed as an Executive Director of the Company in November 2009. Mr. Wang is the Vice President of a major subsidiary of the Company located in the PRC, being mainly responsible for the administration and management of the operations of the Company and its subsidiaries in the PRC. Mr. Wang graduated from Xi'an Jiaotong University with a master degree and a bachelor degree in Computer Science. Mr. Wang has more than 10 years working experiences in channel and distribution management on computer products and mobile phones with local and multinational companies in the PRC. Prior to joining the Group, Mr. Wang was a General Manager of a listed company in the PRC focusing on IT business.

Non-executive Directors

Mr. FUNG Oi Ip, Alfonso, aged 53, is a Law Costs Draftsman accredited by The Law Society of Hong Kong, who owns and runs the leading Law Costs Draftsman firm in Hong Kong which was established in 1986. A pioneer in his profession, Mr. Fung taught himself computer programming, developed and published a specialist law costing software in 1986. The software was subsequently licensed to the Hong Kong Government for use in the Legal Aid Department. Mr. Fung also takes a keen interest in developing Internet related business. Mr. Fung is an Accredited Mediator accredited by the Hong Kong Mediation Centre in 2009. Mr. Fung was appointed as a Non-executive Director of the Company in October 1999.

Mr. LO Wing Yat, aged 51, is a Director and Managing Director of CITIC International Financial Holdings Limited, a Director of CITIC Ka Wah Bank Limited, a Director and the Chief Executive Officer of CITIC International Assets Management Limited, and the Executive vice-chairman and the Chief Executive Officer of CIAM Group Limited. Mr. Lo graduated from the University of Hong Kong with a bachelor degree in laws. Mr. Lo was admitted as a Solicitor of the Supreme Court of Hong Kong in 1984 and a solicitor of the Supreme Court of England and Wales in 1989. Prior to joining CITIC International Financial Holdings Limited, Mr. Lo served as an in-house counsel of Bank of China Hong Kong-Macau Regional Office and a partner of Linklaters. Mr. Lo was appointed as a Non-executive Director of the Company in October 1999.

王愚先生，44歲，於二零零六年四月加盟本集團，並於二零零九年十一月獲委任為本公司執行董事。王先生為本公司位於中國之主要附屬公司之副總裁，主要負責本公司及其附屬公司中國業務之行政與管理。王先生畢業於西安交通大學，持有電腦科學碩士及學士學位。王先生在中國之本地及跨國公司之電腦產品及移動電話渠道分銷管理方面積逾10年工作經驗。於加盟本集團前，王先生曾在中國一間上市公司出任總經理，主要負責資訊科技業務。

非執行董事

馮靄業先生，53歲，為香港律師會認可訟費單草擬員，自一九八六起在香港成立及經營領先之訟費單草擬員公司。馮先生為其行業之先鋒，彼自學電腦程式，並於一九八六年開發及出版一套專門用於計算訴訟費單之軟件，該軟件後獲香港政府法律援助署採用。馮先生亦熱衷於發展互聯網相關業務。馮先生於二零零九年成為香港和解中心認可和解員。馮先生於一九九九年十月獲委任為本公司之非執行董事。

盧永逸先生，51歲，中信國際金融控股有限公司董事兼董事總經理、中信嘉華銀行有限公司董事、中信國際資產管理有限公司董事兼首席執行官及事安集團有限公司執行副董事長兼行政總裁。盧先生畢業於香港大學，持有法律學士學位，分別於一九八四年及一九八九年取得香港最高法院律師與英國及威爾斯最高法院律師資格。盧先生於加入中信國際金融控股有限公司前為中國銀行港澳管理處法律顧問，其後成為年利達律師事務所合夥人。盧先生於一九九九年十月獲委任為本公司之非執行董事。

Directors and Senior Management Profile

董事及高級管理人員簡介

Independent Non-executive Directors

Mr. CHANG Wing Seng, Victor, aged 72, last held the position of Managing Director of APCG Business Pte. Limited. Prior to this, Mr. Chang was the Managing Director of Singapore Technologies Telecommunications (Beijing) Pte. Ltd. based in Beijing for 2 years. Mr. Chang had held various senior management positions over 25 years with the Singapore Technologies Group, mainly as the Director of Finance. Mr. Chang was a graduate in Accounting from the Royal Melbourne Institute of Technology, Melbourne, Australia and the Institute of Chartered Accountants in Australia. Mr. Chang had also completed the Program for Management Development at the Harvard University Graduate School of Business Administration. Mr. Chang was a certified public accountant in both Singapore and Australia. Mr. Chang was appointed as an Independent Non-executive Director of the Company in October 1999.

Mr. WONG Lit Chor, Alexis, aged 51, graduated from the University of Toronto, Canada in 1981 with a bachelor degree in Arts majoring in economics and commerce and has obtained a master degree in Business Administration from the Chinese University of Hong Kong in 1987. Mr. Wong has over 20 years of banking, investment, corporate finance and securities dealing experience gained from working as a senior executive in a number of listed local and PRC financial services companies. Mr. Wong is also an independent non-executive director of a company listed on the Main Board and a company listed on the GEM Board of the Stock Exchange of Hong Kong. Mr. Wong was appointed as an Independent Non-executive Director of the Company in September 2006.

Mr. CHEN Yi Gang, aged 57, graduated from Shaoxing Institute of Administration, majoring in Corporate Management. Mr. Chen was a senior executive in a number of PRC telecommunication companies and senior management in a number of large IT enterprises. Mr. Chen has over 30 years of experience in the field of telecommunication. Mr. Chen was appointed as an Independent Non-executive Director of the Company in February 2007.

獨立非執行董事

鄭永勝先生，72歲，上一份工作職位為APCG Business Pte. Limited董事總經理。鄭先生之前為北京Singapore Technologies Telecommunications (Beijing) Pte. Ltd.的董事總經理達2年。鄭先生於Singapore Technologies Group工作超過25年，曾擔任不少高級管理層職位（主要為財務總監）。鄭先生畢業於澳洲墨爾本Royal Melbourne Institute of Technology及澳洲Institute of Chartered Accountants會計系。鄭先生已完成哈佛大學商學院之管理發展課程。鄭先生前為新加坡及澳洲執業會計師。鄭先生於一九九九年十月獲委任為本公司之獨立非執行董事。

黃烈初先生，51歲，於一九八一年在加拿大多倫多大學畢業，持有經濟及商貿學學士，並於一九八七年在香港中文大學取得工商管理碩士學位。黃先生曾於數家香港及中國的上市金融服務公司出任高級行政人員，於銀行業務、投資、企業融資及證券交易等方面擁有逾20年經驗。黃先生亦為香港聯合交易所一間主板上市公司及一間創業板上市公司之獨立非執行董事。黃先生於二零零六年九月獲委任為本公司之獨立非執行董事。

陳亦剛先生，57歲，於紹興行政學院企業管理專科畢業。陳先生曾於多家中國電信公司出任高級行政人員，及於多家大型資訊科技企業出任高級管理人員。陳先生於電信方面擁有逾30年之經驗。陳先生於二零零七年二月獲委任為本公司之獨立非執行董事。

Directors and Senior Management Profile

董事及高級管理人員簡介

COMPANY SECRETARY

Mr. LAM Man Kit, aged 34, was appointed as the Company Secretary of the Company in February 2010. Mr. Lam is also the Deputy Financial Controller of the Group. Mr. Lam graduated with a bachelor degree of Business Administration from the University of Hong Kong and is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group in January 2007, Mr. Lam has years of financial and audit experiences in Hong Kong and the PRC.

SENIOR MANAGEMENT

Mr. LO Kwok Leung, Jeff, aged 41, is the Sales Director of the Group in charge of sales and marketing activities in the PRC and acts as the Business Unit Deputy General Manager handling Nokia Stores business in the PRC. Mr. Lo obtained his bachelor degree in Fu-Jen Catholic University in Taiwan, major in sociology. Prior to joining the Group in July 2000, Mr. Lo has had almost 10 years experience in Hong Kong and the PRC responsible for the sales and marketing of consumer electronic products in the PRC.

Mr. KUANG Huai Bin, aged 49, is the General Manager of Zhuhai Reminda Telecom Equipment Company Limited. Zhuhai Reminda Telecom Equipment Company Limited formally joined the Group and became a subsidiary of the Group in October 2007. Mr. Kuang was graduated from Guangdong Provincial School of Electricity, and holds MBA degree from the University of Wales of UK. Mr. Kuang had been the senior technical management of China Telecom, has over 30 years experience in telecommunications, and has nearly 20 years working experience in the manufacturing and retail chains of domestic communications products in the PRC.

公司秘書

林文傑先生，34歲，於二零一零年二月獲委任為本公司之公司秘書。林先生並為本集團之財務副總監。林先生於香港大學畢業，持有工商管理學士學位，並為特許公認會計師公會之資深會員及香港會計師公會會員。林先生於二零零七年一月加盟本集團前，在香港及中國擁有多年財務及核數經驗。

高級管理人員

盧國樑先生，41歲，本集團之銷售總監，負責於中國銷售及市場推廣，並擔任諾基亞專賣店項目中國業務部副總監。盧先生於台灣天主教輔仁大學取得學士學位，主修社會學。於二零零零年七月加盟本集團前，盧先生有近10年在中港兩地從事消費電子產品銷售及推廣業務之經驗。

鄺槐彬先生，49歲，為珠海市雷鳴達通訊設備有限公司總經理。珠海市雷鳴達通訊設備有限公司於二零零七年十月正式加入本集團成為附屬公司。鄺先生畢業於廣東省郵電學校，持有英國威爾士大學工商管理碩士學位。鄺先生曾於中國電信公司出任高級技術管理人員，於電信方面擁有逾30年之經驗，並擁有近20年之中國本地通訊產品製造及零售連鎖方面工作經驗。

Directors and Senior Management Profile 董事及高級管理人員簡介

Mr. FONG Kin Kiu, aged 45, is the chief technology officer of the Group. Mr. Fong holds a bachelor's degree from the University of Hong Kong and two master degrees, one in strategy marketing from University of Hull and the other in information management from National University of Ireland. He is a fellow member of the Chartered Institute of Marketing and the Hong Kong Institute of Director. He also holds international professional qualifications as Chartered Marketer and Chartered Information Technology Professional. Mr. Fong acts as the chairman of the Hong Kong Wireless Technology Industry Association, vice chairman of The Professional Validation Centre of Hong Kong Business Sector, board member of the Regulatory Affairs Advisory Committee - Office of the Telecommunications Authority, board member of the Chinese Language Interface Advisory Committee - Office of the Government Chief Information Officer and board member of the ICT Services Advisory Committee - Hong Kong Trade Development Council. Mr. Fong has been invited to be the visiting lecturer and course advisor for Hong Kong Polytechnic University since year 1999.

方健僑先生，45歲，為本集團之首席資訊總監。方先生持有香港大學之學士學位及分別持有英國赫爾大學之市場推廣策略碩士學位，及愛爾蘭國立大學之資訊科技碩士學位。方先生為英國特許市場學會及香港董事學會之資深會員。方先生持有特許市務師及特許資訊科技專業執業者的國際專業資格。方先生為香港無線科技商會主席、香港商業專業評審中心副會長、香港電訊管理局監管事務諮詢委員會委員、香港政府資訊科技總監辦公室中文界面諮詢委員會委員、香港貿易發展局資訊及通訊科技諮詢委員會委員。方先生自1999年起一直應邀出任香港理工大學課程顧問及客席講師。

Corporate Governance Report

企業管治報告書

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high standards of corporate governance with a view to assuring the integrity, transparency and quality of disclosure to protect the interests of all shareholders. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the year ended 31st December, 2009, except for the deviations as stated in paragraph headed “Chairman and Chief Executive Officer” and “Re-election of Directors”.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure the business activities and decision making processes are regulated in a proper and prudent manner.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules for securities transactions by Directors of the Company during the year under review.

Having made specific enquiry with all Directors, each of whom has confirmed that he has complied with the required standard as set out in the Model Code for the year ended 31st December, 2009. The Model Code also applies to other specified senior management of the Group.

企業管治常規

董事會致力維持高度企業管治，務求確保所披露資料之完整性、透明度及質素，從而保障所有股東之利益。截至二零零九年十二月三十一日止年度，本公司一直應用有關原則及遵循香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治常規守則（「該守則」）之所有適用守則條文，惟與「主席及首席執行官」及「重選董事」兩段有所偏離。

董事會將不斷檢討及改善本公司之企業管治常規及標準，確保業務運作及決策程序獲得適當及審慎規管。

董事之證券交易

回顧年內，本公司已就其董事進行之證券交易採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。

向全體董事作出特定查詢後，各董事已確認於截至二零零九年十二月三十一日止年度內一直遵守標準守則所載之規定準則。本集團其他指定高級管理人員亦適用標準守則。

Corporate Governance Report

企業管治報告書

BOARD OF DIRECTORS

Composition and role

The Board of Directors of the Company comprises:

Executive Directors:	Mr. Lau Siu Ying (Chairman), Mr. Luo Xi Zhi and Mr. Wang Yu
Non-executive Directors:	Mr. Fung Oi Ip, Alfonso and Mr. Lo Wing Yat
Independent Non-executive Directors:	Mr. Chang Wing Seng, Victor, Mr. Wong Lit Chor, Alexis and Mr. Chen Yi Gang

The Board comprises three Executive Directors (including the Chairman), two Non-executive Directors and three Independent Non-executive Directors of which the number of Independent Non-executive Directors represents more than one-third of the Board. The Directors are, collectively and individually, aware of their responsibilities to the shareholders, for the manner in which the affairs of the Company are managed and operated. The Directors' biographical information is set out under the heading "Directors and Senior Management Profile" in this annual report.

The Board, headed by Mr. Lau Siu Ying, is responsible for the overall strategic development of the Group, the monitoring of the financial performance and the internal controls of the Group's business operations. All Directors and Board Committees have access to external legal counsel and other professionals for independent advice at the Group's expense if necessary.

董事會

組成及職能

本公司董事會成員包括：

執行董事：	劉小鷹先生(主席)、 羅習之先生及 王愚先生
非執行董事：	馮靄業先生及 盧永逸先生
獨立非執行董事：	鄭永勝先生、 黃烈初先生及 陳亦剛先生

董事會成員包括三位執行董事(包括主席)、兩位非執行董事及三位獨立非執行董事，其中獨立非執行董事佔董事會三分之一以上人數。董事深明彼等須共同及個別就管理及營運本公司事務之方式而對股東負責。董事之資歷載於本年報「董事及高級管理人員簡介」一節。

董事會由劉小鷹先生領導，負責本集團之整體策略發展及監管本集團各項營運業務之財務表現及內部監控。如有需要，所有董事及董事會轄下各委員會可向外界律師及其他專業人士徵詢獨立意見，有關費用由本集團承擔。

Corporate Governance Report

企業管治報告書

Two Board Committees, namely, the Audit Committee and the Remuneration Committee, have been established to oversee particular aspects of the Group's affairs. The Board has delegated the day-to-day management and operations of the Group's business to the management of the Company and its subsidiaries. Major corporate matters that are specifically delegated by the Board to the management include the preparation of the financial statements for the Board's approval, the execution of business strategies approved by the Board, the implementation of internal controls system and risk management procedures, and the compliance with relevant statutory requirements and other rules and regulations.

To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship among the members of the Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Provision A.2.1 of the Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual but Mr. Lau Siu Ying currently assumes both roles of the Chairman and the Chief Executive Officer of the Company.

Provision A.4 of the Code states that all directors should be subject to re-election at regular intervals. However, Mr. Lau Siu Ying, being the Chairman of the Board, does not need to retire by rotation.

Mr. Lau Siu Ying has been in charge of the overall management of the Company since its incorporation. As a result, although he does not need to retire by rotation and assumes both roles of the Chairman and the Chief Executive Officer of the Company, the Board considers that such arrangement at the Group's current stage of development can facilitate the execution of the Group's business strategies and maximize the effectiveness of its operations. Nevertheless, through the supervision from the Board including the Independent Non-executive Directors, the interests of the shareholders should be adequately and fairly considered.

董事會轄下兩個委員會，分別為審核委員會與薪酬委員會，其成立旨在監督本集團特定事務範疇。董事會已任命本公司及其附屬公司之管理層負責本集團業務之日常管理及營運。董事會特定任命管理層處理之主要公司事宜包括編製財務報表以待董事會批准、執行經董事會批准之業務策略、實行內部監控制度及風險管理程序，以及遵循有關法定規定及其他規則與條例。

據本公司所深知，董事會成員之間並無財務、業務、家屬或其他重大／相關關係。

主席及首席執行官

該守則第A.2.1條規定主席及首席執行官之職能應予區分，不應由同一人兼任，惟劉小鷹先生現時兼任本公司主席及首席執行官之職銜。

該守則第A.4條訂明所有董事須定期重選連任。然而，董事會主席劉小鷹先生不必輪流退任。

劉小鷹先生自本公司註冊成立以來一直負責本公司之整體管理。因此，儘管劉小鷹先生不需輪流退任，並兼任本公司主席及首席執行官兩職，惟董事會認為此安排於本集團現發展階段可配合本集團業務策略之執行，並可將業務發揮至最大效益。然而，在董事會（包括獨立非執行董事）之監察下，股東利益應已充分及公平地考慮。

Corporate Governance Report

企業管治報告書

RE-ELECTION OF DIRECTORS

All Non-executive Directors of the Company are not appointed for a specific term as stipulated under the provision A.4.1 of the Code but are subject to retirement by rotation in accordance with the Company's Bye-laws. In accordance with the relevant provisions in the Bye-laws of the Company, if the appointment of Directors is made by the Board, the Directors so appointed must stand for election by the shareholders at the first annual general meeting following their appointments and all Directors, except the Chairman, must stand for re-election by the shareholders by rotation.

NON-EXECUTIVE DIRECTORS

The Non-executive Directors, including the Independent Non-executive Directors, are all seasoned individuals from diversified background and industries and at least one member has an appropriate accounting qualification or related financial management expertise as required by the Listing Rules. With their expertise, they bring independent judgement on issues of strategic direction, development, performance and risk management through their contributions at Board meetings and Committee's works.

The Independent Non-executive Directors also act as a balance between the interests of the minority shareholders and the Company as a whole. The Board considers that each Independent Non-executive Director is independent in character and judgement and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of Chapter 3 of the Listing Rules and the Company still considers such Directors to be independent. The Independent Non-executive Directors are explicitly identified in all corporate communications.

重選董事

本公司所有非執行董事之委任並無根據該守則第A.4.1條之規定指定任期，惟彼等須根據本公司之公司細則輪流退任。根據本公司之公司細則相關條文，倘董事由董事會委任，則獲委任之董事必須於獲委任後首屆股東週年大會上由股東推選，而除主席外，所有董事必須輪流由股東重選一次。

非執行董事

非執行董事（包括獨立非執行董事）為來自不同背景及行業之各界人士，而根據上市規則之規定，最少一名成員須具備適當會計資歷或相關財務管理專業知識。憑藉彼等之專業知識，彼等可透過董事會會議及委員會工作而對決策、發展、表現及風險管理之事項作出獨立判斷。

獨立非執行董事亦平衡少數股東與本公司之間的權益。董事會認為各獨立非執行董事均有獨立角色及判斷，而彼等均符合上市規則所規定之特定獨立標準。本公司已收到各獨立非執行董事根據上市規則第3章第3.13條就其獨立性所發出之年度確認書，且本公司仍然認為該等董事均具獨立地位。獨立非執行董事在所有公司通信中均明確識別。

Corporate Governance Report 企業管治報告書

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged the responsibilities for preparing the financial statements which give a true and fair view of the affairs of the Company and its subsidiaries. The auditors are responsible to form an independent opinion, based on their audits, on the Group's financial statements and express their opinions.

BOARD MEETINGS

The Board had held seven meetings this year to review the financial performance of the Group and other major issues. The views of the Independent Non-executive Directors were actively solicited by the Group if they were unable to attend the meetings of the Board.

The names of the Directors and the individual attendance of each Director during the year is as follows:

Executive Directors

Mr. Lau Siu Ying (*Chairman*)

Mr. Luo Xi Zhi

Mr. Wang Yu

(*appointed on 12th November, 2009*)

執行董事

劉小鷹先生 (主席)

羅習之先生

王愚先生

(於二零零九年十一月十二日獲委任)

Non-executive Directors

Mr. Fung Oi Ip, Alfonso

Mr. Lo Wing Yat

非執行董事

馮靄業先生

盧永逸先生

Independent Non-executive Directors

Mr. Chang Wing Seng, Victor

Mr. Wong Lit Chor, Alexis

Mr. Chen Yi Gang

獨立非執行董事

鄭永勝先生

黃烈初先生

陳亦剛先生

BOARD COMMITTEES

The Board has established Board Committees, namely Audit Committee and Remuneration Committee to oversee particular aspects of the Company's affairs and to assist in the execution of the Board's responsibilities.

董事對財務報表之責任

董事了解本身須負責編製真實及公平地反映本公司及其附屬公司財務狀況的財務報表。核數師負責基於彼等之審核而對本集團財務報表發表獨立意見及表達彼等之意見。

董事會會議

董事會本年度召開七次會議，檢討本集團之財務表現及其他主要事項。倘獨立非執行董事不能出席會議，本集團會主動徵集彼等之意見。

年內，董事之姓名及每位董事之個別出席率載列如下：

Attendance 出席率

6/7

5/7

1/1

7/7

2/7

5/7

7/7

3/7

董事會轄下之委員會

董事會已成立董事會轄下各委員會，分別為審核委員會及薪酬委員會，以監察本公司特定之業務範疇及協助董事會履行職責。

Corporate Governance Report

企業管治報告書

AUDIT COMMITTEE

The Company has formulated written terms of reference for the Audit Committee in accordance with the requirements of the Listing Rules and its current members comprise:

Mr. Chang Wing Seng, Victor – Committee Chairman

Mr. Wong Lit Chor, Alexis

Mr. Fung Oi Ip, Alfonso

Mr. Chang Wing Seng, Victor and Mr. Wong Lit Chor, Alexis are Independent Non-executive Directors and Mr. Fung Oi Ip, Alfonso is a Non-executive Director. The Board considers that each Audit Committee member has broad commercial experiences and there is a suitable mix of expertise in business, accounting and financial management on the Audit Committee. The composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules.

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

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including reviews of the half-year and full year accounts for the year ended 31st December, 2009. Each member of the Audit Committee has unrestricted access to the auditors and all senior staff of the Group.

Individual attendance of each Audit Committee member during the year is as follows:

Mr. Chang Wing Seng, Victor

Mr. Wong Lit Chor, Alexis

Mr. Fung Oi Ip, Alfonso

鄭永勝先生

黃烈初先生

馮靄業先生

審核委員會

本公司已根據上市規則之規定訂明審核委員會之書面權責範圍，審核委員會現任成員包括：

鄭永勝先生－委員會主席

黃烈初先生

馮靄業先生

鄭永勝先生及黃烈初先生為獨立非執行董事，而馮靄業先生則為非執行董事。董事會認為各審核委員會成員均具備廣泛商務經驗，而審核委員會已具備所需的商業、會計及財務管理合適專才。審核委員會之組成及成員均已遵守上市規則第3.21條之規定。

審核委員會之主要職責包括審閱向股東呈報之財務及其他資料、檢討內部監控制度、風險管理及審核程序之有效性及客觀性。審核委員會亦為董事會與本公司核數師之重要聯繫，以處理其權責範圍以內之事項，並檢討核數師之獨立性及客觀性。

審核委員會已與管理層審閱本集團所採納之會計政策及慣例，並已討論內部監控及財務申報事宜，包括審閱截至二零零九年十二月三十一日止年度之半年及全年賬目。各審核委員會成員可無限制地與核數師及本集團所有高級職員接洽。

年內，各審核委員會成員之個別出席率載列如下：

Attendance 出席率

2/2

2/2

2/2

Corporate Governance Report

企業管治報告書

NOMINATION OF DIRECTORS

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates.

Furthermore, as the full Board is responsible for the selection and approval of candidate for appointment as Director to the Board, therefore the Company has not established a Nomination Committee for the time being.

REMUNERATION COMMITTEE

The Company has formulated written terms of reference for the Remuneration Committee in accordance with the requirements of the Listing Rules and its current members comprise:

Mr. Chang Wing Seng, Victor – Committee Chairman
Mr. Wong Lit Chor, Alexis
Mr. Fung Oi Ip, Alfonso

Mr. Chang Wing Seng, Victor and Mr. Wong Lit Chor, Alexis are Independent Non-executive Directors and Mr. Fung Oi Ip, Alfonso is a Non-executive Director. The Remuneration Committee is responsible for ensuring that formal and transparent procedures for developing remuneration packages of directors and senior management. In determining the emolument payable to directors, it takes into consideration factors such as remuneration paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

On 16th January, 2009, the Remuneration Committee had held a meeting (with all its members present) to review the remuneration packages of all the Directors. It was resolved by the Remuneration Committee that the director fee for Mr. Chang Wing Seng, Victor, Mr. Wong Lit Chor, Alexis and Mr. Fung Oi Ip, Alfonso was revised to HK\$100,000 per annum effective from year 2008, after taking into account the time commitment and the market trend of comparable companies.

提名董事

在考慮提名新董事時，董事會將考慮候選人之資格、能力、工作經驗、領導能力及專業操守。

此外，由於董事會全權負責甄選及審批候選人，以委任董事加入董事會，因此本公司暫時並無設立提名委員會。

薪酬委員會

本公司已根據上市規則之規定，制訂薪酬委員會之書面權責範圍，現任成員包括：

鄭永勝先生－委員會主席
黃烈初先生
馮靄業先生

鄭永勝先生及黃烈初先生為獨立非執行董事，而馮靄業先生則為非執行董事。薪酬委員會負責確保制訂董事與高級管理人員之薪酬組合之程序均為正規及具有透明度。在釐定應付予董事之酬金時，該委員會所考慮的因素包括同類公司所支付之薪酬、董事所投放的時間及職責、本集團其他僱用條件，以及按表現釐定之薪酬是否可取。

二零零九年一月十六日，薪酬委員會舉行會議（全體成員均有出席）檢討所有董事之薪酬待遇。經考慮彼等所投放的時間與同類公司的市場趨勢，薪酬委員會議決將鄭永勝先生、黃烈初先生及馮靄業先生之董事袍金修訂至每年100,000港元，自二零零八年度起生效。

Corporate Governance Report

企業管治報告書

AUDITOR'S REMUNERATION

Deloitte Touche Tohmatsu was re-appointed as the Company's external auditors by the shareholders at the Annual General Meeting on 8th June, 2009, until the conclusion of the next Annual General Meeting. They are primarily responsible for providing audit services in connection with the financial statements of the Group for the year ended 31st December, 2009. During the year, the fees charged to the accounts of the Group for Deloitte Touche Tohmatsu's statutory audit services amounted to HK\$1,100,000 (2008: HK\$1,000,000).

INTERNAL CONTROLS

The Board has overall responsibility for the system of internal controls of the Company and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal controls system to safeguard the interest of shareholders and the Group's assets. The Board has delegated to the management the implementation of the system of internal controls and the review of all relevant financial, operational and compliance controls and risk management function within an established framework. The Board has confirmed with the management that there was no change in the internal control system of the Group.

INVESTOR RELATIONSHIP AND COMMUNICATION

The Company endeavours to maintain a high level of transparency in the communication with the shareholders and the investors. In order to ensure effective, clear and accurate communications with the investors and analysts, all corporate communications are arranged and handled by the executive Directors and the designated section executives according to established practices and procedures of the Company.

核數師酬金

德勤•關黃陳方會計師行已於二零零九年六月八日舉行之股東週年大會上獲股東續聘為本公司外聘核數師，任期至下屆股東週年大會結束為止。彼等主要負責就本集團截至二零零九年十二月三十一日止年度之財務報表提供核數服務。年內，就德勤•關黃陳方會計師行之法定核數服務而在本集團賬目中扣除之費用為1,100,000港元（二零零八年：1,000,000港元）。

內部監控

董事會全面負責本公司之內部監控制度並檢討其效能。董事會致力實行有效及完善之內部監控制度以保障股東利益及本集團資產。董事會已任命管理層實行內部監控制度，並在既定之範圍內檢討各項有關財務、營運及合規之監控及風險管理。董事會已向管理層確認，本集團之內部監控制度概無重大變更。

投資者關係及溝通

本公司致力在與股東及投資者溝通方面維持高透明度。為確保有效、清楚及準確地與投資者及分析員溝通，所有公司通訊均由執行董事及指定之高級行政人員根據本公司既定慣例及程序作出安排及處理。

Corporate Governance Report

企業管治報告書

The Company has announced its annual results and interim results in a timely manner during the year under review. The Company's Annual General Meeting provides a platform for shareholders to have a direct dialogue with the Board. Shareholders are encouraged to attend the Annual General Meeting and the Chairman and other members of the Board or their duly appointed delegates are available to answer questions from the shareholders.

The Company has also maintained a website at <http://www.fortunetele.com> which enables shareholders, investors and the general public to have access to the information of the Company. Financial information and all shareholder corporate communications of the Company are made available on the Company's website, which is to be updated regularly.

CODE OF CONDUCT

The Company is committed to high standard of business ethics and integrity. A code of conduct is enforced on all employees of the Group. The employees at all levels are expected to act in an honest, diligent and responsible manner. No personal gifts or other forms of advantages from any person or organisation doing business with the Group can be accepted by any employee. Business partners and customers are reminded from time to time that our policy forbids any employee or agent of the Group from accepting any gift from them.

本公司已於回顧年度內適時公佈其全年業績及中期業績。本公司之股東週年大會為股東提供直接與董事會對話之平台。為鼓勵股東出席股東週年大會，主席及董事會其他成員或彼等正式委任之代表均會即場解答股東之提問。

本公司亦設有網頁 <http://www.fortunetele.com>，可讓股東、投資者及普羅大眾讀取本公司資料。本公司之財務資料及所有股東之公司通訊均可在本公司網頁中查閱，並會定期更新。

行為守則

本公司致力維持高度廉正之業務操守，並對本集團全體僱員實施行為守則，冀各級僱員以誠懇、勤奮及負責任之態度工作。任何僱員一概不得接受任何與本集團業務有往來之人士或機構之個人禮品或其他形式之利益。業務夥伴及客戶應不時緊記，本公司之政策禁止本集團任何僱員或代理接受彼等之任何禮品。

Directors' Report

董事會報告書

The directors present their annual report and audited consolidated financial statements for the year ended 31st December, 2009.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries and principal associates are set out in notes 46 and 47 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2009 are set out in the consolidated statement of comprehensive income on pages 45 to 46 of the annual report.

No interim dividend was declared during the year. The directors do not recommend the payment of a final dividend.

PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the share capital of the Company are set out in note 30 to the consolidated financial statements.

董事謹提呈截至二零零九年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司，其主要附屬公司及主要聯營公司之主要業務載於綜合財務報表附註46及47。

業績及分派

本集團截至二零零九年十二月三十一日止年度之業績載於本年報第45至46頁之綜合全面收入報表。

年內概無宣派任何中期股息。董事並不建議派付末期股息。

廠房及設備

本集團年內廠房及設備之變動詳情載於綜合財務報表附註17。

股本

本公司之股本詳情載於綜合財務報表附註30。

Directors' Report

董事會報告書

DISTRIBUTABLE RESERVES OF THE COMPANY

In the opinion of the directors, the Company's reserves available for distribution to shareholders as at 31st December, 2009 were nil, as compared to HK\$7,943,000 as at 31st December, 2008, which was consisted of contributed surplus and accumulated profits.

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

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

DIRECTORS

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

Executive directors:

Mr. Lau Siu Ying (*Chairman*)

Mr. Luo Xi Zhi

Mr. Wang Yu (*appointed on 12th November, 2009*)

Non-executive directors:

Mr. Fung Oi Ip, Alfonso

Mr. Lo Wing Yat

Independent non-executive directors:

Mr. Chang Wing Seng, Victor

Mr. Wong Lit Chor, Alexis

Mr. Chen Yi Gang

In accordance with clauses 86(2) and 87 of the Company's bye-laws, Messrs. Fung Oi Ip, Alfonso, Wong Lit Chor, Alexis and Wang Yu shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

本公司之可供分派儲備

董事認為，本公司於二零零九年十二月三十一日可用以分派予股東之儲備(包括實繳盈餘及累計溢利)為零，而二零零八年十二月三十一日則為7,943,000港元。

根據百慕達一九八一年公司法(經修訂)，本公司之實繳盈餘(如有)可用以分派。然而，在下列情況下，本公司不得以實繳盈餘宣派或派發股息或作出分派：

- (a) 於付款後無法或將無法支付到期之負債；或
- (b) 資產之可變現價值因而少於負債與已發行股本及股份溢價賬之總和。

董事

本公司於本年度及直至本報告書刊發日期止之董事如下：

執行董事：

劉小鷹先生(主席)

羅習之先生

王愚先生(於二零零九年十一月十二日獲委任)

非執行董事：

馮靄業先生

盧永逸先生

獨立非執行董事：

鄭永勝先生

黃烈初先生

陳亦剛先生

根據本公司之公司細則第86(2)條及第87條，馮靄業先生、黃烈初先生及王愚先生將於應屆股東週年大會上任滿告退，惟合乎資格並願重選連任。

Directors' Report

董事會報告書

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

The term of office of each of the non-executive directors and independent non-executive directors is the date up to his retirement by rotation in accordance with the Company's by-laws.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

At 31st December, 2009, the interests and short positions of the directors, the chief executive and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

(a) Ordinary shares of HK\$0.10 each of the Company

Name of director	Capacity
董事姓名	身份
Mr. Lau Siu Ying ("Mr. Lau") 劉小鷹先生(「劉先生」)	Held by a discretionary trust (Note 1) 全權信託持有(附註1) Beneficial owner 實益擁有人

擬於應屆股東週年大會上重選連任之董事概無與本公司或其任何附屬公司訂立於一年內不可由本集團毋須補償(法定補償除外)而終止之服務合約。

各非執行董事及獨立非執行董事之任期直至根據本公司之公司細則須輪席告退之日止。

董事及行政總裁於股份及相關股份之權益

於二零零九年十二月三十一日，董事、行政總裁及彼等聯繫人於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份及相關股份中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及香港聯合交易所有限公司(「聯交所」)的權益及淡倉(包括彼等根據證券及期貨條例有關條文而當作或視作擁有之權益及淡倉)；或須記入本公司根據證券及期貨條例第352條存置之登記冊的權益及淡倉；或須根據有關上市公司董事進行證券交易之標準守則(「標準守則」)知會本公司及聯交所的權益及淡倉如下：

(a) 本公司每股面值0.10港元之普通股

Number of issued ordinary shares held	Percentage of the issued share capital of the Company
所持已發行普通股數目	佔本公司已發行股本百分比
188,300,013	27.74%
246,296,300	36.28%
434,596,313	64.02%

Directors' Report 董事會報告書

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

董事及行政總裁於股份及相關股份之權益 (續)

(b) Share options

(b) 購股權

Name of director 董事姓名	Capacity 身份	Number of options held 所持購股權數目	Number of underlying shares 相關股份數目
Mr. Lau 劉先生	Beneficial owner 實益擁有人	2,000,000	2,000,000
	Held by spouse (Note 2) 配偶持有(附註2)	1,000,000	1,000,000
Mr. Luo Xi Zhi 羅習之先生	Beneficial owner 實益擁有人	100,000	100,000
Mr. Wang Yu 王愚先生	Beneficial owner 實益擁有人	300,000	300,000
Mr. Fung Oi Ip, Alfonso 馮靄業先生	Beneficial owner 實益擁有人	150,000	150,000
Mr. Lo Wing Yat 盧永逸先生	Beneficial owner 實益擁有人	100,000	100,000
Mr. Chang Wing Seng, Victor 鄭永勝先生	Beneficial owner 實益擁有人	200,000	200,000
Mr. Wong Lit Chor, Alexis 黃烈初先生	Beneficial owner 實益擁有人	100,000	100,000
Mr. Chen Yi Gang 陳亦剛先生	Beneficial owner 實益擁有人	100,000	100,000
		4,050,000	4,050,000

Notes:

- These shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a discretionary trust, the beneficiaries of which include Mr. Lau, his spouse and his children.
- Mr. Lau is deemed to be interested in 1,000,000 options to acquire shares of the Company, being the interests held beneficially by his spouse.

附註：

- 該等股份由在英屬處女群島註冊成立之公司Future 2000 Limited持有，而該公司由受益人為劉先生、其配偶及子女的全權信託持有。
- 劉先生視為持有1,000,000份可認購本公司股份之購股權的權益，即其配偶實益持有之權益。

Directors' Report 董事會報告書

3. On 23rd December, 2009, the Group completed its acquisition of a 50.8% equity interest in a mining company in the Peoples' Republic of China ("PRC"), Huangshi Sifa Mining Company Limited ("Sifa Mining"), whereby the Company issued to Mr. Lau, as part of the consideration, certain convertible loan notes which in aggregate are convertible into 142,857,142 ordinary shares in the Company, upon full conversion. Further details of these convertible loan notes and the acquisition are set out in Notes 34 and 37 to the consolidated financial statements and in a circular dated 29th January, 2009 issued by the Company.

The interest disclosed above represents long positions in the shares and underlying shares of the Company or its associated corporations.

Save as disclosed above, none of the directors, chief executives nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations as defined in the SFO at 31st December, 2009.

3. 二零零九年十二月二十三日，本集團完成收購一間中華人民共和國（「中國」）礦業公司黃石錕發礦業有限公司（「錕發礦業」）50.8%的權益。作為部份收購代價，本公司向劉先生發行全數兌換時可轉換為142,857,142股本公司普通股的若干可換股債務票據。該等可換股債務票據及收購之詳情載於綜合財務報表附註34及37，以及本公司於二零零九年一月二十九日刊發之通函。

上文所披露權益指本公司或相聯法團之股份及相關股份的好倉。

除上文披露者外，董事、高級行政人員或彼等聯繫人於二零零九年十二月三十一日概無擁有本公司或其任何相聯法團（定義見證券及期貨條例）任何股份或相關股份之權益或淡倉。

Directors' Report

董事會報告書

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 31 to the consolidated financial statements. The following table discloses movements in the Company's share options during the year:

購股權

本公司購股權計劃之詳情載於綜合財務報表附註31。下表披露本公司購股權年內之變動：

	Date of grant 授出日期	Exercise price 行使價	Outstanding at beginning of the year 年初尚未行使	Transfer upon appointed as director 獲委任為董事時轉類	Lapsed during the year 年內失效	Outstanding at end of the year 年終尚未行使
		HK\$ 港元				
Category I - Directors 第I類 - 董事						
Mr. Lau 劉先生	7.5.2007	1.29	2,000,000	—	—	2,000,000
Mr. Luo Xi Zhi 羅習之先生	7.5.2007	1.29	100,000	—	—	100,000
Mr. Wang Yu* 王愚先生*	7.5.2007	1.29	—	300,000	—	300,000
Mr. Fung Oi Ip, Alfonso 馮靄業先生	7.5.2007	1.29	150,000	—	—	150,000
Mr. Lo Wing Yat 盧永逸先生	7.5.2007	1.29	100,000	—	—	100,000
Mr. Chang Wing Seng, Victor 鄭永勝先生	7.5.2007	1.29	200,000	—	—	200,000
Mr. Wong Lit Chor, Alexis 黃烈初先生	7.5.2007	1.29	100,000	—	—	100,000
Mr. Chen Yi Gang 陳亦剛先生	7.5.2007	1.29	100,000	—	—	100,000
Total for directors 董事總計			2,750,000	300,000	—	3,050,000
Category II - Employees 第II類 - 僱員						
Employees 僱員	7.5. 2007	1.29	3,022,000	(300,000)	(1,170,000)	1,552,000
Category III - Consultants 第III類 - 顧問						
Consultants 顧問	7.5. 2007	1.29	3,950,000	—	—	3,950,000
Total for all categories 所有類別總計			9,722,000	—	(1,170,000)	8,852,000

* appointed during 2009

* 於二零零九年獲委任

Directors' Report

董事會報告書

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme disclosed above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. None of the directors, their spouses or children under the age of 18 had any rights to subscribe for the securities of the Company or had exercised any such rights during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

During 2007 and 2008, various agreements were entered into between the Group and Mr. Lau and his affiliates in relation to the acquisition of the Sifa Mining. On 6th January, 2009, the Group entered into a further supplemental agreement with Mr. Lau and his affiliates, pursuant to which the Group acquired a total of 50.8% effective equity interest in Sifa Mining (the "Acquisition") for a revised consideration of approximately HK\$398 million (the "Consideration") with a profit guarantee provided by Mr. Lau. The Consideration was to be satisfied by (i) HK\$40 million in cash (of which HK\$25 million had been paid by the Group to Mr. Lau as initial deposit and the remaining balance of HK\$15 million was payable to Mr. Lau upon completion of the Acquisition); (ii) HK\$168.3 million by allotment and issue of 306,016,300 ordinary shares of HK\$0.10 each in the Company at an offer price of HK\$0.55 per share; (iii) HK\$100 million by issue of convertible loan notes convertible into 142,857,142 shares in the Company at a conversion price of HK\$0.70 per share; and (iv) HK\$89,691,035 by issue of non-interest bearing promissory notes in two tranches by the Company. The Acquisition was approved by the independent shareholders of the Company in a special general meeting held on 18th February, 2009. Completion of the Acquisition took place on 23rd December, 2009.

On 17th October, 2007, the Group and Mr. Lau entered into an agreement pursuant to which Mr. Lau will acquire a 49% interest in the Group's mobile phone distribution business. On 15th June, 2009, the Group and Mr. Lau entered into a deed of termination by mutual consent to terminate the Disposal Agreement and other ancillary agreements.

購買股份或債券之安排

除上文披露之購股權計劃外，於年內任何時間本公司、其控股公司或任何附屬公司概無參與任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。董事、彼等之配偶或未滿18歲之子女於年內概無擁有任何可認購本公司證券之權利，亦不曾行使任何該等權利。

董事於重大合約及關連交易之權益

於二零零七年及二零零八年內，本集團與劉先生及其聯繫人就收購鋸發礦業訂立多項協議。於二零零九年一月六日，本集團與劉先生及其聯繫人進一步訂立補充協議，本集團以經修訂代價約398,000,000港元（「代價」）收購鋸發礦業50.8%的實際權益（「收購」），由劉先生提供溢利保證。代價按以下方式支付：(i) 現金支付40,000,000港元（本集團已向劉先生支付其中25,000,000港元作為首筆按金，餘款15,000,000港元將於收購完成時支付予劉先生）；(ii) 本公司按每股0.55港元之價格配發及發行306,016,300股每股面值0.10港元之普通股支付168,300,000港元；(iii) 本公司發行可按換股價每股0.70港元轉換為142,857,142股股份之可換股債務票據支付100,000,000港元；及(iv) 本公司發行兩批不計息承兌票據支付89,691,035港元。收購於二零零九年二月十八日舉行的股東特別大會上獲本公司獨立股東批准，並於二零零九年十二月二十三日完成。

二零零七年十月十七日，本集團與劉先生訂立協議，劉先生收購本集團移動電話分銷業務的49%權益。二零零九年六月十五日，本集團與劉先生訂立終止契約，雙方同意終止出售協議及其他補充協議。

Directors' Report

董事會報告書

Other than as disclosed above, no connected transactions nor contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, as at 31st December, 2009, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

(a) Ordinary shares of HK\$0.10 each of the Company

Name of substantial shareholder 主要股東姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本之百分比
Mr. Lau 劉先生	Held by a discretionary trust (Note 1)	188,300,013	27.74%
	全權信託持有(附註1)		
	Beneficial owner 實益擁有人	246,296,300	36.28%
		434,596,313	64.02%
Mr. Lee Wai, Timothy 李偉先生	Held by controlled entity (Note 2)	188,300,013	27.74%
	受控制實體持有(附註2)		

(b) Share options

Name of substantial shareholder 主要股東姓名	Capacity 身份	Number of options held 所持購股權數目	Number of underlying shares 相關股份數目
Mr. Lau 劉先生	Beneficial owner 實益擁有人	2,000,000	2,000,000
	Held by spouse (Note 3) 配偶持有(附註3)	1,000,000	1,000,000
Mr. Lee Wai, Timothy 李偉先生	Beneficial owner 實益擁有人	100,000	100,000
		3,100,000	3,100,000

除上文披露者外，本公司董事概無於本公司、其控股公司或任何附屬公司於年終或年內任何時間已訂立之關連交易及重大合約中擁有直接或間接重大權益。

主要股東

按照本公司根據證券及期貨條例第336條所設置之主要股東名冊列示，於二零零九年十二月三十一日，本公司獲悉下列股東在本公司已發行股本中擁有相關權益。

(a) 本公司每股面值0.10港元之普通股

(b) 購股權

Directors' Report

董事會報告書

Notes:

1. These shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a discretionary trust. The beneficiaries of the discretionary trust include Mr. Lau, his spouse and his children.
2. Under the SFO, Mr. Lee Wai, Timothy is deemed to have interests in the shares of the Company as he is entitled to exercise more than one-third of the voting power at general meetings of Future 2000 Limited.
3. Mr. Lau is deemed to be interested in 1,000,000 options to acquire shares of the Company, being the interests held beneficially by his spouse.
4. On 23rd December, 2009, the Group completed its acquisition of a 50.8% equity interest in Sifa Mining, whereby the Company issued to Mr. Lau, as part of the consideration, certain convertible loan notes which in aggregate are convertible into 142,857,142 ordinary shares in the Company, upon full conversion. Further details of these convertible loan notes and the acquisition are set out in Notes 34 and 37 to the consolidated financial statements and in a circular dated 29th January, 2009 issued by the Company.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers all of the independent non-executive directors are independent.

附註：

1. 該等股份由在英屬處女群島註冊成立之公司Future 2000 Limited持有，而該公司由一全權信託持有。該全權信託之受益人包括劉先生、其配偶及其子女。
2. 根據證券及期貨條例，由於李偉先生有權於Future 2000 Limited之股東大會行使三分之一以上投票權，故視為擁有本公司股份權益。
3. 劉先生視為擁有1,000,000份可認購本公司股份之購股權權益，即其配偶實益持有之權益。
4. 二零零九年十二月二十三日，本集團完成收購錫發礦業50.8%的權益。作為部份收購代價，本公司向劉先生發行全數兌換時可轉換為142,857,142股本公司普通股的若干可換股債務票據。該等可換股債務票據及收購之詳情載於綜合財務報表附註34及37，以及本公司於二零零九年一月二十九日刊發之通函。

委任獨立非執行董事

本公司已收到各獨立非執行董事按照聯交所證券上市規則（「上市規則」）第3.13條就其獨立性而提交之年度確認函。本公司認為，所有獨立非執行董事均屬獨立人士。

Directors' Report 董事會報告書

PRE-EMPTIVE RIGHTS

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

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

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December, 2009:

- (1) The aggregate sales attributable to the Group's five largest customers and the largest customer represent approximately 31.5% and 15.3%, respectively, of the Group's total revenue;
- (2) The aggregate purchases attributable to the Group's five largest suppliers and the largest supplier represent approximately 99% and 98%, respectively, of the Group's total purchase.

At no time during the year did a director, an associate of a director or a shareholder of the Company which to the knowledge of the directors, own more than 5% of the Company's issued share capital, had a beneficial interest in any of the Group's five largest suppliers.

CORPORATE GOVERNANCE

Save as disclosed in the Corporate Governance Report on pages 23 to 31 of this annual report, the Company has complied throughout the year with the Code on Corporate Governance Practice as set out in Appendix 14 to the Listing Rules which were then in force.

Detailed information on the Company's corporate governance practices is also set out in the Corporate Governance Report.

優先購買權

本公司之公司細則或百慕達法例並無有關本公司須按比例向現有股東發售新股的優先購買權條文。

購買、出售或贖回本公司之上市證券

於年內，本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。

主要客戶及供應商

截至二零零九年十二月三十一日止年度：

- (1) 本集團向五大客戶及最大客戶所作出之銷售總額分別約佔本集團收入總額之31.5%及15.3%；
- (2) 本集團向五大供應商及最大供應商所作出之採購總額分別約佔本集團採購總額之99%及98%。

於年內任何時間，董事、其聯繫人或據董事所知擁有本公司已發行股本5%以上之本公司股東，概無擁有本集團五大供應商之實益權益。

企業管治

除本年報第23至第31頁之企業管治報告書所披露者外，本公司於年內一直遵從當時有效之上市規則附錄14所載之企業管治常規守則。

本公司企業管治守則之詳細資料亦載於企業管治報告書內。

Directors' Report 董事會報告書

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 31 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st December, 2009.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 44 to the consolidated financial statements.

AUDITOR

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

On behalf of the Board

Lau Siu Ying
CHAIRMAN

Hong Kong, 20th April, 2010

酬金政策

本集團之僱員酬金政策由薪酬委員會設立，以僱員之表現、資歷及才幹為基準。

本公司董事之酬金由薪酬委員會根據本公司之經營業績、個人表現及同類市場數據釐定。

本公司已採納一項購股權計劃作為給予董事及合資格僱員之獎勵，計劃詳情載於綜合財務報表附註31。

足夠公眾持股量

本公司於截至二零零九年十二月三十一日止年度內一直維持足夠的公眾持股量。

申報期後事項

於申報期後發生之重大事項詳情載於綜合財務報表附註44。

核數師

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

代表董事會

劉小鷹
主席

香港，二零一零年四月二十日

Deloitte. 德勤

TO THE SHAREHOLDERS OF CHINA FORTUNE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of China Fortune Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 45 to 150, which comprise the consolidated statement of financial position as at 31st December, 2009, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. 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.

致中國長遠控股有限公司列位股東

(於百慕達註冊成立之有限公司)

本核數師行已完成審核載列於第45頁至第150頁中國長遠控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，包括於二零零九年十二月三十一日之綜合財務狀況表、截至該日期止年度之綜合全面收入表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露要求編製及真實公允地列報該等綜合財務報表，包括設計、實施及維護與編製及真實公允地列報綜合財務報表相關的內部監控，使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；以及按情況作出合理的會計估計。

核數師的責任

本行的責任是根據本行的審核對該等綜合財務報表發表意見，並按照百慕達《公司法》第90條僅向全體股東報告。除此以外，本行的報告書別無其他目的。本行概不就本報告的內容，對任何其他人士負上或承擔責任。本行乃根據香港會計師公會頒佈的香港審計準則進行審核工作。該等準則要求本行遵守道德規範，規劃及執行審核，以合理確定該等綜合財務報表是否不存在任何重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

TO THE SHAREHOLDERS OF CHINA FORTUNE HOLDINGS LIMITED (Continued)

(incorporated in Bermuda with limited liability)

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st December, 2009 and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

20th April, 2010

致中國長遠控股有限公司列位股東 (續)

(於百慕達註冊成立之有限公司)

審核工作包括執执行程序以獲取有關綜合財務報表所載數額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。評估該等風險時，核數師考慮與該公司編製及真實公允地列報綜合財務報表相關的內部監控，以設計適當的審核程序，但並非對該公司內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策是否合適及所作出的會計估計是否合理，以及評價綜合財務報表的整體列報方式。

本行相信，本行所獲得的審核憑證充足及適當地為本行的審核意見提供基礎。

意見

本行認為，該等綜合財務報表根據香港財務報告準則真實公允反映貴集團於二零零九年十二月三十一日的財務狀況及截至該日期止年度的虧損及現金流量，並按照香港《公司條例》的披露要求妥善編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零一零年四月二十日

Consolidated Statement of Comprehensive Income

綜合全面收入表

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

		Notes 附註	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Revenue	收益	7	2,100,080	1,834,530
Cost of sales	銷售成本		(2,057,928)	(1,810,461)
Gross profit	毛利		42,152	24,069
Other income	其他收入		6,201	7,040
Other gains and losses	其他收益及虧損	8	(170,998)	(51,797)
Selling and distribution costs	銷售及分銷成本		(25,083)	(14,988)
Administrative expenses	行政費用		(20,259)	(26,446)
Finance costs	融資成本	9	(2,282)	(11,620)
Loss on disposal of subsidiaries	出售附屬公司之虧損		(4,974)	—
Gain on disposal of an associate	出售一家聯營公司之收益	20	1,437	104
Share of results of associates	分佔聯營公司業績		732	(4,036)
Loss before taxation	除稅前虧損		(173,074)	(77,674)
Income tax expense	所得稅支出	10	(26)	(3,178)
Loss for the year from continuing operations	持續經營業務 年度虧損	12	(173,100)	(80,852)
Profit for the year from discontinued operation	終止經營業務 年度溢利	11	671	2,008
Loss for the year	年度虧損		(172,429)	(78,844)

Consolidated Statement of Comprehensive Income

綜合全面收入表

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

	Notes 附註	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Other comprehensive (expense) income	其他全面(開支)收入		
Exchange differences arising on translation	因換算產生的匯兌差額	(1,476)	13,509
Share of translation reserves of associates	分佔聯營公司之換算儲備	3	80
Translation reserves released upon disposal of associates	於出售聯營公司時解除的換算儲備	(133)	(104)
		(1,606)	13,485
Total comprehensive expense for the year	年度全面開支總額	(174,035)	(65,359)
Loss for the year attributable to:	應佔年度虧損：		
Owners of the Company	本公司擁有人	(171,983)	(78,719)
Minority interests	少數股東權益	(446)	(125)
		(172,429)	(78,844)
Total comprehensive expense attributable to:	應佔全面開支總額：		
Owners of the Company	本公司擁有人	(173,542)	(65,565)
Minority interests	少數股東權益	(493)	206
		(174,035)	(65,359)
From continuing and discontinued operations	持續及終止經營業務所得		
Loss per share – basic and diluted	每股虧損 – 基本及攤薄	16 (45.32) 仙cents	(21.12) 仙cents
From continuing operations	持續經營業務所得		
Loss per share – basic and diluted	每股虧損 – 基本及攤薄	16 (45.49) 仙cents	(21.65) 仙cents

Consolidated Statement of Financial Position

綜合財務狀況表

At 31st December, 2009 於二零零九年十二月三十一日

		Notes 附註	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Non-Current Assets	非流動資產			
Plant and equipment	廠房及設備	17	6,701	2,999
Mining right	採礦權	18	415,840	—
Goodwill	商譽	19	2,910	7,820
Investments in associates	於聯營公司之投資	20	4,919	4,880
Available-for-sale investment	可供出售投資	21	69	286
Deposit paid for acquisition of subsidiaries	收購附屬公司已付按金	37	—	25,000
Other assets - non-current portion	其他資產—非流動部分	22	—	11,400
Club memberships	會所會籍	23	1,358	1,276
			431,797	53,661
Current Assets	流動資產			
Inventories	存貨	24	164,774	160,254
Trade and other receivables	應收貿易賬款及其他應收賬款	25	85,849	76,820
Bills receivable	應收票據	25	—	673
Other assets – current portion	其他資產—流動部分	22	1,469	11,400
Amount due from a related party	應收一名關連人士之款項	26	5,721	5,691
Taxation recoverable	可收回稅項		2,063	529
Pledged bank deposits	已抵押銀行存款	27	—	30,392
Bank balances and cash	銀行結餘及現金	28	7,264	45,912
			267,140	331,671
Current Liabilities	流動負債			
Trade and other payables	應付貿易賬款及其他應付賬款	29	89,797	80,180
Amounts due to related parties	應付關連人士之款項	26	25,781	500
Taxation payables	應付稅項		4,579	4,582
Bank and other borrowings	銀行及其他借貸	33	14,010	52,660
Promissory notes	承兌票據	35	7,549	—
Other financial liabilities	其他財務負債	32	—	52,630
			141,716	190,552
Net Current Assets	流動資產淨值		125,424	141,119
Total Assets less Current Liabilities	總資產減流動負債		557,221	194,780

Consolidated Statement of Financial Position

綜合財務狀況表

At 31st December, 2009 於二零零九年十二月三十一日

		Notes	2009	2008
		附註	HK\$'000	HK\$'000
			千港元	千港元
Capital and Reserves	資本及儲備			
Share capital	股本	30	67,881	37,279
Reserves	儲備		90,373	152,219
Equity attributable to owners of the Company	本公司擁有人應佔權益		158,254	189,498
Minority interests	少數股東權益		155,058	5,282
			313,312	194,780
Non-current Liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	36	101,473	—
Convertible loan notes	可換股貸款票據	34	100,306	—
Promissory notes	承兌票據	35	42,130	—
			243,909	—
			557,221	194,780

The consolidated financial statements on pages 45 to 150 were approved and authorised for issue by the Board of Directors on 20th April, 2010 and are signed on its behalf by:

第45頁至第150頁之綜合財務報表已於二零一零年四月二十日獲董事會批准及授權刊發，並由下列董事代表簽署：

Lau Siu Ying
劉小鷹
CHAIRMAN
主席

Luo Xi Zhi
羅習之
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

		Attributable to owners of the company 本公司擁有人應佔									
		Share capital	Share premium	Special reserve	Translation reserve	Statutory funds	Share option reserve	Acc-umulated losses	Total	Minority interests	Total
		股本	溢價	特別儲備	換算儲備	法定基金	購股權儲備	累積虧損	總額	少數股東權益	總額
		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
				(note i) (附註i)		(note ii) (附註ii)					
At 1st January, 2008	於二零零八年一月一日	37,279	195,183	2,481	37,452	26,130	5,168	(48,630)	255,063	5,076	260,139
Loss for the year	年度虧損	-	-	-	-	-	-	(78,719)	(78,719)	(125)	(78,844)
Exchange differences arising on translation	因換算產生的匯兌差額	-	-	-	13,178	-	-	-	13,178	331	13,509
Share of translation reserves of associates	分佔聯營公司之換算儲備	-	-	-	80	-	-	-	80	-	80
Translation reserves released upon disposal of associates	於出售聯營公司時解除的換算儲備	-	-	-	(104)	-	-	-	(104)	-	(104)
Total comprehensive income (expense) for the year	年度全面收入(開支)總額	-	-	-	13,154	-	-	(78,719)	(65,565)	206	(65,359)
Transfer	轉撥	-	-	-	-	4,002	-	(4,002)	-	-	-
Transfer of reserve upon forfeiture of share options	於購股權失效時轉撥儲備	-	-	-	-	-	(71)	71	-	-	-
At 31st December, 2008	於二零零八年十二月三十一日	37,279	195,183	2,481	50,606	30,132	5,097	(131,280)	189,498	5,282	194,780

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

		Attributable to owners of the company									
		本公司擁有人應佔									
		Share capital	Share premium	Special reserve	Translation reserve	Statutory funds	Share option reserve	Acc-umulated losses	Minority Total	Total	
		股本	股份溢價	特別儲備	換算儲備	法定基金	購股權儲備	累積虧損	少數股東總額	總額	
		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	
				(note i)		(note ii)					
				(附註i)		(附註ii)					
Loss for the year	年度虧損時	—	—	—	—	—	—	(171,983)	(171,983)	(446)	(172,429)
Exchange differences arising on translation	因換算產生的匯兌差額	—	—	—	(1,429)	—	—	—	(1,429)	(47)	(1,476)
Share of translation reserves of associates	分佔聯營公司之換算儲備	—	—	—	3	—	—	—	3	—	3
Translation reserves released upon disposal of associates	於出售聯營公司時解除的換算儲備	—	—	—	(133)	—	—	—	(133)	—	(133)
Total comprehensive expense for the year	年度全面支出	—	—	—	(1,559)	—	—	(171,983)	(173,542)	(493)	(174,035)
Transfer of reserve upon forfeiture of share options	於購股權失效時轉撥儲備	—	—	—	—	—	(614)	614	—	—	—
Issue of shares arising on acquisition of a subsidiary	收購一家附屬公司而發行股份	30,602	111,696	—	—	—	—	—	142,298	150,269	292,567
At 31st December, 2009	於二零零九年十二月三十一日	67,881	306,879	2,481	49,047	30,132	4,483	(302,649)	158,254	155,058	313,312

notes:

- (i) The special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for their acquisition at the time of the group reorganisation in 1999.
- (ii) Statutory funds are reserves required by the relevant laws applicable to the Group's subsidiaries established in the People's Republic of China (the "PRC") and can be utilised to offset the prior years' losses of the PRC subsidiaries.

附註：

- (i) 特別儲備指所收購附屬公司之股份面值與本公司於一九九九年進行集團重組時就收購所發行之股份面值間之差額。
- (ii) 法定基金指適用於本集團在中華人民共和國(「中國」)成立之附屬公司之有關法例所規定之儲備，並可用於抵銷該等中國附屬公司過往年度之虧損。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Loss before taxation	除稅前虧損		
Continuing operation	持續經營業務	(173,074)	(77,674)
Discontinued operation	終止經營業務	772	2,289
		(172,302)	(75,385)
Adjustments for:	調整：		
Interest expenses	利息開支	2,330	11,837
Interest income	利息收入	(452)	(1,557)
Reversal of allowance for doubtful debts	呆賬撥備撥回	(14,916)	(2,423)
Allowance for trade and other receivables	應收貿易賬款及其他應收賬款之撥備	994	49,787
Impairment loss recognised in respect of available-for-sale investment	就可供出售投資確認之減值虧損	217	632
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	184,340	5,105
Impairment loss recognised in respect of interests in associates	就聯營公司權益確認之減值虧損	—	5,725
Fair value loss on derivative financial instrument	衍生財務工具之公平值虧損	326	—
Fair value gain on an embedded non-option derivative	嵌入式非期權衍生工具之公平值收益	—	(5,538)
Loss on disposal of subsidiaries	出售附屬公司之虧損	4,974	—
Loss on disposal of asset classified as held for sale	出售分類為持作出售資產之虧損	—	107
Gain on disposal of an associate	出售一家聯營公司之收益	(1,437)	—
Share of results of associates	分佔聯營公司之業績	(732)	4,036
Write down of inventories	存貨撇減	8,249	7,238
Depreciation of plant and equipment	廠房及設備折舊	1,278	1,460
Gain on waiver of trade and other payables	豁免應付貿易賬款及其他應付賬款之收益	(5,695)	(3,262)
(Gain) loss on disposal of plant and equipment	出售廠房及設備(收益)虧損	(127)	117
(Reversal of) impairment loss recognised in respect of club memberships	就會所會籍確認之減值虧損(撥回)	(82)	35

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

	Notes 附註	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	6,965	(2,086)
Increase in inventories	存貨增加	(13,556)	(33,560)
Decrease in trade and other receivables	應收貿易賬款及其他應收賬款減少	1,048	17,352
Decrease (increase) in bills receivable	應收票據減少(增加)	673	(242)
Increase (decrease) in trade and other payables	應付貿易賬款及其他應付賬款增加(減少)	7,942	(596)
Cash generated from (used in) operations	經營業務所得(所用)現金	3,072	(19,132)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(1,699)	(258)
Hong Kong Profits Tax paid	已繳香港利得稅	—	(412)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	經營活動所得(所用)現金淨額	1,373	(19,802)
INVESTING ACTIVITIES	投資活動		
Decrease in pledged bank deposits	已抵押銀行存款減少	30,392	44,618
Decrease in other assets	其他資產減少	21,331	—
Proceeds from disposal of associate	出售聯營公司之所得款項	2,000	—
Proceeds from disposal of plant and equipment	出售廠房及設備之所得款項	488	—
Disposal of subsidiaries	出售附屬公司	38	—
Interest received	已收利息	452	1,557
Proceeds from disposal of asset classified as held for sale	出售分類為持作出售資產之所得款項	—	10,513
(Advanced to) repayment from a minority shareholder of a subsidiary	一家附屬公司少數股東之(墊款)還款	(384)	9
Acquisition of subsidiaries	收購附屬公司	37	—
Purchase of plant and equipment	購買廠房及設備	(724)	(604)
Purchase of club memberships	購買會所會籍	—	(711)
NET CASH FROM INVESTING ACTIVITIES	投資活動所得現金淨額	46,448	55,382

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

	Notes 附註	2009 HK\$'000 千港元	2008 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
Bank and other borrowings raised	已籌集之銀行及其他借貸	—	40,967
Advanced from (repayment to) a director	一名董事之墊款(還款)	7,155	(1,742)
Repayment of other financial liabilities	償還其他財務負債	(52,630)	(4,500)
Repayment of bank and other borrowings	償還之銀行及其他借貸	(38,582)	(109,853)
Interest paid	已付利息	(2,038)	(2,314)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(86,095)	(77,442)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(38,274)	(41,862)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等價物	45,912	82,891
Effect of foreign exchange rate changes	匯率變動之影響	(374)	4,883
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	年終之現金及現金等價物 (代表：銀行結餘及現金)	7,264	45,912

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

1. GENERAL

The Company is an exempted company with limited liability incorporated in Bermuda under The Companies Act 1981 of Bermuda (as amended). The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent and ultimate holding company is Future 2000 Limited, a company incorporated in the British Virgin Islands. 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.

The functional currency of the Company is Renminbi ("RMB"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$") for the convenience of the shareholders, as the Company is listed in Hong Kong.

The Company is an investment holding company. The principal activities of the Group are distribution and trading of mobile phones and related accessories and development of marketing and after-sales service network. In December, 2009, the Group also commenced the business of mining and processing of celestite, zinc and lead minerals. The activities of its principal subsidiaries and principal associates are set out in Notes 46 and 47, respectively.

1. 一般事項

本公司為根據百慕達一九八一年公司法(經修訂)在百慕達註冊成立之受豁免有限公司，其股份在香港聯合交易所有限公司(「聯交所」)上市。本公司之母公司及最終控股公司為於英屬處女群島註冊成立的公司Future 2000 Limited。本公司註冊辦事處及主要營業地點之地址在年報「公司資料」一節內披露。

本公司之功能貨幣為人民幣(「人民幣」)。由於本公司於香港上市，為方便股東，故綜合財務報表以港元(「港元」)呈列。

本公司為投資控股公司。本集團之主要業務為分銷及買賣移動電話及相關配件，以及發展市場推廣及售後服務網絡。於二零零九年十二月，本集團亦開始天青石、鋅及鉛礦石的開採及加工業務。主要附屬公司及主要聯營公司之業務分別載於附註46及47。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九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”).

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

本年度，本集團採用以下由香港會計師公會（「香港會計師公會」）頒佈的新訂及經修訂準則、修訂本及詮釋（「新訂及經修訂香港財務報告準則」）。

香港會計準則第1號 (二零零七年經修訂)	財務報表之呈列
香港會計準則第23號 (二零零七年經修訂)	借貸成本
香港會計準則第32號 及第1號(修訂本)	可沽售財務工具及 清盤產生的責任
香港財務報告準則 第1號及香港會計 準則第27號 (修訂本)	於附屬公司、共同 控制實體或聯營 公司的投資成本
香港財務報告準則 第2號(修訂本)	歸屬條件及註銷
香港財務報告準則 第7號(修訂本)	財務工具披露的 改進
香港財務報告準則第8號	經營分部
香港(國際財務報告 詮釋委員會) – 詮釋 第9號及香港會計 準則第39號(修訂本)	嵌入式衍生工具
香港(國際財務報告 詮釋委員會) – 詮釋第13號	客戶忠誠度計劃
香港(國際財務報告 詮釋委員會) – 詮釋第15號	房地產建築協議
香港(國際財務報告 詮釋委員會) – 詮釋第16號	對沖於海外經營的 投資淨額

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

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

HK(IFRIC) – Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39, paragraph 69 of HKAS 1 and paragraph 5B of HKFRS 5

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

HKAS 1 (Revised 2007) has introduced a number of terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements. The application of the above new and revised HKFRSs do not have any impact on the financial position as at 31st December, 2008 and 1st January, 2008. Accordingly, the consolidated statement of financial position as at 1st January, 2008 is not presented.

2. 採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18號	從客戶轉移資產
香港財務報告準則(修訂本)	於二零零八年頒佈的香港財務報告準則之改進，惟自二零零九年七月一日或之後開始之年度期間生效的香港財務報告準則第5號之修訂除外
香港財務報告準則(修訂本)	於二零零九年頒佈有關香港會計準則第39號第80段、香港會計準則第1號第69段及香港財務報告準則第5號第5B段之修訂的香港財務報告準則之改進

除下文所述者外，採納新訂及經修訂香港財務報告準則對本集團於現時或過往會計期間之綜合財務報表並無重大影響。

香港會計準則第1號(二零零七年經修訂)引入眾多詞彙變動(包括經修訂之綜合財務報表標題)及綜合財務報表呈列格式及內容變動。由於應用上述新訂及經修訂香港財務報告準則對二零零八年十二月三十一日及二零零八年一月一日的財務狀況並無任何影響。相應地並無呈列二零零八年一月一日的綜合財務狀況表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九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 23 (Revised 2007) Borrowing costs

In previous years, the Group expensed all borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. HKAS 23 (Revised 2007) removes the option previously available to expense all borrowing costs when incurred. The adoption of HKAS 23 (Revised 2007) has resulted in the Group changing its accounting policy to capitalise all such borrowing costs as part of the cost of the qualifying asset. The Group has applied the revised accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1st January, 2009 in accordance with the transitional provisions in HKAS 23 (Revised 2007). As the revised accounting policy has been applied prospectively from 1st January, 2009, this change in accounting policy has not resulted in restatement of amounts reported in respect of prior accounting periods.

No borrowing costs was capitalised as part of the cost of manufacturing plant for the year ended 31st December, 2009.

The application of HKFRS 8 has not resulted in a redesignation of the Group’s operating segments (see Note 7), nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. In accordance with the transitional provision set out in the amendments, no comparative information for the expanded disclosures is required.

2. 採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23號（二零零七年經修訂）借貸成本

於過往年度，本集團將購買、建造或生產合資格資產的所有直接應佔借貸成本於產生時支銷。香港會計準則第23號（二零零七年經修訂）剔除可將所有借貸成本於產生時支銷的選擇權。採納香港會計準則第23號（二零零七年經修訂）致使本集團須變更會計政策，將所有借貸成本資本化為合資格資產成本的一部份。本集團已根據香港會計準則第23號（二零零七年經修訂）的過渡性條文，採用有關開始資本化日期為二零零九年一月一日或之後之合資格資產借貸成本的經修訂會計政策。由於經修訂會計政策已自二零零九年一月一日起採用，故該會計政策變動並無導致須重列過往會計期間所呈報的金額。

截至二零零九年十二月三十一日止年度，並無借貸成本資本化為生產廠房成本的一部份。

應用香港財務報告準則第8號並無導致本集團的經營分部（見附註7）重新劃分，採納香港財務報告準則第8號亦無改變分部損益的計量基準。

香港財務報告準則第7號之修訂擴大有關按公平值計量之財務工具的公平值計量披露規定。根據該等修訂本之過渡條文，擴大後的披露範圍毋須包括比較資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

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

In addition, the Group has early applied the following amendments that have been issued but are not yet effective:

Amendments to HKAS 1 Presentation of Financial Statements

As part of Improvements to HKFRSs (2009), HKAS 1 “Presentation of Financial Statements” has been amended to clarify the classification of liability as current or non-current. The amendment requires, terms of liability that could result in its settlement by the issue of the equity instruments at the option of the counterparty do not affect its classification. This resulted the classification of the Group’s convertible loan notes as non-current as at 31st December, 2009. Such early adoption does not have any impact on the financial position as at 31st December, 2008.

The early adoption of the amendment has had no material impact on the Group’s result for the reported periods.

Amendment to HKFRS 5 Non-Current Asset Held for sale and Discontinued operations

The amendment has clarified that HKFRS 5 has specified the disclosures required in respect of disposal groups classified as discontinued operations. Disclosure requirements in other HKFRSs do not generally apply to such disposal groups.

Such early adoption results the discontinued operations of the Group were disclosed in accordance with HKFRS 5.

The adoption of the other new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

此外，本集團提早採用下述已頒佈但尚未生效的修訂：

香港會計準則第1號財務報表之呈列修訂

香港財務報告準則（二零零九年）之改進的一部分為，修訂香港會計準則第1號「財務報表之呈列」，闡明負債分類為流動或非流動的分類方法。該修訂規定，可令交易對手有權選擇發行股本工具而結算的負債項目不會影響其分類。於二零零九年十二月三十一日，該規定令本集團的可換股貸款票據於二零零九年十二月三十一日分類為非流動。提早採用該修訂對二零零八年十二月三十一日的財務狀況並無任何影響。

提早採用該修訂對呈報期間本集團業績並無重大影響。

香港財務報告準則第5號持作出售之非流動資產及已終止業務的修訂

該修訂闡明，香港財務報告準則第5號指定須就分類為已終止業務之出售組別披露的資料。其他香港財務報告準則的披露規定一般不適用於該等出售組別。

提早採用該修訂導致本集團已終止業務須按照香港財務報告準則第5號披露。

採用其他新訂及經修訂香港財務報告準則對當期或過往會計期間本集團之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 31st December, 2009 截至二零零九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 and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 except for the amendment to paragraph 80 of HKAS 39, paragraph 69 of HKAS 1 and paragraph 5B of HKFRS 5 ²
HKAS 24 (Revised)	Related Party Disclosures ⁶
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendment)	Classification of Rights Issues ⁴
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ³
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁵
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並無提早採用下列已頒佈但尚未生效之新訂及經修訂準則、修訂本或詮釋。

香港財務報告準則（修訂本）	修訂香港財務報告第5號作為改進二零零八年香港財務報告準則的一部分 ¹
香港財務報告準則（修訂本）	改進二零零九年香港財務報告準則，惟香港會計準則第39號第80段、香港會計準則第1號第69段及香港財務報告準則第5號第5B段之修訂除外 ²
香港會計準則第24號（經修訂）	關連人士披露 ⁶
香港會計準則第27號（經修訂）	綜合及獨立財務報表 ¹
香港會計準則第32號（修訂本）	供股之分類 ⁴
香港會計準則第39號（修訂本）	合資格對沖項目 ¹
香港財務報告準則第1號（修訂本）	額外豁免首次採納者 ³
香港財務報告準則第1號（修訂本）	對首次採納者就香港財務報告準則第7號披露比較資料的有限豁免 ⁵
香港財務報告準則第2號（修訂本）	集團以現金結算的股份付款交易 ³
香港財務報告準則第3號（經修訂）	業務合併 ¹

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

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

HKFRS 9	Financial Instruments ⁷
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁶
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁵

¹ Effective for annual periods beginning on or after 1st July, 2009.

² Amendments that are effective for annual periods beginning on or after 1st July, 2009 and 1st January, 2010, as appropriate.

³ Effective for annual periods beginning on or after 1st January, 2010.

⁴ Effective for annual periods beginning on or after 1st February, 2010.

⁵ Effective for annual periods beginning on or after 1st July, 2010.

⁶ Effective for annual periods beginning on or after 1st January, 2011.

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

The application of HKFRS 3 (Revised) may affect the Group’s accounting for business combination for which the acquisition date is on or after 1st January, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group’s ownership interest in a subsidiary.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號	財務工具 ⁷
香港(國際財務報告詮釋委員會)–詮釋第14號(修訂本)	最低資本規定之預付款項 ⁶
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 ¹
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 ⁵

¹ 於二零零九年七月一日或之後開始之年度期間生效

² 於二零零九年七月一日及二零一零年一月一日(如適用)或之後開始之年度期間生效的修訂

³ 於二零一零年一月一日或之後開始之年度期間生效

⁴ 於二零一零年二月一日或之後開始之年度期間生效

⁵ 於二零一零年七月一日或之後開始之年度期間生效

⁶ 於二零一一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

應用香港財務報告準則第3號(經修訂)可能影響本集團收購日期為二零一零年一月一日或以後之業務合併之會計方法。香港會計準則第27號(經修訂)將影響本集團於附屬公司權益變動之會計處理。

本公司董事預期，採用其他新訂及經修訂準則、修訂本或詮釋不會對綜合財務報表有任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of consolidation

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

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

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 in on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

3. 主要會計政策

綜合財務報表根據歷史成本基準編製，惟以下會計政策所闡釋之若干財務工具按公平值計量。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露。

綜合基準

綜合財務報表包括本公司及本公司所控制實體（附屬公司）之財務報表。控制指本公司對一家實體之財務及經營政策有控制權以從其經營活動中獲得利益。

年內所收購或出售附屬公司自實際收購日期起或直至實際出售日期止（視適當情況而定）之業績計入綜合全面收入表。

如有需要，附屬公司財務報表會作出調整，以符合本集團其他成員公司所用之會計政策。

集團內公司間所有交易、結餘、收入及開支於綜合賬目時對銷。

綜合入賬之附屬公司資產淨值之少數股東權益與本集團權益分開呈列。資產淨值之少數股東權益包括該等權益於原有業務合併日期之款額及自合併日期起少數股東應佔權益變動。少數股東權益相關虧損超出附屬公司少數股東權益之數額分配至本集團權益，惟少數股東具有約束責任及可作出額外投資以補償虧損之情況則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations

The acquisition of businesses (including business combinations under common control) is accounted for using the purchase method. The cost of the acquisition is 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 meet the conditions for recognition under HKFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of that adjustment is included in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. If that adjustment subsequently becomes not probable, the additional consideration shall be treated as an adjustment to the cost of the combination.

3. 主要會計政策 (續)

業務合併

收購業務(包括受共同控制的業務合併)時採用購買法入賬。收購成本按本集團為交換被收購方的控制權所給予之資產、所產生或承擔之負債,以及所發行股本工具於交換當日之公平值總額另加業務合併直接應佔之任何成本計量。被收購方之可識別資產、負債及或然負債若符合香港財務報告準則第3號業務合併之確認條件,均以收購日之公平值確認。

收購所產生之商譽確認為資產,首先以成本計量,為業務合併成本超出本集團應佔所確認可識別資產、負債及或然負債之公平淨值之差額。在重新評估後,本集團所佔被收購方可識別資產、負債及或然負債之公平淨值超出業務合併成本之差額須即時於損益確認。

少數股東所佔被收購方權益首先按所佔已確認資產、負債及或然負債公平淨值之比例計算。

倘業務合併協議提出為須視乎未來事件而定的合併項目成本之調整,而有關調整應會發生且能可靠計量,則有關調整額會計入收購日期的合併成本。倘該調整於其後變成不大可能發生,則額外的代價應視為合併成本的調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising on an acquisition 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 arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

3. 主要會計政策 (續)

商譽

收購業務產生之商譽按成本減任何累計減值虧損列賬，並於綜合財務狀況表內單獨呈列。

就減值測試而言，收購產生之商譽分配到各預期從收購之協同效應中獲利之各有關現金產生單位或現金產生單位之組別。獲分配商譽之現金產生單位每年於有跡象顯示單位出現減值時進行減值測試。就財政年度內之收購產生之商譽而言，獲分配商譽之現金產生單位於該財政年度完結前進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值，則會分配減值虧損，以首先削減分配到該單位之任何商譽之賬面值，其後以單位各資產之賬面值為基準，按比例分配到該單位之其他資產。商譽之任何減值虧損於損益內直接確認。商譽之減值虧損於其後期間不予撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

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

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognised its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

3. 主要會計政策 (續)

商譽 (續)

就出售有關現金產生單位而言，釐定出售損益金額時須計及已確認商譽應佔的金額。

於聯營公司之投資

聯營公司指投資者對其行使重大影響力之實體，且其並非為附屬公司亦非合營企業權益。重大影響力指參與被投資方的財務及經營決策但並非控制或共同控制該等政策的權力。

聯營公司之業績、資產及負債按權益會計法計入綜合財務報表內。根據權益法，於聯營公司之投資按成本就本集團分佔聯營公司之資產淨值於收購後之變動調整，減任何已識別減值虧損列於綜合財務狀況表。當本集團分佔聯營公司之虧損等同或超過所持該聯營公司權益時，本集團終止確認所分佔之進一步虧損。額外分佔虧損會計提撥備及確認為負債，惟僅以本集團及法定或推定責任或代表該聯營公司支付賬款為限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill included within the carrying amount of the investment is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

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.

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

Service income is recognised when services are provided.

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)

於聯營公司之投資 (續)

任何收購成本超出本集團應佔聯營公司於收購日期確認之可識別資產、負債及或然負債公平淨值之差額確認為商譽。有關商譽列入該投資的賬面值內，且不進行單獨減值測試，相反，投資的全部賬面值作為單一資產進行減值測試。形成於聯營公司投資賬面值的任何已確認減值虧損並不分配至任何資產(包括商譽)。任何減值虧損撥回按其後增加的投資可回收金額確認。

當集團實體與本集團聯營公司交易時，損益會互相抵銷，數額以本集團所佔有關聯營公司之權益為限。

收益確認

收益按已收或應收代價之公平值計量，指日常業務過程中就已售出貨品及已提供服務應收之款項，並已扣除折扣及銷售相關稅項。

銷售貨品之收益於貨品交付及擁有權轉移時確認入賬。

服務收入於提供服務時確認。

財務資產之利息收入根據未償還本金及適用實際利率後按時間基準累計有關實際利率為將估計未來所收現金按財務資產估計可使用年期折現至該資產初步確認賬面淨值之利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method.

An item of plant and equipment is recognised 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 period in which the item is recognised.

Intangible asset – club memberships

Club memberships with indefinite life are carried at cost less any subsequent accumulated impairment losses.

Gains or losses arising from derecognition of the club membership are measured at the difference between the net disposal proceeds and the carrying amount of the club membership and are recognised in the profit or loss when the club membership is recognised.

3. 主要會計政策 (續)

廠房及設備

廠房及設備按成本減其後累計折舊及累計減值虧損列賬。

廠房及設備項目之折舊根據其估計可使用年期及計入估計剩餘價值後，以直線法撇銷其成本。

廠房及設備項目於出售或預期持續使用資產不會產生未來經濟利益時已被確認。終止確認資產時所產生之任何盈虧(按出售所得款項淨額與項目賬面值之間的差額計算)計入已確認項目期間的損益內。

無形資產 – 會所會籍

永久會所會籍按成本扣任何其後累計減值虧損入賬。

因終止確認會所會籍而產生之盈虧按出售所得款項淨額與會所會籍賬面值兩者之間的差額計量，並於確認會所會籍時於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mining right

Mining right is stated at cost less subsequent accumulated recognised and accumulated impairment loss. Mining right is amortised using the units of production method based on the proven and probable mineral reserves.

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

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

3. 主要會計政策 (續)

採礦權

採礦權按成本減其後累計確認及累計減值虧損列賬。採礦權使用生產單位法按探明及推定礦產儲量攤銷。

有形及無形資產(商譽除外)減值虧損(見上述有關商譽之會計政策)

於呈報期結算日，本集團審閱有形及無形資產之賬面值，釐定有否任何跡象顯示該等資產出現減值虧損。倘存在任何該等跡象，則估計資產之可收回金額以釐定減值虧損(如有)的程度。此外，具有無限使用年期的無形資產每年及於有跡象顯示資產可能減值時進行減值測試。倘資產之可收回金額估計低於其賬面值，則該項資產之賬面值須削減至可收回金額。減值虧損即時確認為開支。

倘日後撥回減值虧損，則有關資產之賬面值須增至經修訂之估計可收回金額，惟增加後的賬面值不得超過假設有關資產於以往年度並無確認任何減值虧損而應有之賬面值。撥回之減值虧損即時確認為收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

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

Leasing

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

The Group as lessee

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

Foreign currencies

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

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

3. 主要會計政策 (續)

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。

租賃

當租約條款將擁有權之絕大部分風險及回報轉予承租人時，該租約分類為融資租約。所有其他租約均分類為經營租約。

本集團作為承租人

經營租約付款於有關租期內按直線基準確認為開支。作為吸引訂立經營租約之已收及應收的利益亦按租期以直線基準確認為租金支出之扣減。

外幣

據編製各個別集團實體之財務報表時，以該實體之功能貨幣以外的貨幣(外幣)進行之交易按交易日期之匯率以各功能貨幣(即該實體經營業務所在主要經濟環境之貨幣)列賬。於呈報期結算日，以外幣結算之貨幣項目按該結算日之匯率重新換算。按過往成本以外幣計算之非貨幣項目不會重新換算。

結算貨幣項目及換算貨幣項目產生之匯兌差額於產生期間在損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities 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 translation reserve).

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

Borrowing costs

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

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

3. 主要會計政策 (續)

外幣 (續)

就呈列綜合財務報表而言，本集團實體之資產及負債均按呈報期結算日之匯率換算為本集團之呈列貨幣（即港元），而收入及開支項目按年度平均匯率換算，除非期內匯率大幅波動，則採用交易日之匯率。所產生之匯兌差額（如有）於其他全面收入中確認及累計至權益（匯兌儲備）。

於二零零五年一月一日或之後收購海外業務所產生的商譽及所收購之可識別資產公平值調整視為該海外業務的資產及負債，並按呈報期結算日的現行匯率重新換算。產生之匯兌差額於匯兌儲備確認。

借貸成本

收購、建設及生產未完成資產（即需要長時間準備方可作擬定用途或銷售之資產）直接應佔之借貸成本，會自二零零九年一月一日或之後開始資本化（註：此修改適用於已支銷與二零零九年一月一日前確認之合資格資產有關之借貸成本的實體），並加入該等資產之成本，直至該等資產已大致完成可作擬定用途或銷售。特定借貸有待用作未完成資產開支前暫時投資所賺得之投資收入會自可撥作成本的未完成資產的借貸成本扣除。

所有其他借貸成本均於產生期間在損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognised as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the statement of financial position and transferred to profit or loss over the useful lives of the related assets. Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivables 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.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and other PRC state-managed retirement benefit schemes are charged as expenses when employees have rendered services entitling them to the contributions.

3. 主要會計政策 (續)

政府補助

政府補助於本集團確認補助擬補償之相關成本為開支的期間有系統地於損益確認。與可折舊資產相關的政府補助於財務狀況表確認為遞延收入，並於相關資產可使用年限內轉撥至損益。其他政府補助會有系統地在擬補償成本的相應期間確認為收入。作為補償已產生開支或虧損或旨在為本集團提供即時資助(而無未來相關成本)的相關政府補助於成為應收的期間在損益確認。

退休福利成本

強制性公積金計劃及其他中國國家管理之退休福利計劃之付款於僱員提供服務而可享有供款時列作開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

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 differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be recognised. 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.

3. 主要會計政策 (續)

稅項

所得稅支出指現時應付稅項及遞延稅項之總額。

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入表中所報之溢利不同，因其不包括在其他年度應課稅收入或可扣稅支出，並且不包括毋須課稅或扣稅之項目。本集團之現時稅項負債採用呈報期結算日已頒行或實際已頒行之稅率計算。

遞延稅項乃就綜合財務報表資產及負債賬面值與計算應課稅溢利所採用的相應稅基之差額而確認。通常會就所有應課稅暫時差額確認遞延稅項負債，而遞延稅項資產僅在可能有應課稅溢利用以抵銷該等可確認暫時差額時方會確認。若於一項交易(業務合併除外)中，因商譽或首次確認其他資產及負債而引致之暫時差額既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is recognised, 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, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

3. 主要會計政策 (續)

稅項 (續)

於附屬公司及聯營公司之投資引致之應課稅暫時差額確認遞延稅項負債，惟倘本集團可控制暫時差額撥回且暫時差額未必會於可見將來撥回則除外。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。

遞延稅項資產之賬面值於呈報期結算日檢討，並扣減至再無足夠應課稅溢利可供收回全部或部分資產為止。

遞延稅項資產及負債基於呈報期結算日已頒佈或實質頒佈的稅率（及稅法）按清償負債或確認資產期間的預期適用稅率計量。遞延稅項負債及資產的計量反映本集團預期於呈報期結算日收回或結算資產及負債賬面值的方式所產生的稅務影響。遞延稅項於損益確認，惟倘遞延稅項與於其他全面收入或直接於權益確認的項目有關，則遞延稅項亦分別於其他全面收入或直接於權益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

Financial assets

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

Effective interest method

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

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

3. 主要會計政策 (續)

財務工具

當集團實體成為工具合約條文之訂約方時，財務資產及財務負債於綜合財務狀況表內確認。財務資產及財務負債初步按公平值計量。因購置或發行財務資產及財務負債直接應佔之交易成本乃於初步確認時加入或扣自財務資產或財務負債之公平值(如適用)。購置透過損益按公平值入賬之財務資產或財務負債直接應佔之交易成本即時於損益確認。

財務資產

本集團之財務資產分為貸款、應收賬款及可供出售財務資產。所有按正常途徑買賣之財務資產均按交易日基準確認。按正常途徑買賣指買賣該等財務資產須按市場規則或慣例於既定時限內交付資產。

實際利率法

實際利率法乃計算財務資產之攤銷成本及攤分有關期間利息收入的方法。實際利率指財務資產於整個估計可用年期或(倘適用)較短期間的估計未來現金收入(包括已付或已收取屬實際利息主要部分之全部費用、交易成本及其他溢價或折讓)準確折現至初步確認之賬面淨值的利率。

債務工具利息收入按實際利率法確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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, bills receivable, amount due from a related party, pledged bank deposits 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).

Available-for-sale financial assets

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

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

3. 主要會計政策 (續)

財務工具 (續)

財務資產 (續)

貸款及應收賬款

貸款及應收賬款為在活躍市場上並無報價而具有固定或可釐定付款之非衍生財務資產。於初步確認後，貸款及應收賬款(包括應收貿易賬款及其他應收賬款、應收票據、應收一名關連人士賬款、已抵押銀行存款及銀行結餘及現金)以實際利率法按攤銷成本減任何已識別減值虧損列賬(見下文有關財務資產減值虧損之會計政策)。

可供出售財務資產

可供出售財務資產屬非衍生工具，不論是否指定或劃分為透過損益按公平值計量之財務資產、貸款及應收賬款或持至到期之投資。

就在活躍市場並無市場報價且不能可靠計量公平值之可供出售股本投資而言，於首次確認後的其他呈報期結算日，按成本減任何已識別減值虧損計算(見下文有關財務資產減值虧損之會計政策)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

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

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

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period ranged from 30 days to 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值

於呈報期結算日評定財務資產有否減值跡象。倘有客觀證據顯示財務資產之估計未來現金流量因於初步確認該財務資產後發生之一項或多項事件而受到影響，則該財務資產已減值。

對於所有其他財務資產，減值之客觀證據可包括：

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

就若干類別之財務資產(如應收貿易賬款)而言，評估為不會單獨減值的資產會於其後一併評估減值。應收賬款組合的減值客觀證據包括本集團過往收款紀錄、超出30至90日信貸期的逾期付款數目增加及國家或地區經濟狀況出現明顯變動導致未能償還應收賬款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

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

3. 主要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

對於按攤銷成本列賬之財務資產，倘有客觀證據證明資產已減值，則減值虧損於損益內確認，並按資產賬面值與按原實際利率折現估計未來現金流量之現值的差額計量。

對於按成本列賬之財務資產，減值虧損金額按資產賬面值與按同類財務資產現行市場回報率折現估計未來現金流量之現值間的差額計量。減值虧損不會於其後期間撥回。

所有財務資產的減值虧損會直接自其賬面值扣減，惟應收貿易賬款及其他應收賬款之賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益確認。應收貿易賬款及其他應收賬款視為不可收回時，會於撥備賬內撇銷。先前已撇銷之賬款如其後收回，會歸於損益。

對於按攤銷成本計量之財務資產，倘減值虧損額於隨後期間減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益撥回，惟該資產於撥回減值當日之賬面值不得超過假設未確認減值時之已攤銷成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity

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

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

Effective interest method

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

Convertible loan notes

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

3. 主要會計政策 (續)

財務工具 (續)

財務負債及權益

集團實體發行之財務負債及權益工具按所訂立之合約安排內容與財務負債及權益工具之定義分類。

權益工具指證明本集團扣除所有負債後資產剩餘權益之任何合約。

實際利率法

實際利率法乃計算財務負債之攤銷成本及攤分有關期間利息開支的方法。實際利率指準確折現財務負債於整個估計可用年期或(倘適用)較短期間的估計未來現金支出的利率。

可換股貸款票據

本公司發行之可換股貸款票據包括負債、兌換權及提早贖回權(並非與主負債部分密切相關)，於初步確認時分別為負債及衍生部分。將以固定金額現金或另一項財務資產交換本公司固定數目之權益工具方式之外的方式結清之兌換權是一項兌換權衍生工具。於發行當日，負債及衍生工具(包括兌換權及提早贖回權)部分均按公平值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial 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.

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

Other Financial liabilities

Financial liabilities including trade and other payables, amounts due to related parties, bank and other borrowings, convertible loan notes (liability component) and put option obligation (host debt liability) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

3. 主要會計政策 (續)

財務工具 (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以實際利率法按已攤銷成本列賬。衍生部分已按公平值計量，其公平值變動於損益確認。

與發行可換股貸款票據相關之交易成本按彼等的公平值比例分配至負債及衍生部分。與衍生部分相關之交易成本即時自損益扣除。與負債部分相關之交易成本乃計入負債部分之賬面值，並按可換股貸款票據之年期採用實際利率法攤銷。

財務負債

財務負債包括應付貿易賬款及其他應付賬款、應付關連人士款項、銀行及其他借貸、可換股貸款票據(負債部分)及認沽期權承擔(主債務部分)，其後採用實際利率法按攤銷成本計量。

權益工具

本公司所發行之權益工具按已收所得款項減直接發行成本入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derivative financial instruments

Derivatives (including embedded derivatives which are not closely related to non-derivative host contracts) that are not designated and effective as hedging instruments are deemed as held for trading financial instruments.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Embedded derivatives

Derivatives 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.

Derecognition

Financial assets are recognised 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 is recognised in profit or loss.

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

3. 主要會計政策 (續)

財務工具 (續)

衍生財務工具

並非指定及有效用作對沖工具的衍生工具(包括並非與非衍生主合約密切相關之嵌入式衍生工具)視為持作買賣財務工具。

衍生工具按訂立衍生合約當日的公平值初步確認，其後於呈報期結算日再重新計量公平值，所產生收益或虧損即時於損益確認。

嵌入式衍生工具

嵌入非衍生主合約之衍生工具在本身風險及特徵與主合約之風險及特徵並非密切相關，且主合約並非透過損益確認公平值變動而按公平值計量時，作為獨立衍生工具處理。

終止確認

財務資產於自有關資產獲取現金流之權利屆滿時，或有關財務資產被轉讓且本集團已轉出有關財務資產所有權之絕大部分風險及回報時確認。於終止確認財務資產時，該項資產之賬面值與已收及應收代價於損益確認。

財務負債則於有關合約規定之承擔解除、撤銷或到期時確認。確認財務負債之賬面值與已付及應付代價之差額於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions

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 recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

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

Share options granted to consultants

Share options issued in exchange for goods or services are measured at the fair values of the services received, unless that 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 immediately, with a corresponding increase in equity (share option reserve) when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

3. 主要會計政策 (續)

以股份為基礎付款之交易

以股權結算以股份為基礎付款之交易

授予僱員之購股權

參考所授出購股權於授出日期之公平值而釐定之所獲服務的公平價值，於所授購股權歸屬的授出日期即時全面確認為開支，並於權益作相應增加(購股權儲備)。

購股權獲行使時，過往於購股權儲備中確認之數額會轉撥至股份溢價。倘購股權失效或於屆滿日仍未獲行使，則過往於購股權儲備中確認之數額會轉撥至累計虧損。

授予顧問之購股權

為換取貨品或服務而發行之購股權按所獲服務之公平值計量，惟倘公平值不能可靠計量，則所獲服務參考所授購股權之公平值計量。當本集團取得貨品或交易對手提供服務時，所獲服務之公平值即時確認為開支，權益(購股權儲備)亦相應增加，惟貨品或服務符合資格確認為資產則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 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 cash flows are less than expected, a material impairment loss may arise. As at 31st December, 2009, the carrying amount of goodwill was HK\$2,910,000 (2008: HK\$7,820,000) after an impairment loss of HK\$184,340,000 (2008: HK\$5,105,000) has recognised during 2009. Details of the impairment loss calculation are set out in Note 19.

4. 估計不確定因素之主要來源

於應用附註3所載之本集團會計政策時，本公司董事須對無法依循其他途徑即時得知之資產及負債賬面值作出估計及假設。該等估計及相關假設乃根據過往經驗及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。

估計及相關假設會持續檢討。會計估計之修訂於修訂估計之期間(倘修訂僅影響該期間)，或修訂期間及未來期間(倘修訂影響本期間及未來期間)確認。

下文載列有關未來主要假設以及於呈報期結算日估計之不確定因素其他主要來源，該等假設及估計很可能導致下一個財政年度之資產賬面值須作出重大調整。

估計商譽減值

在釐定商譽是否減值時，須估計獲分配商譽之現金產生單位之使用價值。計算使用價值時，本集團須估計預期從現金產生單位所得之未來現金流量以及適用之貼現率以計算現值。倘實際現金流量少於預期金額，則可能產生重大減值虧損。於二零零九年十二月三十一日，商譽之賬面值為2,910,000港元(二零零八年：7,820,000港元)，於二零零九年確認後減值虧損184,340,000港元(二零零八年：5,105,000港元)。有關減值虧損之計算詳情載於附註19。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Mining right

The mining right represents the right of Sifa Mining to conduct mining activities in the location of Huangshi in Hubei in the PRC. The mining right is amortised using the units of production method based on the proven and probable mineral reserves. However, the mining operating permit issued to the Group by Department of Land and Resources of Hubei Province (湖北省國土資源廳) is only for a term of 5 years from 25th September, 2007 to 25th September, 2012, though it is eligible for renewal thereafter. In the opinion of the directors, the application for renewal is procedural and the Group should be able to renew its mining operation permit without significant costs, until all the proven and probable minerals have been mined. In case the mining operating permit cannot be renewed, the Group may suffer a loss on its remaining investment in the mining right.

Estimated impairment 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 asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (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 31st December, 2009, the carrying amount of trade and other receivables was HK\$85,849,000 net of allowance for doubtful debts of HK\$28,127,000 (2008: HK\$76,820,000 net of allowance for doubtful debts of HK\$71,759,000).

4. 估計不確定因素之主要來源 (續)

採礦權

採礦權指錕發礦業於中國湖北省黃石的採礦權，乃基於已探明及推定礦產儲量的生產方法作為單位攤銷。然而，儘管湖北省國土資源廳所發出的採礦許可證為期5年，自二零零七年九月二十五日至二零一二年九月二十五日止，惟其後可續期。董事認為，申請續期僅須完成相關程序，故本集團可以續期採礦許可證而毋須重大成本，直至所有探明及推定的礦藏已全被開採為止。倘採礦許可證不獲續期，本集團於採礦權的餘下投資或會有虧損。

估計應收貿易賬款及其他應收賬款減值

倘存在減值虧損之客觀證據，則本集團考慮估計未來現金流量。減值虧損之金額按資產賬面值與以財務資產原實際利率(即首次確認時計算之實際利率)貼現估計未來現金流量(不包括未引致之未來信貸虧損)之現值的差額計算。倘實際未來現金流量少於預期金額，則可能產生重大減值虧損。於二零零九年十二月三十一日，應收貿易賬款及其他應收賬款之賬面值為85,849,000港元(已扣除呆賬撥備28,127,000港元)(二零零八年：76,820,000港元(已扣除呆賬撥備71,759,000港元))。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated allowance for inventories

Management reviews the inventories listing at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified. Allowance was made by reference to the latest market value for those inventories identified. Where the net recognised value is less than the cost, a material write down may arise. As at 31st December, 2009, the carrying amount of inventories (net of allowances) was approximately HK\$164,774,000 (2008: approximately HK\$160,254,000).

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 recognised the return to shareholders through the recognised of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of debt, which includes bank and other borrowings, convertible loan notes and promissory notes as disclosed in Notes 33, 34 and 35 respectively, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associates thereto. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as issue of new debt or the redemption of existing debt.

4. 估計不確定因素之主要來源 (續)

估計存貨撥備

管理層檢討各呈報期結算日所列之存貨，並對已識別之陳舊及滯銷存貨進行撥備。撥備乃參考該等已識別存貨的最近期市值釐定。倘確認淨值低於成本，則會作出重大撇減。於二零零九年十二月三十一日，存貨賬面值(已扣除撥備)約為164,774,000港元(二零零八年：約160,254,000港元)。

5. 資本風險管理

本集團管理資本以確保本集團各實體之持續經營能力，同時確認債務及權益平衡，確認股東回報。本集團整體策略與往年相比並無變動。

本集團資本架構包括債務(包括附註33、34及35分別披露之銀行及其他借貸、可換股貸款票據以及承兌票據)、現金及現金等價物及本公司擁有人應佔權益(包括已發行股本及各項儲備)。

本公司董事定期檢討資本架構。檢討時，董事考慮資本成本及相關風險。根據董事之推薦建議，本集團將透過派發股息、發行新股及發行新債務或償還現有債務平衡整體資本架構。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS

6a. Categories of financial instruments

Financial assets	財務資產
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款 (包括現金及現金等價物)
Available-for-sale investment	可供出售投資
Financial liabilities	財務負債
Derivative financial instrument	衍生財務工具
Amortised cost	攤銷成本
Embedded non-option derivative	嵌入式非期權衍生工具

6b. Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investment, trade and other receivables, bills receivable, amount due from a related party, derivative financial instrument, bank balances and cash, trade and other payables, bank and other borrowings, amounts due to related parties, convertible loan notes, promissory notes and other financial liabilities (put option obligation). Details of these financial instruments are disclosed in the 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. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

6. 財務工具

6a. 財務工具類別

2009 HK\$'000 千港元	2008 HK\$'000 千港元
39,827	144,766
69	286
15,494	—
186,365	169,313
—	(5,538)

6b. 財務風險管理目標及政策

本集團主要財務工具包括可供出售投資、應收貿易賬款及其他應收賬款、應收票據、應收一名關連人士款項、衍生財務工具、銀行結餘及現金、應付貿易賬款及其他應付賬款、銀行及其他借貸、應付關連人士款項、可換股貸款票據、承兌票據及其他財務負債(認沽期權責任)。此等財務工具詳情於相關附註披露。有關該等財務工具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。下文載列減低此等風險之政策。管理層會管理及監控該等風險，確保及時與有效採取適當措施。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6. 財務工具 (續)

6b. Financial risk management objectives and policies (Continued)

6b. 財務風險管理目標及政策 (續)

Market risk

市場風險

(i) Currency risk

(i) 貨幣風險

Several subsidiaries of the Group are exposed to foreign currency risk primarily arising from foreign currency bank deposits, other receivables, trade and other payables, bank and other borrowings and other financial liabilities set out in Note 32.

本集團多間附屬公司面對外幣風險，主要源自外幣銀行存款、其他應收賬款、應付貿易賬款及其他應付賬款、銀行及其他借貸以及附註32披露之其他財務負債。

The carrying amounts of the Group's significant monetary assets and liabilities which are denominated in currencies other than the functional currency of the relevant group entities at the end of reporting period are as follows:

截至呈報期結算日，本集團以相關集團實體功能貨幣以外之貨幣計值之重大貨幣資產及負債之賬面值如下：

		Liabilities 負債		Assets 資產	
		2009 HK\$'000 千港元	2008 HK\$'000 千港元	2009 HK\$'000 千港元	2008 HK\$'000 千港元
United States					
dollars ("US\$")	美元	—	14,011	6	30,581
HK\$	港元	214,899	84,046	2,688	25

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

The Group is mainly exposed to the fluctuation of US\$ and HK\$. The following table details the Group's sensitivity to a 5% (2008: 5%) appreciation and depreciation in the functional currency of the relevant subsidiaries (RMB) against the above foreign currencies. 5% (2008: 5%) represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2008: 5%) change in the exchange rates. A strengthening of the functional currency of the relevant subsidiaries against the above foreign currencies would give rise to the following impact to the Group's pre-tax results for the year and vice versa.

Improvement (deterioration) in results for the year	年度業績 上升(下降)
- US\$	- 美元
- HK\$	- 港元

6. 財務工具(續)

6b. 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

本集團主要面對美元及港元之匯率波動風險。下表詳列本集團相關附屬公司功能貨幣(人民幣)兌上述外幣升值及貶值5%(二零零八年: 5%)之敏感度。5%(二零零八年: 5%)為管理層對外匯匯率可能出現合理變動之評估。敏感度分析僅包括尚未清償之外幣計值貨幣項目, 並於各呈報期結算日以匯率5%(二零零八年: 5%)之變動調整換算。倘相關附屬公司功能貨幣兌上述外幣升值, 將對年度除稅前業績產生以下影響, 反之亦然。

2009 HK\$'000 千港元	2008 HK\$'000 千港元
—	829
(10,611)	(4,201)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

In management's opinion, the above sensitivity analysis is not necessarily representative of the inherent foreign exchange risk as the exposure at year end does not reflect the exposure during the year.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to its fixed-rate borrowings (see Note 33 for details of these borrowings), promissory notes and convertible loan notes. 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 arise.

The Group's exposure to cash flow interest rate risk at 31st December, 2009 was low because it did not have borrowings that carried variable interest rate at that date. Interest income from variable rate bank deposit is insignificant to the Group.

Sensitivity analysis

As the resultant impact to the Group is insignificant, no sensitivity regarding changes in interest rates is presented.

6. 財務工具 (續)

6b. 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

管理層認為，由於年末所面對之風險並不反映本年度所面對之風險，故上述敏感度分析並不代表固有外匯風險。

(ii) 利率風險

本集團面對之公平值利率風險與定息借貸(該等借貸詳情見附註33)、承兌票據及可換股貸款票據有關。本集團現時並無利率對沖政策。然而，管理層監控利率風險並會在需要時考慮對沖重大利率風險。

於二零零九年十二月三十一日，本集團面對之現金流量利率風險較低，乃由於本集團於該日並無浮息借貸。浮息銀行存款利息收入對本集團而言不屬重大。

敏感度分析

由於利率變動對本集團影響不大，故並無呈列相關敏感度。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Other price risk

Convertible loan notes

The Group estimates the fair value of the derivative embedded in the convertible loan notes at the end of the reporting period with changes in fair value to be recognised in the profit or loss as long as the convertible loan notes are outstanding. The fair value adjustment will be affected either positively or negatively, amongst others, by the changes in short-term interest (risk free) rate, the Company's share price and share price volatility.

Sensitivity analysis

The fair value of derivative option component embedded in the convertible loan notes was estimated using binomial option pricing model. The sensitivity analysis below has been determined based on the exposure to the Company's share price risks with all other variables held constant.

If the Company's share price has been 25% higher/lower and all other variables were held constant, the Group's post-tax loss for the year (as a result of changes in fair value of derivative option component of convertible loan notes) would increase by approximately HK\$6,513,000/ decrease by approximately HK\$5,017,000.

6. 財務工具 (續)

6b. 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 其他價格風險

可換股貸款票據

本集團估計呈報期結算日的可換股貸款票據內嵌式衍生工具之公平值，而於可換股貸款票據尚未贖回期間，公平值變動於損益確認。公平值調整將受短期利率（無風險）與本公司股價變動及股價波動的正或負面影響。

敏感度分析

可換股貸款票據內嵌式衍生工具期權部分之公平值使用二項式的期權定價法估計。下述敏感度分析乃根據本公司股價風險及所有其他可變因素保持不變而釐定。

倘本公司股價上升／下降25%，而所有其他可變因素保持不變，則本集團年內之除稅後虧損（因可換股貸款票據之衍生工具期權部分公平值變動所致）將增加約6,513,000港元／減少約5,017,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Other price risk (Continued)

Sensitivity analysis (Continued)

In management's opinion, the sensitivity analysis are unrepresentative of the inherent market risk as the pricing model used in the fair value valuation of derivative option component of convertible loan notes involves multiple variables and certain variables are interdependent.

Credit risk

As at 31st December, 2009, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's credit risk by geographic region is concentrated on PRC as almost all its revenue is derived in the PRC market.

6. 財務工具 (續)

6b. 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 其他價格風險 (續)

敏感度分析 (續)

管理層相信，由於評估可換股貸款票據之衍生工具期權部分公平值時所用之定價法涉及多項可變因素，且若干可變因素相互影響，故此敏感度分析並不反映內在市場風險。

信貸風險

於二零零九年十二月三十一日，本集團因交易對手未履行責任而導致本集團遭受財務虧損之最大信貸風險來自已於綜合財務狀況表列賬之各項已確認財務資產之賬面值。

由於本集團絕大部分收入均來自中國市場，故按地域劃分的信貸風險主要集中在中國。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In terms of concentration of credit risk by customers, the Group's five largest customers and the largest customers accounted for 85% and 53%, respectively of the Group's total trade receivable at 31st December, 2009 (2008: 50% and 17%). In order to recognised the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

In addition to credit risk on trade debts, the Group is also exposed to concentration of credit risk through an advance to one related party of HK\$5.7 million (2008: HK\$5.7 million). Because of its significance, management has regular liaison with the counterparty to understand its financial position and to identify any early sign of potential problems. Should any potential default risk arise, the Group's management will take prompt actions to safeguard the Group's assets.

6. 財務工具 (續)

6b. 財務風險管理目標及政策 (續)

信貸風險 (續)

就按客戶劃分的信貸風險集中度而言，應收本集團五大客戶及最大客戶款項分別佔本集團於二零零九年十二月三十一日應收貿易賬款總額85%及53% (二零零八年：50%及17%)。為確認信貸風險，本集團管理層已委派小組負責釐定信貸限額、批准信貸額及其他監管程序，確保採取跟進措施收回逾期債務。此外，本集團於各呈報期結算日檢討各項貿易債務之可收回款項，確保就不可收回款項作出足夠減值虧損。就此而言，本公司董事認為本集團信貸風險已大幅降低。

除應收貿易賬款之信貸風險外，本集團亦因向一名關連人士墊款5,700,000港元 (二零零八年：5,700,000港元) 而面對集中信貸風險。由於事關重大，故管理層定期與交易對手聯繫以了解其財務狀況及識別有否潛在問題的預兆。倘發生任何潛在拖欠情況，則本集團管理層會即時採取行動保障本集團資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Also, at 31st December, 2009, the Group had outstanding purchase rebates receivable from its largest supplier in the amount of HK\$50,020,000 (2008: HK\$28,363,000). Because of the significance of the balance, senior management of the Group keeps very frequent contact with the supplier to ensure that settlement of the rebates receivable are in accordance with agreed schedule.

In addition, the Group had concentration of credit risk on its liquid funds as 74% (2008: 93%) of bank balances were placed with five (2008: five) banks. However, the credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

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 management monitors the recognised borrowings as well as the cash flows from operating activities.

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

6. 財務工具 (續)

6b. 財務風險管理目標及政策 (續)

信貸風險 (續)

另外，於二零零九年十二月三十一日，本集團應收最大供應商的未結清採購回扣款項50,020,000港元(二零零八年：28,363,000港元)。由於結餘較多，故本集團高級管理層定期與供應商聯繫，確保按協定時間結清應收回扣款項。

此外，由於本集團74%(二零零八年：93%)銀行存款存放於五間(二零零八年：五間)銀行，故本集團面對集中流動資金信貸風險。然而，由於交易對手為國際信貸評級機構評為良好信貸評級之銀行，故流動資金之信貸風險有限。

流動資金風險

管理流動資金風險時，本集團監控並維持管理層視為足夠為本集團營運提供資金之現金及現金等價物，並減輕現金流量波動的影響。管理層監控借貸之確認情況以及經營業務之現金流量。

下表載列本集團非衍生財務負債及衍生財務負債之剩餘合約的到期詳情。該表根據本集團可能須償還之最早日期的財務負債之未貼現現金流量編製，包括現金流量之利息及本金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6. 財務工具 (續)

6b. Financial risk management objectives and policies (Continued)

6b. 財務風險管理目標及政策 (續)

Liquidity risk (Continued)

流動資金風險 (續)

Liquidity table

流動資金表

		Weighted average effective interest rate	Less than 1 month	1 - 3 months	3 months to 1 year	More than 1 year	Total undiscounted cash flows	Carrying amount at 31.12.2009
			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
2009	二零零九年							
Derivative financial liabilities	衍生財務負債							
Derivative financial instrument	衍生財務工具	—	—	—	—	—	—	15,494
Non-derivative financial liabilities	非衍生財務負債							
Trade and other payables	應付貿易賬款及其他應付賬款	—	8,444	99	3,540	—	12,083	12,083
Amounts due to related parties	應付關連人士款項							
– Amount due to an associate	– 應付一家聯營公司款項	—	500	—	—	—	500	500
– Amount due to a director	– 應付一名董事款項	—	13,155	—	—	—	13,155	13,155
– Amount due to a minority shareholder of a subsidiary	– 應付一家附屬公司少數股東款項	—	6,126	—	—	—	6,126	6,126
– Amount due to a director's affiliate	– 應付一名董事聯屬人士款項	3.59	6,025	—	—	—	6,025	6,000
Secured borrowing	有抵押借貸	8.47	—	—	15,197	—	15,197	14,010
Convertible loan notes (note)	可換股貸款票據 (附註)	8.70	—	—	—	100,000	100,000	84,812
Promissory notes	承兌票據							
– current	– 即期	8.13	—	—	8,162	—	8,162	7,549
– non-current	– 非即期	8.72	—	—	—	49,579	49,579	42,130
			34,250	99	26,899	149,579	210,827	201,859

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6. 財務工具 (續)

6b. Financial risk management objectives and policies (Continued)

6b. 財務風險管理目標及政策 (續)

Liquidity risk (Continued)

流動資金風險 (續)

Liquidity table (Continued)

流動資金表 (續)

	Weighted average effective interest rate	Less than 1 month	1 – 3 months	3 months to 1 year	More than 1 year	Total undis-cashed flows	Carrying amount at 31.12.2009
							於二零零九年十二月三十一日之賬面值
	加權平均實際利率 %	少於 1個月 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	1年以上 HK\$'000 千港元	流量總額 HK\$'000 千港元	未貼現現金之賬面值 HK\$'000 千港元
2008							
Non-derivative financial liabilities							
Trade and other payables		應付貿易賬款及其他應付賬款					
Amount due to an associate		應付一家聯營公司款項					
Bank borrowings		銀行借貸					
- fixed rate	4.00	一定息					
- variable rate	3.47	一浮息					
Other financial liabilities		其他財務負債					
		155,363	1,415	6,997	–	163,775	163,775

note: The maturity of the convertible loan notes is presented based on the assumption that, the holder shall not exercise the conversion option and hold it until maturity.

附註：可換股貸款票據的到期日乃基於持有人並不行使兌換選擇權並持至到期的假設而呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6c. Fair values

The fair value of financial assets and financial liabilities (excluding embedded non-option derivative and derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The fair value of the derivative financial instruments is determined using Binomial Model using market inputs (Note 34).

At 31st December, 2008, the fair value of embedded non-option derivative was determined with reference to the profitability of the logistics and fulfillment business carried out by a PRC subsidiary of the Group.

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

6. 財務工具 (續)

6c. 公平值

財務資產及財務負債(不包括嵌入式非期權衍生工具及衍生財務工具)之公平值按公認定價模式進行貼現現金流量分析而釐定。

衍生工具之公平值以報價計算,倘無報價,非期權衍生工具的公平值則按基於其有效期間適用之孳息曲線作出的折算現金流量分析估計,而期權衍生工具的公平值則採用期權定價模式估計。

衍生財務工具之公平值使用二項式的期權定價法按市場參數釐定(附註34)。

於二零零八年十二月三十一日,嵌入式非期權衍生工具的公平值參考本集團一間中國附屬公司所經營物流及配送貨運業務的盈利能力計算。

董事認為,本集團按攤銷成本列賬於綜合財務報表之財務資產及財務負債之賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6c. Fair values (Continued)

Fair value measurements recognised in the 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 Level 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) on 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).

At 31st December, 2009, all the Group's derivative component of convertible loan notes measured at fair value were classified as Level 3 instruments, details of which are as follows:

6. 財務工具 (續)

6c. 公平值 (續)

於財務狀況表確認的公平值計量

下表提供在按公平值作初步確認後計量之財務工具之分析，據觀察所得之公平值分類為第一類至第三類。

- 第一類，可識別資產或負債在活躍市場報價(未經調整)所得公平值計量。
- 第二類，除第一類計及的報價外，就資產或負債直接(即價格)或間接(即自價格所得)觀察所得的計算項目所得之公平值計量。
- 第三類公平值計量乃基於計入並非根據可觀察市場數據(無法觀察輸入數據)之資產或負債之估值方法得出。

於二零零九年十二月三十一日，本集團可換股貸款票據的衍生部分按公平值計量分類為第三級工具，詳情如下：

		HK\$'000 千港元
Financial liabilities at FVTPL	透過損益按公平值計量之財務負債	
Derivative financial instrument	衍生財務工具	15,494

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6c. Fair values (Continued)

There were no transfers between categories during the year.

Reconciliation of Level 3 fair value measurements of financial liabilities

Initial recognition	初步確認	
Loss on changes in fair value	公平值變動之虧損	
At 31st December, 2009	於二零零九年十二月三十一日	

The above loss on changes in fair value relates to convertible loan notes held at the end of the reporting period. The amount is included in other gains and losses.

6. 財務工具 (續)

6c. 公平值 (續)

年內，上述類別之間概無轉撥。

第三級公平值計量的財務負債對賬

Derivative financial instrument 衍生財務工具	HK\$'000 千港元
	15,168
	326
	<hr/>
	15,494

以上之公平值變動之虧損與截至呈報期結算日止所持可換股貸款票據有關，該金額計入其他損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

7. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1st January, 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker the “CODM”), the Chairman and the Chief Executive Officer, for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group’s primary reporting format was geographical segments by location of customers. The application of HKFRS 8 has not resulted in a redesignation of the Group’s operating segments as compared with the primary operating segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

Prior to 24th August, 2009, the Group was engaged in the distribution and trading of mobile phones and related accessories in both the PRC (excluding Hong Kong) and Hong Kong, which is known as “Mobile phone business” segment. The CODM used to measure and assess the Group’s performance and allocate resources based on the contribution by these two geographical markets. In August, 2009, the Group discontinued its operations in Hong Kong upon disposal of its subsidiary, the Synergy sub-group.

7. 分部資料

本集團已採納於二零零九年一月一日生效之香港財務報告準則第8號「經營分部」。香港財務報告準則第8號乃一項披露準則，規定按主要營運決策者（「主要營運決策者」）、主席及首席執行官定期審閱用以分配資源予各分部及評估其表現之集團部門內部報告為基礎識別經營分部。相反，其前準則（香港會計準則第14號「分類報告」）規定實體應以風險及回報界定兩組分部（業務及地域）。以往，本集團之主要呈報方式為按客戶地點劃分之地域分部。對照香港會計準則第14號所釐定之主要經營分部，採納香港財務報告準則第8號並未引致本集團經營分部需要重新指定。採納香港財務報告準則第8號亦無改變分部溢利或虧損的計量基準。

於二零零九年八月二十四日前，本集團在中國（不包括香港）及香港從事移動電話及相關配件的分銷及貿易，列為「移動電話業務」分部。主要營運決策者過往按該兩個地域市場的貢獻衡量及評估本集團表現及資源分配。本集團於二零零九年八月出售附屬公司Synergy集團後已終止在香港的營運。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

As set out in Note 37, on 23rd December, 2009, the Group completed its acquisition of a 50.8% equity interest in a mining company established in the PRC and henceforth became engaged in the mining business. However, no active operation took place between the date of acquisition and the end of the reporting period. Therefore no segment information relevant to the mining segment is presented.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment results represent the profit (loss) from each segment without allocation of interest income, miscellaneous income, finance costs, central administration costs, impairment losses recognised in respect of goodwill and available-for-sale investment, fair value loss on derivative financial instrument, loss on disposal of subsidiaries, gain on disposal of an associate and share of results of associates.

Inter-segment sales are charged at prevailing market rates.

7. 分部資料 (續)

按附註37所述，本集團於二零零九年十二月二十三日完成收購一間於中國成立的採礦公司50.8%股權，此後開始從事採礦業務。然而，於收購日期截至呈報期結算日並無營運活動，故並無呈列採礦分部相關的分部資料。

經營分部所採用會計政策與附註3所述的本集團會計政策一致。分部業績指各分部的溢利(虧損)，惟並無分配利息收入、雜項收入、融資成本、中央行政成本、就商譽及可供出售投資確認之減值虧損、衍生財務工具之公平值虧損、出售附屬公司之虧損、出售一家聯營公司之收益及分佔聯營公司之業績。

分部間銷售按現行市場比率扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

Segment revenues and results

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

For the year ended 31st December, 2009

7. 分部資料 (續)

分部收益及業績

下表為按經營分部劃分之本集團收益及業績分析。

截至二零零九年十二月三十一日止年度

		Mobile phone business 移動電話業務			
		Continuing Discontinued			
		The PRC	Hong Kong	Elimination	Total
		持續	已終止		
		中國	香港	抵銷	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
REVENUE	收益				
External sales	外部銷售	2,100,080	56,276	—	2,156,356
Inter-segment sales	分部間銷售	32,916	491	(33,407)	—
		2,132,996	56,767	(33,407)	2,156,356
RESULTS	業績				
Segment results	分部業績	27,068	820	—	27,888
Interest income	利息收入				452
Miscellaneous income	雜項收入				972
Finance costs	融資成本				(2,330)
Central administration costs	中央行政成本				(11,596)
Impairment loss recognised in respect of available-for-sale investment	就可供出售投資 確認之減值虧損				(217)
Impairment loss recognised in respect of goodwill	就商譽確認之 減值虧損				(184,340)
Fair value loss on derivative financial instrument	衍生財務工具之 公平值虧損				(326)
Loss on disposal of subsidiaries	出售附屬公司之虧損				(4,974)
Gain on disposal of an associate	出售一家聯營公司之收益				1,437
Share of results of associates	分佔聯營公司之業績				732
Loss before taxation	除稅前虧損				(172,302)
Income tax expense	所得稅開支				(127)
Loss for the year	年度虧損				(172,429)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

7. 分部資料 (續)

Segment revenues and results (Continued)

分部收益及業績 (續)

For the year ended 31st December, 2008

截至二零零八年十二月三十一日止
年度

		Mobile phone business 移動電話業務			
		Continuing The PRC 持續 中國 HK\$'000 千港元	Discontinued Hong Kong 已終止 香港 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
REVENUE	收益				
External sales	外部銷售	1,834,530	263,063	—	2,097,593
Inter-segment sales	分部間銷售	113,200	13,467	(126,667)	—
		1,947,730	276,530	(126,667)	2,097,593
RESULTS	業績				
Segment results	分部業績	(9,183)	2,497	—	(6,686)
Interest income	利息收入				1,557
Miscellaneous income	雜項收入				9,503
Finance costs	融資成本				(11,837)
Central administration costs	中央行政成本				(57,959)
Impairment loss recognised in respect of available-for-sale investment	就可供出售投資確認之減值虧損				(632)
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損				(5,105)
Share of results of associates	分佔聯營公司之業績				(4,036)
Fair value gain on an embedded non-option derivative	嵌入式非期權衍生工具之公平值收益				5,538
Gain on disposal of an associate	出售一家聯營公司之收益				104
Impairment loss recognised in respect of interests in associates	就聯營公司權益確認之減值虧損				(5,725)
Loss on disposal of held-for-sale property	持有出售物業之虧損				(107)
Loss before taxation	除稅前虧損				(75,385)
Income tax expense	所得稅開支				(3,459)
Loss for the year	年度虧損				(78,844)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

Inter-segment sales are charged at prevailing market rate.

Other segment information and information about major customers

7. 分部資料 (續)

分部收益及業績 (續)

分部間銷售按現行市場比率扣除。

其他分部資料及主要客戶資料

		Mobile phone business 移動電話業務									
		Continuing		Discontinued		Segment Total		Unallocated		Total	
		The PRC		Hong Kong							
		持續		已終止							
		中國		香港		分部總計		未分配		總計	
		2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
		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
Amounts included in the measure of segment results:	計量分部業績時計入的金額：										
Allowance for trade and other receivables	應收貿易賬款及其他應收賬款之撥備	994	47,347	—	17	994	47,364	—	—	994	47,364
Write down of inventories	存貨撇減	8,249	5,061	—	2,177	8,249	7,238	—	—	8,249	7,238
Depreciation of plant and equipment	廠房及設備之折舊	1,253	1,376	25	84	1,278	1,460	—	—	1,278	1,460
Gain (loss) on disposal of plant and equipment	出售廠房及設備之收益 (虧損)	136	(111)	(9)	(6)	127	(117)	—	—	127	(117)
Amounts regularly provided to the CODM but not included in the measure of segment results:	定期向主要營運決策者提供但並無在計量分部業績時計入的金額：										
Finance costs	融資成本	—	—	—	—	—	—	2,330	11,837	2,330	11,837
Share of (profit) loss of associates	分佔聯營公司 (溢利) 虧損	—	—	—	—	—	—	(732)	4,036	(732)	4,036

Revenue from major product and services

The Group's revenue for both years from continuing operations is solely from mobile phone business.

主要產品及服務之收益

本集團該兩年度的持續業務收益均只來自移動電話業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in the PRC and Hong Kong. The operation in Hong Kong was discontinued during 2009 as set out in Note 11.

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

		Revenue from external customers 來自外界客戶之收益		Non-current assets 非流動資產	
		Year ended 年度止			
		31/12/2009 HK\$'000 千港元	31/12/2008 HK\$'000 千港元	2009 HK\$'000 千港元	2008 HK\$'000 千港元
PRC (continuing operations)	中國(持續業務)	2,100,080	1,834,530	431,728	53,301
Hong Kong (discontinued operations)	香港(已終止業務)	56,276	263,063	—	74
		2,156,356	2,097,593	431,728	53,375

note: Non-current assets excluded those relating to available-for-sale investment.

During the year, only one single customer contributed to more than 10% of the Group's total revenue (2008: none), from whom the revenue is approximately HK\$330,507,000.

7. 分部資料 (續)

地區資料

本集團之業務位於中國及香港。香港之業務已於二零零九年終止，詳情載列於附註11。

本集團按地域所劃分來自外界客戶的持續業務收益以及有關非流動資產的資料詳載如下：

附註：非流動資產不包括可供出售投資有關的資產。

年內，僅有一名(二零零八年：無)客戶對本集團總收益貢獻超過10%，彼對本集團的收益為約330,507,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Other gains and losses comprise:	其他收益及虧損包括：		
Exchange (loss) gain	匯兌(虧損)收益	(255)	1,727
Impairment loss recognised in respect of available-for-sale investment	就可供出售投資確認之減值虧損	(217)	(632)
Impairment loss recognised in respect of interests in associates	就聯營公司權益確認之減值虧損	—	(5,725)
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	(184,340)	(5,105)
Fair value loss on derivative financial instrument	衍生財務工具之公平值虧損	(326)	—
Fair value gain on an embedded non-option derivative	嵌入式非期權衍生工具之公平值收益	—	5,538
Allowance for trade receivables	應收貿易賬款撥備	(994)	(6,266)
Allowance for other receivables	其他應收賬款撥備	—	(43,504)
Reversal (impairment) of loss recognised in respect of club memberships	就會所會籍確認之減值撥回(虧損)	82	(35)
Loss on disposal of asset classified as held for sale	出售分類為持作出售資產之虧損	—	(107)
Gain (loss) on disposal of plant and equipment	出售廠房及設備之收益(虧損)	136	(111)
Reversal of impairment loss recognised in respect of trade and other receivables	就貿易及其他應收賬款確認之減值虧損撥回	14,916	2,423
		(170,998)	(51,797)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

9. FINANCE COSTS

Continuing operations	持續經營業務
Interests on:	利息有關：
Bank and other borrowings wholly repayable within five years (Note 33)	須於五年內悉數償還之銀行及其他借貸(附註33)
Bills discounting	票據貼現
Convertible loan notes	可換股貸款票據
Earnest money received	已收保證金
Other financial liabilities (Note 32)	其他財務負債(附註32)
Promissory notes	承兌票據

9. 融資成本

2009 HK\$'000 千港元	2008 HK\$'000 千港元
1,107	2,036
382	61
187	—
501	—
—	9,523
105	—
2,282	11,620

10. INCOME TAX EXPENSE

Continuing operations	持續經營業務
The charge comprises:	支出包括：
Current tax:	即期稅項：
Hong Kong Profits Tax	香港利得稅
PRC Enterprise Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)

10. 所得稅開支

2009 HK\$'000 千港元	2008 HK\$'000 千港元
—	—
26	3,178
26	3,178

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. No provision for Hong Kong Profits Tax made as the Group has no assessable profit for the year.

PRC EIT represents tax charge on the assessable profits of the Company's subsidiary, 珠海市雷鳴達通訊設備有限公司 ("Zhuhai Reminda").

於二零零八年六月二十六日，香港立法會通過二零零八年收入條例法案，將企業利得稅率由17.5%減至16.5%，自二零零八／二零零九年課稅年度起生效。由於本集團於本年度並無應課稅溢利，故並無作出香港利得稅撥備。

中國企業所得稅指本公司附屬公司珠海市雷鳴達通訊設備有限公司(「珠海雷鳴達」)應課稅溢利之稅項支出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

10. INCOME TAX EXPENSE (Continued)

Fortune (Shanghai) International Trading Co., Ltd (“Fortune Shanghai”), 上海長遠忻科貿易有限公司 (“Shanghai Telefortune”) and 上海遠嘉國際貿易有限公司 (“Shanghai Yuanjia”) were established in Shanghai Waigaoqiao Free Trade Zone, the PRC; and Zhuhai Reminda was established in Zhuhai Special Economic Zone, the PRC. Accordingly, for the year ended 31st December, 2009, these PRC subsidiaries were entitled to the EIT rate of 20%. 黃石鋸發礦業有限公司 (“Sifa Mining”) was established in the PRC and subject to the EIT rate of 25% for the year ended 31st December, 2009.

The charge for the year can be reconciled to the loss before taxation per the consolidated statement of comprehensive income as follows:

10. 所得稅開支 (續)

長遠(上海)國際貿易有限公司(「長遠上海」)、上海長遠忻科貿易有限公司(「上海忻科」)及上海遠嘉國際貿易有限公司(「上海遠嘉」)於中國上海外高橋保稅區成立，珠海雷鳴達則於中國珠海經濟特區成立。因此，截至二零零九年十二月三十一日止年度，該等中國附屬公司享有企業所得稅稅率20%。黃石鋸發礦業有限公司(「鋸發礦業」)於中國成立，截至二零零九年十二月三十一日止年度須按25%的企業所得稅稅率納稅。

本年度之稅項支出與綜合全面收入表之除稅前虧損對賬如下：

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Loss before taxation from continuing operations	持續經營業務之 除稅前虧損	(173,074)	(77,674)
Tax at the domestic income tax rate of 20% (2008: 18%) (note)	按本地所得稅稅率20% (二零零八年：18%)計算 之稅項(附註)	(34,615)	(13,981)
Tax effect of share of results of associates	分佔聯營公司業績之稅務影響	(147)	726
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	39,912	5,414
Tax effect of income not taxable for tax purpose	毋須課稅收益之稅務影響	(1,164)	(1,179)
Reversal of tax effect of deductible temporary differences previously recognised	轉回過往確認可扣稅 暫時差額之稅務影響	(2,983)	—
Tax effect of deductible temporary differences not recognised	未確認可扣稅暫時差額 之稅務影響	199	8,523
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	1,572	2,824
Utilisation of tax loss previously not recognised	動用過往未確認之稅項虧損	(2,748)	(36)
Effect of different tax rates of group entities operating in other jurisdictions	其他司法權區營運之集團實體 不同稅率之影響	—	887
Tax expense for the year	年度稅項開支	26	3,178

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

10. INCOME TAX EXPENSE (Continued)

At the end of reporting period, the Group had unused tax losses of approximately HK\$260,852,000 (2008: HK\$266,731,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$168,098,000 (2008: HK\$181,836,000) that may be carried forward for a period of five years from their respective year of origination. Other losses may be carried forward indefinitely.

At the end of the reporting period, the Group also had deductible temporary differences of approximately HK\$69,811,000 (2008: HK\$84,528,000). No deferred tax asset has 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 differences can be utilised.

note: The domestic income tax rate represents the PRC EIT rate where the Group's operations are substantially based.

11. DISCONTINUED OPERATION

On 24th August, 2009, the Group disposed a subsidiary, Synergy Technologies (Asia) Limited and its subsidiary (collectively referred to as the "Synergy sub-group"), which carried out all of the Group's business in Hong Kong. Following this disposal, the Group discontinued its mobile phone business in Hong Kong. The disposal was effected in order to generate cash flows for the expansion of the Group's PRC operation.

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

Profit of Hong Kong operations for the year	本年度香港業務之溢利
Loss on disposal of Hong Kong operations (see Note 38)	出售香港業務之虧損 (見附註38)

10. 所得稅開支 (續)

於呈報期結算日，本集團可用作抵消未來溢利之尚未動用稅項虧損約為260,852,000港元（二零零八年：266,731,000港元）。由於無法確定未來溢利來源，故並無就尚未動用之稅項虧損確認遞延稅項資產。計入未確認稅項虧損的虧損約為168,098,000港元（二零零八年：181,836,000港元），可自產生各年度起結轉五年。其他虧損可無限期結轉。

於呈報期結算日，本集團亦有可扣稅暫時差額約69,811,000港元（二零零八年：84,528,000港元）。由於不大可能產生可扣稅暫時差額用以抵銷應課稅溢利，故並無就該等可扣稅暫時差額確認遞延稅項資產。

*附註：*本地所得稅稅率指本集團大部分業務適用之中國企業所得稅稅率。

11. 已終止業務

本集團於二零零九年八月二十四日出售經營本集團所有香港業務的附屬公司Synergy Technologies (Asia) Limited及其附屬公司（統稱「Synergy集團」）。出售後，本集團已終止香港的移動電話業務。該出售乃為擴展本集團中國業務而提供現金流量。

年內已終止業務之溢利分析如下：

Year ended 截至該日 止年度 31/12/2009 HK\$'000 千港元	Year ended 截至該日 止年度 31/12/2008 HK\$'000 千港元
671	2,008
(5,081)	—
(4,410)	2,008

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

11. DISCONTINUED OPERATION (Continued)

The results of the Hong Kong operations for the period from 1st January, 2009 to 24th August, 2009, which have been included in the consolidated statement of comprehensive income, were as follows:

Revenue	收益
Cost of sales	銷售成本
Other income	其他收入
Selling and distribution costs	銷售及分銷成本
Administrative expenses	行政開支
Finance costs	融資成本
Profit before tax	除稅前溢利
Income tax expense	所得稅開支
Profit for the period/year	期／年內溢利
Profit for the year from the discontinued operation includes the following:	已終止業務年內溢利包括下列項目：
Auditor's remuneration	核數師酬金
Depreciation on plant and equipment	廠房及設備折舊
Employee benefit expenses	僱員福利開支
Loss on disposal of plant and equipment	出售廠房及設備之虧損
Waiver of trade and other payables	應付貿易賬款及其他應付賬款豁免

During the year, the Synergy sub-group contributed HK\$11,892,000 (2008: outflow HK\$2,139,000) to the group's net operating cash flows, received HK\$9,000 (2008: HK\$799,000) in respect of investing activities and paid HK\$10,184,000 (2008: HK\$588,000) in respect of financing activities.

11. 已終止業務 (續)

二零零九年一月一日至二零零九年八月二十四日，計入綜合全面收入表之香港業務業績如下：

1/1/2009 to 24/8/2009 HK\$'000 千港元	1/1/2008 to 31/12/2008 HK\$'000 千港元
56,276	263,063
(53,373)	(252,540)
5,725	2,441
(3,829)	(8,121)
(3,979)	(2,337)
(48)	(217)
772	2,289
(101)	(281)
671	2,008
29	44
25	84
3,376	6,337
9	6
5,695	2,158

年內，Synergy集團對本集團營運現金流量淨額貢獻11,892,000港元(二零零八年：現金流出2,139,000港元)，自投資活動收取9,000港元(二零零八年：799,000港元)及就融資活動支付10,184,000港元(二零零八年：588,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

11. DISCONTINUED OPERATION (Continued)

The carrying amounts of the assets and liabilities of the Synergy sub-group at the date of disposal are disclosed as below:

Total Assets	資產總值	15,427
Total Liabilities	負債總額	12,376

11. 已終止業務 (續)

Synergy集團於出售當日之資產及負債賬面值披露如下：

HK\$'000
千港元

12. LOSS FOR THE YEAR

12. 年度虧損

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Continuing operations	持續經營業務		
Loss for the year has been arrived at after charging:	年度虧損已扣除：		
Auditor's remuneration	核數師酬金	1,357	1,475
Cost of inventories recognised as expense (including write down of inventories: HK\$8,249,000 (2008: HK\$7,238,000))	已確認為開支之存貨成本 (包括存貨撇減：(二零零八年：7,238,000港元))	2,057,889	1,812,637
Depreciation of plant and equipment	廠房及設備之折舊	1,253	1,376
Staff costs	僱員成本		
– directors' emoluments (Note 13)	—董事酬金(附註13)	2,385	3,313
– other staff costs	—其他員工成本	11,205	13,575
– retirement benefit scheme contribution (excluding directors)	—退休福利計劃供款 (不包括董事)	580	404
		14,170	17,292
and after crediting:	及已加入：		
Bank interest income	銀行利息收入	452	1,548
Government grants	政府補助	664	209
Service income from provision of logistics and promotion services	提供物流及宣傳服務之服務收入	2,458	3,937
Waiver of trade and other payables	應付貿易賬款及其他應付賬款豁免	—	1,104

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the eight (2008: seven) directors were as follows:

13. 董事酬金

已付或應付予八位(二零零八年:七位)董事各自之酬金如下:

		Lau Siu Ying ("Mr. Lau") 劉小鷹 ([劉先生])	Luo Xi Zhi 羅習之	Fung Oi Ip, Alfonso 馮靄業	Lo Wing Yat 盧永逸	Chang Wing Seng, Victor 鄭永勝	Wong Lit Chor, Alexis 黃烈初	Chen Yi Gang 陳亦剛	Wang Yu 王愚	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
2009										
Fees	袍金	—	—	100	50	100	100	80	430	
Other emoluments	其他酬金									
Salaries and allowances	薪金及津貼	1,752	159	—	—	—	—	—	1,929	
Retirement benefit scheme contribution	退休福利計劃供款	2	24	—	—	—	—	—	26	
Total emoluments	酬金總額	1,754	183	100	50	100	100	80	2,385	
2008										
Fees	袍金	—	—	100	50	100	100	80	430	
Other emoluments	其他酬金									
Salaries and allowances	薪金及津貼	1,719	108	—	—	—	—	—	1,827	
Performance related incentive bonuses (note i)	表現相關獎勵花紅(附註i)	1,000	33	—	—	—	—	—	1,033	
Retirement benefit scheme contribution	退休福利計劃供款	2	21	—	—	—	—	—	23	
Total emoluments	酬金總額	2,721	162	100	50	100	100	80	3,313	

notes:

- (i) The performance related incentive bonuses for 2008 was determined with reference to performance of the Group.
- (ii) Wang Yu was appointed on 12th November, 2009.

附註:

- (i) 2008年年度之表現相關獎勵花紅經參考本集團業績釐定。
- (ii) 王愚於二零零九年十一月十二日獲委任。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2008: one) was a director of the Company whose emolument is included in the disclosures in Note 13 above. The emoluments of the remaining four (2008: four) individuals were as follows:

Salaries and allowances	薪金及津貼
Retirement benefit scheme contributions	退休福利計劃供款

Their emoluments were within the following bands:

Up to HK\$1,000,000	1,000,000港元以內
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元

None of the five highest paid individuals waived any emoluments in both years.

During the year ended 31st December, 2009 and 2008, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office.

15. DIVIDEND

No dividend was paid or proposed during both years, nor has any dividend been proposed since the end of the reporting period (2008: Nil).

14. 僱員酬金

本集團五位最高薪人士中，其中一位(二零零八年：一位)為本公司董事，其酬金載於上文附註13所披露之資料內。餘下四位(二零零八年：四位)人士之酬金如下：

2009 HK\$'000 千港元	2008 HK\$'000 千港元
2,314	3,266
38	39
2,352	3,305

該等僱員之酬金介乎下列範圍：

2009 Number of employees 僱員數目	2008 Number of employees 僱員數目
4	3
—	1

兩個年度內，五位最高薪人士概無放棄收取任何酬金。

截至二零零九年及二零零八年十二月三十一日止年度，本集團概無向五位最高薪人士(包括董事)支付任何酬金，作為招攬彼等加入或在加入本集團時之酬金或作為離職補償。

15. 股息

兩個年度內，概無派付或擬派股息，自呈報期結算日以來亦無擬派任何股息(二零零八年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

16. LOSS PER SHARE

For continuing and discontinued operations

The calculation of loss per share for the year is based on the loss for the year attributable to owners of the Company of HK\$171,983,000 (2008: HK\$78,719,000) and the weighted average number of 379,497,000 shares in issue during the year (2008: 372,790,000 shares in issue).

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares for both 2009 and 2008.

For continuing operations

The calculation of loss per share for the year is based on the loss for the year attributable to owners of the Company of HK\$172,654,000 (2008: HK\$80,727,000) and the weighted average number of 379,497,000 shares in issue during the year (2008: 372,790,000 shares in issue).

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares for both 2009 and 2008.

16. 每股虧損

持續及已終止經營業務

年內每股虧損根據年內本公司擁有人應佔虧損171,983,000港元(二零零八年: 78,719,000港元)及年內已發行股份之加權平均數379,497,000股(二零零八年: 372,790,000股已發行股份)計算。

由於二零零八年及二零零九年購股權的行使價格高於平均股價,故計算每股攤薄虧損時並無假設已行使本公司未行使之購股權。

持續經營業務

年內每股虧損計算乃根據本公司擁有人應佔年內虧損172,654,000港元(二零零八年: 80,727,000港元)及年內已發行股份加權平均數379,497,000股(二零零八年: 372,790,000股已發行股份)計算。

由於二零零八年及二零零九年購股權的行使價格高於平均股價,故計算每股攤薄虧損時並無假設已行使本公司未行使之購股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

17. PLANT AND EQUIPMENT

17. 廠房及設備

		Furniture, Leasehold fixtures and improvements equipment			Motor vehicles	Total
		家俬、 租賃物業裝修	裝置及設備	汽車	總額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	
COST	成本					
At 1st January, 2008	於二零零八年 一月一日	3,561	2,691	2,653	8,905	
Exchange adjustments	匯兌調整	162	65	27	254	
Additions	增加	405	199	—	604	
Disposals	出售	(150)	(477)	(155)	(782)	
At 31st December, 2008	於二零零八年 十二月三十一日	3,978	2,478	2,525	8,981	
Exchange adjustments	匯兌調整	(26)	(8)	(3)	(37)	
Acquired on acquisition of a subsidiary	收購一家附屬 公司時購入	3,651	1,027	—	4,678	
Additions	增加	350	374	—	724	
Disposals	出售	(548)	(496)	(838)	(1,882)	
At 31st December, 2009	於二零零九年 十二月三十一日	7,405	3,375	1,684	12,464	

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

17. PLANT AND EQUIPMENT (Continued)

17. 廠房及設備 (續)

		Furniture, Leasehold fixtures and improvements equipment			Motor vehicles	Total
		租賃物業裝修 HK\$'000 千港元	傢俬、 裝置及設備 HK\$'000 千港元	汽車 HK\$'000 千港元	總額 HK\$'000 千港元	
DEPRECIATION	折舊					
At 1st January, 2008	於二零零八年 一月一日	1,131	1,734	2,250	5,115	
Exchange adjustments	匯兌調整	24	28	20	72	
Provided for the year	年度撥備	895	417	148	1,460	
Eliminated on disposals	出售時撇銷	(57)	(464)	(144)	(665)	
At 31st December, 2008	於二零零八年 十二月三十一日	1,993	1,715	2,274	5,982	
Exchange adjustments	匯兌調整	(9)	(3)	(3)	(15)	
Provided for the year	年度撥備	766	403	109	1,278	
Eliminated on disposals	出售時撇銷	(240)	(437)	(805)	(1,482)	
At 31st December, 2009	於二零零九年 十二月三十一日	2,510	1,678	1,575	5,763	
CARRYING VALUE	賬面值					
At 31st December, 2009	於二零零九年 十二月三十一日	4,895	1,697	109	6,701	
At 31st December, 2008	於二零零八年 十二月三十一日	1,985	763	251	2,999	

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

Leasehold improvements	20% or over the term of the relevant leases, whichever is shorter
Furniture, fixtures and equipment	25%
Motor vehicles	25%

上述廠房及設備項目以直線法按下列年率折舊：

租賃物業裝修	20%或按有關租約年期(以較短者為準)
傢俬、裝置及設備	25%
汽車	25%

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

18. MINING RIGHT

18. 採礦權

		HK\$'000 千港元
COST	成本	
Acquired on acquisition of a subsidiary on 23rd December, 2009 and balance at 31st December, 2009	於二零零九年十二月二十三日收購一家附屬公司時購入及於二零零九年十二月三十一日的結餘	415,840
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值	
Amortisation provided for the year	年內計提攤銷	—
CARRYING VALUE	賬面值	
At 31st December, 2009	於二零零九年十二月三十一日	<u>415,840</u>

On 23rd December, 2009 (the "Completion Date"), the Group completed the acquisition of a total of 50.8% effective equity interest in Huangshi Sifa Mining Company Limited ("Sifa Mining") from Mr. Lau, a director of the Company, and his affiliates (collectively referred to as the "Vendors").

於二零零九年十二月二十三日(「完成日期」)，本集團完成自本公司董事劉先生及其聯繫人(統稱「賣方」)收購黃石錕發礦業有限公司(「錕發礦業」)共50.8%實際股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

18. MINING RIGHT (Continued)

The mining right represents the right of Sifa Mining to conduct mining activities in the location of Huangshi in Hubei in the PRC. The mining right is amortised using the units of production method based on the proven and probable mineral reserves. However, the mining operating permit issued to the Group by Department of Land and Resources of Hubei Province (湖北省國土資源廳) is only for a term of 5 years from 25th September, 2007 to 25th September 2012, though it is eligible for renewal thereafter. In the opinion of the directors, the application for renewal is procedural and the Group should be able to renew its mining operation permit without significant costs, until all the proven and probable minerals have been mined.

As part of the agreement to the acquisition, the Vendors have undertaken to the Group that the audited profit before tax of Sifa Mining, prepared in accordance with generally accepted accounting principles in the PRC, will not be less than RMB72 million for the first 12 months following the Completion Date (the "Profit Guarantee"). If Sifa Mining makes profit before tax of less than RMB72 million, the compensation for the shortfall of Profit Guarantee payable by the Vendors to the Group is equivalent to 50.8% of the shortfall amount of the audited profit before tax compared to RMB72 million, net of tax effect. If Sifa Mining incurs a loss after tax, the additional compensation payable by the Vendors to the Group is equivalent to 50.8% of either the total loss after tax incurred by Sifa Mining or RMB10 million (whichever is lower).

The compensation payable by the Vendors to the Group will be set off by the first tranche of the promissory notes as detailed in Note 35.

18. 採礦權 (續)

採礦權指錫發礦業於中國湖北省黃石的進行採礦活動，乃基於已探明及推定礦產儲量的生產方法作為單位攤銷，儘管湖北省國土資源廳授出的採礦許可證為期5年，由二零零七年九月二十五日起至二零一二年九月二十五日止，但其後可續期。董事認為，申請續期僅須辦理相關程序，故本集團可以續期採礦許可證而毋須重大成本，直至所有已探明及推定礦藏全被開採為止。

根據收購協議，賣方向本集團承諾，根據中國公認會計原則編製之錫發礦業經審核除稅前溢利於完成日期後首12個月不會少於人民幣72,000,000元（「溢利保證」）。倘錫發礦業除稅前溢利少於人民幣72,000,000元，則賣方應付予本集團的溢利保證不足差額補償相當於經審核除稅前溢利較人民幣72,000,000元的不足差額的50.8%（已扣除稅務影響）。倘錫發礦業錄得除稅後虧損，賣方須向本集團支付相當於錫發礦業除稅後虧損總額或人民幣10,000,000元的50.8%（以較低者為準）的額外補償。

賣方應付予本集團的補償將按附註35所述第一批承兌票據抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

19. GOODWILL

19. 商譽

		HK\$'000 千港元
COST	成本	
At 1st January, 2008 and 31st December, 2008	於二零零八年一月一日及 二零零八年十二月三十一日	12,925
Addition (Note 37)	增加(附註37)	184,340
Release upon disposal of subsidiary	出售附屬公司時解除	(4,910)
		<hr/>
At 31st December, 2009	於二零零九年十二月三十一日	192,355
IMPAIRMENT	減值	
At 1st January, 2008 and 31st December, 2008	於二零零八年一月一日及 二零零八年十二月三十一日	5,105
Impairment loss recognised	已確認減值虧損	184,340
		<hr/>
At 31st December, 2009	於二零零九年十二月三十一日	189,445
CARRYING AMOUNT	賬面值	
At 31st December, 2009	於二零零九年十二月三十一日	2,910
		<hr/>
At 31st December, 2008	於二零零八年十二月三十一日	7,820
		<hr/>

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

19. GOODWILL (Continued)

The carrying amounts of goodwill (net of accumulated impairment losses at the end of the reporting period allocated to each cash generating unit ("CGU") are as follows:

Mobile phone business – PRC	移動電話業務 – 中國
Mobile phone business – Hong Kong	移動電話業務 – 香港

In January, 2009, the Group entered into a revised agreement for the acquisition of Sifa Mining, subject to fulfillment of certain conditions precedents. The consideration payable for the acquisition comprised cash, promissory notes, convertible loan notes and the Company's shares. Completion of the acquisition finally took place on 23rd December, 2009. Because of the elapse of time between January and December, 2009, market conditions changed and as a result, the fair value of the consideration payable has increased while the fair value of Sifa Mining's major asset, a mining right, has decreased. Accordingly, the acquisition gave rise to goodwill of approximately HK\$184,340,000 which represents the excess of the fair value of the consideration payable, as adjusted by the Profit Guarantee, over the fair value of the net assets acquired.

19. 商譽 (續)

已扣減截至呈報期結算日分配至各現金產生單位(「現金產生單位」)的累計減值虧損之商譽賬面值如下:

2009 HK\$'000 千港元	2008 HK\$'000 千港元
2,910	2,910
—	4,910
2,910	7,820

二零零九年一月，本集團就收購鋸發礦業訂立經修訂協議，惟須達成若干先決條件方可作實。收購應付代價包括現金、承兌票據、可換股貸款票據及本公司股份。收購最終於二零零九年十二月二十三日完成。隨著時間過去及市況改變，由二零零九年一月過渡至十二月時應付代價的公平值因而增加，而鋸發礦業主要資產採礦權的公平值則減少。因此，收購產生商譽約184,340,000港元，相當於應付代價公平值(已按溢利保證調整)超逾所收購資產淨值公平值的差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

19. GOODWILL (Continued)

The directors have carefully reviewed Sifa Mining as a CGU based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and a discount rate of 14.67%. The cash flows beyond the 5-year period is extrapolated using a steady 2.79% growth rate. The growth rate is based on the relevant industry growth forecast and does not exceed the average long-term growth rate for the relevant industry. The key assumptions used in the value in use calculation relate to the estimated reserve and the estimated prices of mineral resources.

Based on the above review, the directors of the Company are of the opinion that the goodwill arising from the acquisition of Sifa Mining is not recoverable. Accordingly, the goodwill is fully impaired and charged to the profit or loss for the year.

During the year ended 31st December, 2009, the Group disposed, the Synergy sub-group goodwill attributable to the Hong Kong mobile phone business of approximately HK\$4,910,000 was related.

At 31st December, 2009, the carrying value of the Group's goodwill was attributable to the Group's mobile phone business in the PRC. The recoverable amount of this CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and a discount rate of 10% (2008: 10%). The key assumption for the value in use calculation relates to the forecast mobile phones sales. Management of the Group has determined that no impairment needs to be recognised in respect of the CGU containing the mobile phone retailing goodwill.

19. 商譽 (續)

董事視錫發礦業為現金產生單位，已根據使用價值計算法作仔細審查。有關計算使用經管理層批准之五年期財政預算及按14.67%之貼現率所計出之現金流量預測。五年期後之現金流量按2.79%之穩定增長率推算。有關增長率乃根據相關行業增長預測計算，不會超過有關行業長期增長率之平均數。計算使用價值時採用之主要假設乃關於礦物資源估計儲量及估計價格。

基於上述審查，本公司董事認為，收購錫發礦業產生的商譽不可收回。因此，商譽視為已全數減值，並於本年度的損益中扣除。

截至二零零九年十二月三十一日止年度，本集團出售Synergy集團其涉及香港的移動電話業務應佔商譽約4,910,000港元。

於二零零九年十二月三十一日，本集團商譽之賬面值來自本集團在中國的移動電話業務。該現金產生單位之可收回金額按使用價值計算法釐定。該計算使用經管理層批准之五年期財政預算及按10%（二零零八年：10%）之貼現率所計出之現金流量預測。計算使用價值之主要假設關於移動電話銷量預測。本集團管理層已確定毋須就現金產生單位（包括移動電話零售商譽）確認減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

20. INVESTMENTS IN ASSOCIATES

20. 聯營公司之投資

Cost of investment in unlisted associates less impairment loss	於非上市聯營公司之投資成本扣除減值虧損
Share of post-acquisition reserves	應佔收購後儲備

2009 HK\$'000 千港元	2008 HK\$'000 千港元
4,909	4,909
10	(29)
4,919	4,880

Particulars of the associates as at 31st December, 2009 and 2008 are set out in Note 47.

於二零零九年及二零零八年十二月三十一日之聯營公司詳情載於附註47。

Included in the cost of investment in associates is goodwill of HK\$3,635,000 (2008: HK\$3,635,000) arising on acquisition of associates in prior years.

過往年度收購聯營公司所產生之商譽為3,635,000港元(二零零八年：3,635,000港元)，已計入於聯營公司之投資成本。

On 2nd November, 2009, the Group disposed of its 25% interest in Intelligence Tech Limited ("Intelligence Tech") to a third party at a consideration of HK\$2,000,000, resulted in a gain on disposal of approximately HK\$1,437,000.

二零零九年十一月二日，本集團以代價2,000,000港元向第三方出售英騰科技有限公司(「英騰科技」)之25%權益，獲得出售收益約1,437,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

20. INVESTMENTS IN ASSOCIATES (Continued)

The summarised financial information in respect of the associates held by the Group at the end of the reporting period is set out below:

Total assets	總資產
Total liabilities	總負債
Net assets	資產淨值
Group's share of net assets of associates	本集團應佔聯營公司資產淨值
Revenue	收益
Profit (loss) for the year	年度溢利(虧損)
Group's share of results of associates for the year	本集團應佔聯營公司年度業績

20. 聯營公司之投資(續)

於呈報期結算日，本集團所持聯營公司之財務資料概要如下：

2009 HK\$'000 千港元	2008 HK\$'000 千港元
3,129	14,718
(560)	(10,948)
2,569	3,770
1,284	1,371
176,475	112,846
2,850	(15,033)
732	(4,036)

21. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investment comprises:

Unlisted securities:	非上市證券：
Equity securities	股本證券

This represents a 1.21% (2008: 5%) interest in unlisted equity securities issued by a private entity incorporated in Hong Kong, which is engaged in provision of computer technology services in Hong Kong. These investments are measured at cost less impairment at the end of the reporting period because the range of reasonable fair values estimates is so significant that the directors of the Company are of the opinion that its fair value cannot be measured reliably.

21. 可供出售投資

可供出售投資包括：

2009 HK\$'000 千港元	2008 HK\$'000 千港元
69	286

此乃一家於香港註冊成立之私人實體所發行非上市股本證券之1.21% (二零零八年：5%) 權益。該實體在香港提供電腦技術服務。該等投資於呈報期結算日按成本扣除減值計算，原因是估計合理公平值之幅度頗大，本公司董事認為公平值不能可靠計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

21. AVAILABLE-FOR-SALE INVESTMENT (Continued)

During the year, an impairment loss of HK\$217,000 was recognised with reference to the value of the investee company's net assets attributable to the Group's interest therein.

22. OTHER ASSETS

Deposit for potential investment (note i)	潛在投資之按金 (附註i)
Mineral supplier prepayment (note ii)	預付礦產供應商款項 (附註ii)

notes:

- (i) On 1st October, 2007, the Group entered into an agreement with an independent third party, pursuant to which the Group engaged the third party to identify potential investment opportunities in mining operations in the PRC for the period from the date of that agreement to 31st March, 2009. A sum of RMB10,000,000 (equivalent to HK\$11,400,000) was paid by the Group to the third party as an initial deposit for such potential investment. If an investment was not eventually consummated by 31st March, 2009 or by an earlier date determined by the Group, the deposit would be fully refunded to the Group.

On 31st March, 2009, the Group entered into an agreement with the third party pursuant to which in the third party refunded the deposits to the Group in four quarterly installments together with interest at an effective interest rate of 6% per annum during the period from 1st April, 2009 to 31st March, 2010. The deposit was refunded in full to the Group during the year.

21. 可供出售投資 (續)

年內，參考本集團所持被投資公司權益應佔其資產淨值而確認的減值虧損為217,000港元。

22. 其他資產

2009 HK\$'000 千港元	2008 HK\$'000 千港元
—	11,400
1,469	11,400
1,469	22,800

附註：

- (i) 於二零零七年十月一日，本集團與獨立第三方訂立協議，本集團由協議之日起至二零零九年三月三十一日止期間僱用該第三方在中國物色礦業經營之潛在投資機會。本集團已向該第三方支付總數人民幣10,000,000元（約11,400,000港元），作為該等潛在投資之首期按金。倘投資於二零零九年三月三十一日或本集團釐定之較早日期前未能最終完成，則按金將全數退還予本集團。

於二零零九年三月三十一日，本集團與第三方訂立協議，該第三方須於二零零九年四月一日至二零一零年三月三十一日期間分四期每季向本集團退還按金連同按實際年利率6%計算的利息。按金已於年內全數退還予本集團。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

22. OTHER ASSETS (Continued)

- (ii) On 2nd November, 2007, the Group entered into an agreement with a mining company, an independent third party not connected to the Group, pursuant to which the mining company has agreed to supply the Group with its minerals at a pre-determined discount for re-sale inside and outside the PRC through a PRC mining company to be acquired by the Group for a period of three years from the date of the agreement. In connection with this agreement, the Group paid the mining company an amount of RMB10,000,000 (equivalent to HK\$11,400,000) as prepayment for future mineral supplies. On 1st December, 2008, the Group entered into a supplemental agreement with the mining company pursuant to which the prepayment would be refunded to the Group in four quarterly installments together with interest at an effective interest rate of 6% per annum. Accordingly, the amount was classified as a current asset at 31st December, 2008. During the year, RMB8,700,000 (approximately HK\$9,931,000) was refunded from the mining company to the Group. The remaining balance of RMB1,300,000 (approximately HK\$1,469,000) was received after the end of the reporting period.

22. 其他資產 (續)

- (ii) 於二零零七年十一月二日，本集團與獨立第三方礦業公司（其與本集團概無關連）訂立協議，該礦業公司同意由協議日期起三年內透過本集團將收購之中國礦業公司以預定折讓價向本集團供應礦產以供在中國國內外地區轉售。根據該協議，本集團已向該礦業公司支付人民幣10,000,000元（約11,400,000港元），作為未來礦產供應之預付款項。於二零零八年十二月一日，本集團與該礦業公司訂立補充協議，該礦業公司須分四期每季向本集團退還預付款項連同按實際年利率6%計算的利息。因此，有關款項於二零零八年十二月三十一日重新分類為流動資產。年內，該礦業公司已退還人民幣8,700,000元（約9,931,000港元）予本集團。剩下的結餘人民幣1,300,000元（約1,469,000港元）已隨呈報期結算日後被收回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

23. CLUB MEMBERSHIPS

23. 會所會籍

		HK\$'000 千港元
COST	成本	
At 1st January, 2008, 31st December, 2008 and 31st December, 2009	於二零零八年一月一日、二零零八年十二月三十一日及二零零九年十二月三十一日	1,371
IMPAIRMENT	減值	
At 1st January, 2008	於二零零八年一月一日	60
Impairment loss recognised	已確認減值虧損	35
At 31st December, 2008 and 1st January, 2009	於二零零八年十二月三十一日及二零零九年一月一日	95
Reversal of impairment loss recognised in prior year	過往年度確認之減值虧損撥回	(82)
At 31st December, 2009	於二零零九年十二月三十一日	13
CARRYING AMOUNT	賬面值	
At 31st December, 2009	於二零零九年十二月三十一日	1,358
At 31st December, 2008	於二零零八年十二月三十一日	1,276

Club memberships are stated at cost less any identified impairment loss. For the purpose of impairment testing on club memberships, the recoverable amount has been determined based on fair value less costs to sell. The fair value less costs to sell is the second-hand market price less cost of disposal. During the year ended 31st December, 2009, management of the Group reversed part of the impairment loss recognised in prior years due to the increase of the recoverable amount.

會所會籍按成本減任何已識別減值虧損列賬。檢測會所會籍有否減值時，可收回金額按公平值減銷售成本釐定。公平值減銷售成本為二手市場價減出售成本。截至二零零九年十二月三十一日止年度，由於可收回金額增加，故本集團管理層決定撥回過往年度確認之部份減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

24. INVENTORIES

Inventories comprise finished goods in:

Mobile phones business	移動電話業務
Mining business	採礦業務

Inventories of mining business of approximately HK\$5,157,000 (2008: Nil) have been pledged as collateral for a borrowing (Note 33).

25. TRADE, BILLS AND OTHER RECEIVABLES

Trade receivables	應收貿易賬款
Less: accumulated allowance	減：累計撥備
Value-added-tax receivables	應收增值稅
Rebates receivable	應收回扣款項
Other receivables and deposits	其他應收賬款及按金
Less: accumulated allowance	減：累計撥備
Trade and other receivables	應收貿易賬款及其他應收賬款
Bills receivable	應收票據

24. 存貨

存貨包括製成品：

2009 HK\$'000 千港元	2008 HK\$'000 千港元
159,617	160,254
5,157	—
164,774	160,254

採礦業務的存貨約5,157,000港元(二零零八年：無)已抵押作為一項借貸抵押品(附註33)。

25. 應收貿易賬款、應收票據及其他應收賬款

2009 HK\$'000 千港元	2008 HK\$'000 千港元
24,922	51,790
(15,501)	(27,398)
9,421	24,392
10,620	10,919
50,020	28,363
28,414	57,507
(12,626)	(44,361)
85,849	76,820
—	673
85,849	77,493

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

25. TRADE, BILLS AND OTHER RECEIVABLES

(Continued)

The Group allows its trade customers a credit period of 30 to 90 days. The following is an aged analysis of trade receivables (net of allowance) presented based on the invoice date at the end of the reporting period:

0 to 30 days	零至三十日
31 to 90 days	三十一至九十日
Over 90 days	超過九十日

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Limits attributed to customers are reviewed periodically. Majority of the trade receivables that are neither past due nor impaired have no default payment history and good credit rating under the Group's internal credit assessment.

25. 應收貿易賬款、應收票據及其他應收賬款 (續)

本集團給予貿易客戶三十至九十日之信貸期。於呈報期結算日之應收貿易賬款(已扣除撥備)按發票日期作出之賬齡分析如下：

2009	2008
HK\$'000	HK\$'000
千港元	千港元
8,555	16,155
486	4,698
380	3,539
9,421	24,392

接納任何新客戶前，本集團會評估潛在客戶之信貸質量，然後界定信貸限額，定期檢討授予客戶的限額。根據本集團內部信貸評估，大部分既未過期亦未減值之應收貿易賬款並無拖欠紀錄且信用等級良好。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

25. TRADE, BILLS AND OTHER RECEIVABLES (Continued)

The Group does not hold any collateral over its trade debts. It is the Group's policy that trade debts over 180 days are fully provided for because historical experience is such that debts that are past due beyond 180 days are generally not recoverable. The following is an aged analysis of the carrying amounts of trade debts that were past due at the end of the reporting period but for which the Group has not provided for impairment loss because management are of the opinion that the fundamental credit quality of the customers has not deteriorated:

Between 31 to 90 days	三十一至九十日之間
Over 90 days	超過九十日
Total	總計

Movement in the allowance for doubtful debts in respect of trade and other receivables

Balance at the beginning of the year	年初結餘
Exchange adjustments	匯兌調整
Impairment losses recognised for the year	年度確認之減值虧損
Amounts written off as uncollectible	撇銷為無法收回賬款
Amounts recovered during the year	年內收回之賬款
Balance at the end of the year	年終結餘

Included in the allowance for doubtful debts are individually impaired trade and other receivables with an aggregate balance of HK\$994,000 (2008: HK\$49,787,000) which were either placed under liquidation or in severe financial difficulties and therefore the amounts were considered as irrecoverable. The Group does not hold any collateral over these balances.

25. 應收貿易賬款、應收票據及其他應收賬款 (續)

本集團並無就貿易債款持有任何抵押品。本集團的政策為就超過180日之貿易債款作出足額撥備，原因是過往經驗證明過期180日以上之債務通常無法收回。以下為於呈報期結算日已過期但因管理層認為客戶之基本信貸質素並未惡化而本集團並無作出減值虧損撥備的貿易債款之賬面值賬齡分析：

2009 HK\$'000 千港元	2008 HK\$'000 千港元
—	48
380	3,539
380	3,587

有關應收貿易賬款及其他應收賬款呆賬撥備之變動

2009 HK\$'000 千港元	2008 HK\$'000 千港元
71,759	64,906
(485)	3,236
994	49,787
(29,225)	(43,747)
(14,916)	(2,423)
28,127	71,759

呆賬撥備包括個別減值應收貿易賬款及其他應收賬款之結餘總額994,000港元(二零零八年：49,787,000港元)。該等應收貿易賬款及其他應收賬款因交易方清盤或出現嚴重財務困難而視為不可收回。本集團並無就該等結餘持有任何抵押品。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

26. AMOUNTS DUE FROM (TO) RELATED PARTIES

Amount due from:	應收之款項：
– a minority shareholder of a subsidiary	– 一家附屬公司少數股東
Amounts due to:	應付之款項：
– Mr. Lau and his affiliate	– 劉先生及其聯繫人
– an associate	– 一家聯營公司
– a minority shareholder of a subsidiary	– 一家附屬公司少數股東

All the above balances are unsecured, interest free and repayable on demand. Other than an amount of HK\$6,000,000 due to Mr. Lau and his affiliate that carries interest at Hong Kong Interbank Offered Rate (“HIBOR”) plus 3.5%.

27. PLEDGED BANK DEPOSITS

In 2008, deposits denominated in US\$ were pledged to banks to secure banking facilities including short-term bank borrowings granted to the Group. The pledged bank deposits had original maturity of three months or less as at 31st December, 2008 and carried fixed interest rates ranging from 1.81% to 4.35% per annum.

During 2009, the pledged bank deposits were released upon the settlement of relevant bank borrowings.

26. 應收(應付)關連人士款項

2009 HK\$'000 千港元	2008 HK\$'000 千港元
5,721	5,691
19,155	—
500	500
6,126	—
25,781	500

上文所有結餘為無抵押、不計息及須按要求償還，惟應付劉先生及其聯繫人款項6,000,000港元按香港銀行同業拆息加3.5%計息除外。

27. 已抵押銀行存款

二零零八年，以美元計值之存款已抵押予銀行以擔保本集團所獲授之銀行信貸(包括短期銀行借貸)。於二零零八年十二月三十一日，已抵押銀行存款之原到期日為三個月內，按介乎1.81厘至4.35厘的固定年利率計息。

二零零九年內，已抵押之銀行存款於有關銀行借貸清償後獲發還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

28. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits that are interest-bearing at market interest rates ranging from 0.01% to 0.36% (2008: 0.25% to 1.75%) per annum and have original maturity of three months or less.

The bank balances and cash of the Group are mainly denominated in RMB and HK\$, which are the functional currency of the relevant entities of the Group. Included in bank balances and cash at 31st December, 2009 was an amount in RMB of approximately RMB6,065,000 (2008: RMB41,526,000). RMB is not freely convertible into other currencies.

29. TRADE AND OTHER PAYABLES

The following is an aged analysis of the trade payables presented based on the invoice date at the end of the reporting period:

Trade payables:	應付貿易賬款：
0 to 30 days	零至三十日
31 to 90 days	三十一至九十日
Over 90 days	超過九十日
Rebates payable	應付回扣
Other payables and accruals	其他應付賬款及應計費用

28. 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及按介乎0.01厘至0.36厘(二零零八年：0.25厘至1.75厘)之市場利率計息及原到期日為三個月內之短期銀行存款。

本集團之銀行結餘及現金主要以本集團有關實體之功能貨幣人民幣及港元計值。於二零零九年十二月三十一日，銀行結餘及現金包括人民幣金額約人民幣6,065,000元(二零零八年：人民幣41,526,000元)。人民幣不得自由兌換為其他貨幣。

29. 應付貿易賬款及其他應付賬款

於呈報期結算日之應付貿易賬款按發票日期呈列之賬齡分析如下：

2009 HK\$'000 千港元	2008 HK\$'000 千港元
3,539	36,258
99	1,404
2,163	7,036
5,801	44,698
47,983	10,645
36,013	24,837
89,797	80,180

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

30. SHARE CAPITAL

30. 股本

		Number of ordinary shares 普通股數目		Share capital 股本	
		2009 '000 千股	2008 '000 千股	2009 HK\$'000 千港元	2008 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股				
Authorised	法定股本	1,000,000	1,000,000	100,000	100,000
Issued and fully paid	已發行及繳足股款股本				
At beginning of year	年初	372,790	372,790	37,279	37,279
Issue of shares in consideration for the acquisition of a subsidiary (<i>note</i>)	發行股份作為收購一家附屬公司之代價 (<i>附註</i>)	306,016	—	30,602	—
At end of year	年末	678,806	372,790	67,881	37,279

note:

On 23rd December, 2009, the Group completed the acquisition of Sifa Mining by allotment and issue of 306,016,300 ordinary shares of HK\$0.10 each per share as part of the consideration of the acquisition. The fair value of the shares on the date of exchange, represented by their closing market price on that date was HK\$0.465 per share.

The shares issued as mentioned above ranked pari passu with the then existing shares in issue in all respects.

附註：

於二零零九年十二月二十三日，本集團完成收購錫發礦業，通過配發及發行306,016,300股每股面值0.10港元之普通股支付部分收購代價。股份於交換日期之公平值為該等股份當日之收市價每股0.465港元。

所有上述已發行股份在各方面均與當時已發行股份享有同等權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

31. SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted a share option scheme on 14th January, 2004 (the "Scheme") which was effective on 26th January, 2004 and will expire on 26th January, 2014. The primary purpose of the Scheme is to provide incentives to directors, eligible employees and other qualified persons who in the opinion of the board of directors has made or will make contributions which are or may be beneficial to the Group as a whole.

Under the Scheme, the directors of the Company may, subject to certain conditions, grant to any director, employee, suppliers, agents, customers, distributors, business associate or partner, professional or other advisor of, or consultant or contractor to, any member of the Group or any associated company who in the opinion of the board of directors has made or will make contributions which are or may be beneficial to the Group as a whole, options to subscribe for shares in the Company at any price but not less than the higher of (i) nominal value of a share, (ii) the closing price of the shares on the Stock Exchange on the day of grant and (iii) the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options, subject to a maximum of 10% of the issued share capital of the Company from time to time.

Without prior approval from the Company's shareholders, (i) 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, and (ii) the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time.

Options granted must be taken up within the time period set out in the offer letter and upon payment of HK\$1 for each lot of share option granted.

31. 以股份為基礎支付之交易

本公司於二零零四年一月十四日採納購股權計劃（「計劃」），該計劃於二零零四年一月二十六日生效並將於二零一四年一月二十六日屆滿。計劃之主要目的為向董事會認為對本集團整體利益曾作出或將作出屬於或可能屬於貢獻的董事、合資格僱員及其他合資格人士提供獎勵。

根據計劃，在若干條件之規限下，本公司董事可向董事會認為對本集團整體利益曾作出或將作出屬於或可能屬於貢獻的本集團任何成員公司或任何聯營公司之董事、僱員、供應商、代理、客戶、分銷商、業務夥伴、專業顧問或其他顧問、諮詢人或承包商授予可認購本公司股份之購股權，惟認購價不得少於(i) 股份面值、(ii) 股份於授出日期在聯交所之收市價及(iii) 股份於緊接購股權授出日期前五個交易日在聯交所之平均收市價之最高者，而購股權所涉之股份數目以本公司不時已發行股本之10%為上限。

未經本公司股東事先批准，(i) 根據計劃可能授出之購股權所涉之股份總數，不得超出本公司任何時間已發行股份之10%，及(ii) 於任何十二個月期間向任何個人授出之購股權所涉之已發行及將發行股份數目，不得超出本公司任何時間已發行股份之1%。

購股權僅限於要約函件所列之期間接納，並須於接納時就授出之購股權每手支付1港元之費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

31. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

At 31st December, 2009, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 8,552,000 (2008: 9,722,000), representing 1.3% (2008: 2.6%) of the shares of the Company in issue at that date.

The following table discloses movement of the Company's share options held by employees and consultants (including directors) during the years ended 31st December, 2009 and 2008:

Name	Date of grant	Exercisable period	Exercise price per share	Outstanding at 1.1.2008	Forfeited during the year	Outstanding at 31.12.2008	Transfer upon appointment as director	Forfeited during the year	Outstanding at 31.12.2009
名稱	授出日期	行使期	每股行使價 HK\$ 港元	於二零零八年 一月一日 尚未行使	於二零零八年 於年內失效	於二零零八年 十二月 三十一日 尚未行使	委任為董事 時轉撥	於年內失效	於二零零九年 十二月 三十一日 尚未行使
Category I:									
第一類:									
- Directors	7.5.2007	7.5.2007 to 6.5.2012	1.29	2,750,000	-	2,750,000	-	-	2,750,000
- 董事	二零零七年五月七日	二零零七年五月七日至 二零一二年五月六日							
- Director appointed during 2009	7.5.2007	7.5.2007 to 6.5.2012	1.29	-	-	-	300,000	-	300,000
- 於二零零九年 內委任的董事	二零零七年五月七日	二零零七年五月七日至 二零一二年五月六日							
Category II:									
第二類:									
Employees	7.5.2007	7.5.2007 to 6.5.2012	1.29	3,158,000	(136,000)	3,022,000	(300,000)	(1,170,000)	1,552,000
- 僱員	二零零七年五月七日	二零零七年五月七日至 二零一二年五月六日							

31. 以股份為基礎支付之交易 (續)

於二零零九年十二月三十一日，根據計劃已授出但仍未行使購股權所涉之股份數目為8,552,000股（二零零八年：9,722,000股），相當於本公司當日已發行股份的1.3%（二零零八年：2.6%）。

下表披露截至二零零九年及二零零八年十二月三十一日止年度僱員及顧問（包括董事）所持本公司購股權之變動：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

31. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

31. 以股份為基礎支付之交易 (續)

Name	Date of grant	Exercisable period	Exercise price per share	Outstanding at 1.1.2008	Forfeited during the year	Outstanding at 31.12.2008	Transfer upon appointment as director	Forfeited during the year	Outstanding at 31.12.2009
名稱	授出日期	行使期	每股行使價	尚未行使	於年內失效	尚未行使	委任為董事時轉撥	於年內失效	尚未行使
			HK\$ 港元	於二零零八年一月一日		於二零零八年十二月三十一日			於二零零九年十二月三十一日
Category III: 第三類:									
Consultants (note) -顧問 (附註)	7.5.2007 二零零七年五月七日	7.5.2007 to 6.5.2012 二零零七年五月七日至 二零一二年五月六日	1.29	3,950,000	-	3,950,000	-	-	3,950,000
Total for all categories 所有類別總計				9,858,000	(136,000)	9,722,000	-	(1,170,000)	8,552,000
Exercisable at the end of the year 於年末可行使						9,722,000			8,552,000
Weighted average exercise price 加權平均行使價				HK\$1.29	HK\$1.29	HK\$1.29	HK\$1.29	HK\$1.29	HK\$1.29
				1.29港元	1.29港元	1.29港元	1.29港元	1.29港元	1.29港元

note:

The Group granted share options to the consultants in return for their provision of management consultancy services to the Group.

No option was granted during each of the two years ended 31st December, 2008 and 2009.

附註:

本集團授予顧問之購股權，作為彼等向本集團提供管理諮詢服務的回報。

截至二零零八年及二零零九年十二月三十一日止兩年度各年，並無授出購股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

32. OTHER FINANCIAL LIABILITIES

Put option liability	認沽期權負債
– Host debt component	– 主債務部分
– Embedded non-option derivative	– 嵌入式非期權衍生工具

On 4th September, 2007, the Group and TeleChoice International Limited (“TeleChoice”), an independent third party, entered into an agreement to establish a subsidiary (the “Fulfillment Subsidiary”) to engage in the logistics and fulfillment business for Nokia-branded mobile handsets and accessories in the PRC (the “Fulfillment Business”), which is presently operated by Fortune Shanghai. TeleChoice injected HK\$50 million for 40% equity interest of the Fulfillment Subsidiary, while the Group injected HK\$25 million for 60% equity interest therein. The commencement of the Fulfillment Business by the Fulfillment Subsidiary was subject to the consent to the novation of the Nokia Fulfillment Agreement (the “NF Agreement”) from Fortune Shanghai to the Fulfillment Subsidiary by Nokia (China) Investment Company Limited, an independent third party.

32. 其他財務負債

2009 HK\$'000 千港元	2008 HK\$'000 千港元
—	58,168
—	(5,538)
—	52,630

二零零七年九月四日，本集團與獨立第三方TeleChoice International Limited (「TeleChoice」) 訂立協議，以成立於中國從事諾基亞手機及配件物流及配送貨運業務 (「配送貨運業務」，目前由長遠上海經營) 的附屬公司 (「配送貨運附屬公司」)。TeleChoice 注資 50,000,000 港元以換取配送貨運附屬公司 40% 的股權，而本集團注資 25,000,000 港元現金以換取配送貨運附屬公司 60% 的股權。配送貨運附屬公司須待獨立第三方諾基亞 (中國) 投資有限公司同意更新諾基亞配送協議 (「諾基亞配送協議」)，將訂約方由長遠上海改為配送貨運附屬公司，方可開展配送貨運業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

32. OTHER FINANCIAL LIABILITIES (Continued)

At the time of entering into the agreement, the Company also granted a put option to TeleChoice pursuant to which TeleChoice could require the Company to purchase its entire 40% equity interest in the Fulfillment Subsidiary at a price of HK\$50 million during the period from 1st March, 2007 to 31st December, 2008, on condition that the NF Agreement was not novated over from Fortune Shanghai to the Fulfillment Subsidiary. During the period from 4th September, 2007 to 31st December, 2008, TeleChoice was entitled to 40% share of profit attributable to the Fulfillment Business.

The put option liability was considered as a host debt instrument with a not closely related embedded non-option derivative which was linked to the profitability of the Fulfillment Business. At initial recognition, the original effective interest rate for the host debt component was determined based on the estimated future profit to be generated from the Fulfillment Business, with the embedded non-option derivative having a fair value of zero. At the end of reporting period, upon the execution of exercise the put option, the put option liability was released. It was stated at amortised cost using the original effective interest rate of 20% per annum, for which an effective interest expense of HK\$9,523,000 had been recognised in the consolidated statement of comprehensive income for the year ended 31st December, 2008. At 31st December, 2008, the directors reassessed the fair value of the embedded derivative with reference to the actual future profit generated from the Fulfillment Business for the year 2008 and determined that there was a fair value gain of HK\$5,538,000, which was recognised in the consolidated statement of comprehensive income for the year ended 31st December, 2008.

During the year ended 31st December, 2009, TeleChoice exercised the put option and the Group paid a total of HK\$52,630,000 to settle the put option liability.

32. 其他財務負債 (續)

於訂立協議時，本公司亦授予 TeleChoice 一項認沽期權，在諾基亞配送協議仍未將訂約方由長遠上海改為配送貨運附屬公司的情況下，TeleChoice 可要求本公司於二零零七年三月一日至二零零八年十二月三十一日期間按 50,000,000 港元之價格收購其所持配送貨運附屬公司之全部 40% 股權。於二零零七年九月四日至二零零八年十二月三十一日期間，TeleChoice 享有配送貨運業務應佔之 40% 溢利。

該項認沽期權負債視為與配送貨運業務盈利能力有關的附有非密切相關嵌入式非期權衍生工具之主債務工具。於首次確認時，主債務組成部分之原定實際利率根據將自配送貨運業務所得的估計未來溢利計算，而嵌入式非期權衍生工具的公平值為零。於呈報期結算日，認沽期權負債於認沽期權獲行使時解除。採用原定實際利率 20% 按攤銷成本列賬，其中有 9,523,000 港元的實際利息開支已於截至二零零八年十二月三十一日止年度的綜合全面收入表確認。於二零零八年十二月三十一日，董事經參考配送貨運業務二零零八年所產生之實際未來溢利重新評估嵌入式衍生工具的公平值，並釐定公平值收益為 5,538,000 港元，有關公平值收益已於截至二零零八年十二月三十一日止年度之綜合全面收入表確認。

截至二零零九年十二月三十一日止年度，TeleChoice 行使認沽期權，且本集團合共支付 52,630,000 港元以清償認沽期權負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

33. BANK AND OTHER BORROWINGS

33. 銀行及其他借貸

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Borrowings comprise:	借貸包括：		
Bank loans	銀行貸款	—	51,071
Trust receipt loans	信託收據貸款	—	1,589
		—	52,660
Other borrowing	其他借貸	14,010	—
		14,010	52,660
Secured	有抵押	14,010	45,660
Unsecured	無抵押	—	7,000
		14,010	52,660

At the end of reporting period, all the Group's borrowings were repayable on demand or within one year.

The exposure of the Group's fixed-rate borrowings and the contractual maturing dates are as follows:

於呈報期結算日，本集團之所有借貸須按要求或於一年內償還。

本集團之定息借貸及合約到期日載列如下：

		2009 HK\$'000 千港元	2008 HK\$'000 千港元
Fixed-rate borrowings:	定息借貸：		
On demand or within one year	按要求或於一年內	14,010	7,752
Effective interest rate	實際利率	8.47%	4%

In addition, at 31st December, 2008, the Group had variable-rate borrowings of HK\$38,908,000. Of these amounts, borrowings of HK\$6,000,000 carried interest at prime rate, while the balance carried interest at Hong Kong Interbank Offered Rate ("HIBOR") plus 1.3% to 1.625% per annum. The effective interest rates on the Group's variable-rate borrowings were ranged from 3.64% to 5% per annum.

此外，於二零零八年十二月三十一日，本集團之浮息借貸為38,908,000港元，其中6,000,000港元之借貸按最優惠利率計息，而其餘款項則按香港銀行同業拆息（「香港銀行同業拆息」）年利率加1.3厘至1.625厘計息。本集團浮息借貸之實際年利率介乎3.64厘至5厘。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

33. BANK AND OTHER BORROWINGS (Continued)

The Group's borrowings denominated in a currency other than the functional currency of the relevant group entities are set out below:

Denominated in HK\$ 以港元計值

34. CONVERTIBLE LOAN NOTES

On 23rd December, 2009, the Company issued convertible loan notes with a principal amount of HK\$100 million as part of the consideration to acquire Sifa Mining (the "CL Notes"). The CL Notes were denominated in Hong Kong dollars, unsecured and did not carry interest. The CL Notes entitled the holders thereof to convert the CL Notes, in whole or in part, into ordinary shares of the Company at a conversion price of HK\$0.7 per share during the period from the date of issue to 22nd December, 2011 (the "Maturity Date"). The Company also had the option to redeem all or any of the outstanding CL Notes at any time prior to the Maturity Date, at 105% of the nominal value. Unless previously converted or redeemed, the CL Notes were to be redeemed by the Company on 22nd December, 2011 at par.

The CL Notes contained 2 components, namely liability component and derivative component. The derivative component comprises of conversion option and early redemption option. The derivative was measured at fair value, changes of which were recognised in profit or loss. The effective interest rate for the liability component is 8.7% per annum.

33. 銀行及其他借貸(續)

以有關本集團公司功能貨幣以外之貨幣計值的本集團借貸載列如下：

2009 HK\$'000 千港元	2008 HK\$'000 千港元
—	31,000

34. 可換股貸款票據

二零零九年十二月二十三日，本公司發行本金額100,000,000港元的可換股貸款票據（「可換股貸款票據」），作為收購錫發礦業的部分代價。可換股貸款票據以港元計值，無抵押且不計息。可換股貸款票據的相關持有人可於發行日期起至二零一一年十二月二十二日（「到期日」）期間按每股0.7港元的轉換價將全部或部分可換股貸款票據轉換為本公司普通股。本公司亦有權於到期日前隨時以相當於面值105%的價格贖回所有或任何尚未轉換的可換股貸款票據。除非過往已轉換或贖回，否則本公司將於二零一一年十二月二十二日按面值贖回可換股貸款票據。

可換股貸款票據包括兩個組成部分，即負債部分及衍生部分。衍生部分包括兌換權及提早贖回權。衍生按公平值計量，其公平值變動於損益確認。負債部分的實際年利率為8.7厘。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

34. CONVERTIBLE LOAN NOTES (Continued)

The movement of the above components for the year are set out as below:

At initial recognition	首次確認
Interest charge	利息費用
Loss on changes in fair value	公平值變動之虧損
As at 31st December, 2009	於二零零九年十二月三十一日

On 4th January, 2010, all CL Notes were converted into the Company's shares as disclosed in Note 44.

35. PROMISSORY NOTES

As part of the consideration for the acquisition of Sifa Mining, on 23rd December, 2009, the Company issued 2 tranches of the promissory notes in the principal sum of approximately HK\$89.7 million in aggregate, all of which are interest-free. Other particulars of the promissory notes are as follows:

1. First tranche promissory note

This carries a principal sum of HK\$40,000,000 and it is non-transferrable and will mature at the end of the twelve months after issue.

Any shortfall arising from the Profit Guarantee as set out in Note 18 is to be set off against this tranche.

34. 可換股貸款票據 (續)

上述組成部分於年內的變動載列如下：

Derivative component 衍生工具部分	Liability component 負債部分	Total 總計
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
15,168	84,625	99,793
—	187	187
326	—	326
15,494	84,812	100,306

二零一零年一月四日，所有可換股貸款票據已轉換為本公司股份，有關詳情披露載於附註44。

35. 承兌票據

二零零九年十二月二十三日，本公司發行兩批本金總額合共約89,700,000港元的承兌票據，作為收購錳發礦業的部分代價。該等承兌票據免息，有關其他詳情如下：

1. 第一批承兌票據

該批承兌票據的本金總額為40,000,000港元，為不可轉讓，有效期至發行後十二個月結束時。

倘未能達致附註18所載溢利保證，所有不足差額將以本批承兌票據抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

35. PROMISSORY NOTES (Continued)

2. Second tranche promissory note

This carries a principal sum of HK\$49,691,000. It is transferrable and will mature at the end of the twenty-fourth month after issue.

The movement of the 2 tranches of promissory note and the respective effective interest rate are set out as below:

Principal sum on date of issue	於發行日期的本金總額
Estimated compensation by the vendors (note)	估計賣方的補償(附註)
Fair value adjustments	公平值調整
At initial recognition	首次確認
Interest charge	利息費用
As at 31st December, 2009	於二零零九年十二月三十一日
Effective interest rate	實際利率

note: The directors are of the opinion that the Profit Guarantee is not probable to meet and therefore have provisionally reduced the promissory notes by the amount of the estimated shortfall in accordance with the terms of the first tranche promissory note.

35. 承兌票據(續)

2. 第二批承兌票據

該批承兌票據的本金總額為49,691,000港元，為可轉讓，將於發行後第二十四個月結束時到期。

兩批承兌票據及各自實際利率的變動載列如下：

	First Tranche 第一批	Second Tranche 第二批	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	40,000	49,691	89,691
	(31,853)	—	(31,853)
	(613)	(7,651)	(8,264)
	7,534	42,040	49,574
	15	90	105
	7,549	42,130	49,679
	8.13%	8.72%	

附註：董事認為不大可能實現溢利保證，因此已根據第一批承兌票據的條款臨時地自承兌票據減去估計不足金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

36. DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities recognised and movements thereon during the current and prior year:

At 1st January, 2008 and 31st December, 2008	於二零零八年一月一日及 二零零八年十二月三十一日		
Acquisition of subsidiaries (Note 37)	收購附屬公司 (附註37)		
At 31st December, 2009	於二零零九年十二月三十一日		

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1st January, 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately HK\$31,551,000 (2008: HK\$4,186,000) 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.

36. 遞延稅項負債

下表為於本年度及上年度已確認之遞延稅項負債及其變動：

Revaluation of mining right arising from acquisition	Total
因收購引致的 採礦權重估	總額
HK\$'000	HK\$'000
千港元	千港元
—	—
101,473	101,473
101,473	101,473

根據中國企業所得稅法，自二零零八年一月一日起，以中國附屬公司所賺取溢利宣派的股息須繳交預扣稅。由於本集團無法控制中國附屬公司累計溢利的相關暫時差額約31,551,000港元（二零零八年：4,186,000港元）的撥回時間，且不大可能於可見未來撥回暫時差額，故並無於綜合財務報表就該等暫時差額計提遞延稅項撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

37. ACQUISITION OF SUBSIDIARIES

On 23rd December, 2009, the Group completed the acquisition of a 50.8% effective interest of Sifa Mining. Total consideration including directly attributable cost for the acquisition is approximately HK\$339,846,000. This acquisition has been accounted for using the purchase method.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

Net assets acquired:	所得淨資產：
Plant and equipment	廠房及設備
Mining right	採礦權
Inventories	存貨
Trade and other receivables	應收貿易賬款及其他應收賬款
Bank balances and cash	銀行結餘及現金
Trade and other payables	應付貿易賬款及其他應付賬款
Taxation	稅項
Deferred tax liability	遞延稅項負債

Minority interests	少數股東權益
Goodwill (Note 19)	商譽(附註19)
Total consideration	總代價

37. 收購附屬公司

於二零零九年十二月二十三日，本集團完成收購錫發礦業的50.8%實際權益。包括收購直接產生成本的總代價約為339,846,000港元。是項收購已使用收購會計法列賬。

交易所得之淨資產及產生之商譽如下：

Acquiree's carrying amount before combination	Fair value adjustments	Carrying amount and fair value
合併前的 被收購方 之賬面值 HK\$'000 千港元	公平值 調整 HK'000 千港元	賬面值及 公平值 HK\$'000 千港元
4,678	—	4,678
9,947	405,893	415,840
5,128	—	5,128
4,158	—	4,158
516	—	516
(23,137)	—	(23,137)
65	—	65
—	(101,473)	(101,473)
1,355	304,420	305,775
Minority interests		(150,269)
Goodwill (Note 19)		184,340
Total consideration		339,846

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

37. ACQUISITION OF SUBSIDIARIES (Continued)

37. 收購附屬公司 (續)

		HK\$'000
		千港元
Total consideration satisfied by:	以下列方式支付總代價：	
Deposit paid in prior year	過往年度已付之按金	25,000
Consideration payable	應付代價	15,000
Issue of shares (Note 30)	發行股份(附註30)	142,298
CL Notes issued (Note 34)	已發行可換股貸款票據(附註34)	99,793
Promissory notes issued (Note 35)	已發行承兌票據 (附註35)	49,574
Transaction costs directly attributable to the acquisition	收購直接產生之交易成本	8,181
		339,846
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：	
Cash and cash equivalents acquired	所得現金及現金等價物	516
Transaction costs directly attributable to the acquisition	收購直接產生之交易成本	(8,181)
		(7,665)

As the acquisition of Sifa Mining was completed on 23rd December, 2009, Sifa Mining did not contribute any turnover or results to the Group for the year. Had the acquisition been completed on 1st January, 2009, the Group's turnover and loss for the year would be increased by HK\$3,523,000 and HK\$2,884,000 respectively.

由於收購鋸發礦業僅於二零零九年十二月二十三日完成，故鋸發礦業於本年度並無為本集團貢獻任何營業額或業績。倘收購於二零零九年一月一日完成，本集團於本年度的營業額及虧損會增加分別為3,523,000港元及2,884,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

38. DISPOSAL OF SUBSIDIARIES

On 23rd July, 2009, the Group disposed a subsidiary, Fortune Realty Development Company Limited, which was engaged in investment holding, at a profit of HK\$107,000.

On 24th August, 2009, the Group disposed the Synergy sub-group which was engaged in the mobile business phone in Hong Kong, at a loss of HK\$5,081,000.

The net assets of Fortune Realty Development Company Limited and the Synergy sub-group at the dates of disposal were as follows:

38. 出售附屬公司

二零零九年七月二十三日，本集團出售一家從事投資控股的附屬公司長遠地產發展有限公司，獲利107,000港元。

二零零九年八月二十四日，本集團出售Synergy集團，該集團於香港從事移動電話業務，錄得5,081,000港元虧損。

長遠地產發展有限公司與Synergy集團於出售當日的資產淨值如下：

		HK\$'000
		千港元
Net assets disposed of:	所出售淨資產：	
Plant and equipment	廠房及設備	39
Inventories	存貨	5,165
Trade and other receivables	應收貿易賬款及其他應收賬款	7,770
Tax recoverable	可收回稅項	131
Bank balances and cash	銀行結餘及現金	2,322
Trade and other payables	應付貿易賬款及其他應付賬款	(12,381)
Tax payables	應付稅項	(102)
		<hr/>
		2,944
Attributable goodwill	相關商譽	4,910
Loss on disposal	出售虧損	(4,974)
		<hr/>
Total consideration	總代價	2,880
		<hr/>
Satisfied by:	以下列方式支付：	
Cash	現金	2,880
		<hr/>
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	2,880
Bank balances and cash disposed of	出售之銀行結餘及現金	(2,322)
		<hr/>
		558
		<hr/>

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

39. MAJOR NON-CASH TRANSACTION

During the year ended 31st December, 2009, the Group acquired Sifa Mining. The consideration for the acquisition included shares, convertible loan notes and promissory notes issued by the Company. Details of the transaction are set out in Note 37.

40. OPERATING LEASES

The Group as lessee

During the year, the Group made minimum lease payments of approximately HK\$5,505,000 (2008: HK\$4,827,000) under operating leases.

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

Within one year	一年內
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)
Over five years	五年以上

Operating lease payments represent rentals payable by the Group for certain of its office properties and retail shops. Leases are negotiated and rentals are fixed for terms ranging from one to ten years.

39. 主要非現金交易

截至二零零九年十二月三十一日止年度，本集團已收購錫發礦業。收購代價包括本公司發行的股份、可換股貸款票據及承兌票據。有關交易詳情載於附註37。

40. 經營租約

本集團作為承租人

年內，本集團根據經營租約須支付之最低租賃款項約為5,505,000港元(二零零八年：4,827,000港元)。

於呈報期結算日，本集團根據不可撤回租約而就於下列期間到期之租賃物業須支付的未來最低租金承擔如下：

2009 HK\$'000 千港元	2008 HK\$'000 千港元
3,514	2,925
5,422	1,924
1,269	1,520
10,205	6,369

經營租約租金指本集團就若干辦公室物業及零售店應付之租金。租約及租金均按一至十年之年期磋商及釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

41. PLEDGE OF ASSETS

At the end of reporting period, the following assets were pledged to secure bank and other borrowings of the Group.

Bank deposits	銀行存款
Inventories – mining business	存貨 – 採礦業務

42. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the “Scheme”) for all its qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustees. Under the rules of the Scheme, the employer and its employees are required to make contributions to the Scheme at rates specified in the rules. The only obligation of the Group with respect to the Scheme is to make the required contributions under the Scheme.

The employees of the Group’s subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a fixed rate of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to profit or loss of approximately HK\$716,000 (2008: HK\$616,000) represents contributions payable to these schemes by the Group in respect of the current year.

41. 資產抵押

於呈報期結算日，以下資產已抵押作為本集團所獲銀行及其他借貸的擔保。

2009 HK\$'000 千港元	2008 HK\$'000 千港元
—	30,392
5,157	—
5,157	30,392

42. 退休福利計劃

本集團為所有香港合資格僱員管理強制性公積金計劃(「計劃」)。有關計劃的資產由受託人控制之基金與本集團資產分開持有。根據計劃之規則，僱主及其僱員須按規則指定之比率向計劃供款。本集團對計劃之唯一責任為根據計劃作出規定供款。

本集團在中國之附屬公司僱員均為中國政府管理之國家管理退休福利計劃成員。該等附屬公司須按薪金成本之固定比例向該退休福利計劃供款，為各項福利提供資金。本集團對該退休福利計劃之唯一責任為作出指定供款。

在損益所扣除約716,000港元(二零零八年：616,000港元)的總成本為本集團於本年度向該等計劃應付之供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

43. RELATED PARTY DISCLOSURES

- (a) Details of the Group's outstanding balances with related parties at the end of reporting period are set out in the consolidated statement of financial position and Note 26.
- (b) Details of agreements entered into with Mr. Lau in relation to the acquisition of Sifa Mining are set out in Notes 18 and 34.
- (c) Compensation of key management personnel

The remuneration of directors and other members of the Group's key management during the year was as follows:

Short-term benefits	短期福利
Post-employment benefits	退休後福利

The remuneration of directors and other members of key management was determined by the remuneration committee having regard to the performance of individuals and market trends.

44. EVENT AFTER THE REPORTING PERIOD

On 4th January, 2010, the Company issued and allotted a total of 142,857,142 ordinary shares of HK\$0.10 each in the Company upon exercise in full by the holders of the Company's CL Notes.

43. 關連人士披露資料

- (a) 於呈報期結算日，本集團與關連人士之未清償結餘詳情載於綜合財務狀況表及附註26。
- (b) 與劉先生就收購錫發礦業訂立之協議詳情載於附註18及34。
- (c) 主要管理人員之薪酬

年內董事及本集團其他主要管理人員之酬金如下：

2009	2008
HK\$'000	HK\$'000
千港元	千港元
3,264	6,291
50	72
3,314	6,363

董事及其他主要管理人員之酬金由薪酬委員會考慮個別人士表現及市場趨勢後釐定。

44. 結算日後事項

二零一零年一月四日，於本公司可換股貸款票據持有人全數行使可換股貸款票據後，本公司發行及配發合共142,857,142股每股面值0.10港元之本公司普通股。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

45. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY

45. 本公司之財務狀況表概要

		2009	2008
		HK\$'000	HK\$'000
		千港元	千港元
Investments in subsidiaries	於附屬公司之投資	41,148	41,148
Amounts due from subsidiaries	應收附屬公司款項	—	238,873
Other current assets	其他流動資產	288	4,762
Amounts due to subsidiaries	應付附屬公司款項	(6,520)	(6,520)
Other current liabilities	其他流動負債	(9,224)	(1,761)
Bank borrowings	銀行借貸	—	(31,000)
Other non-current liabilities	其他非流動負債	(142,438)	—
		(116,746)	245,502
Share capital	股本	67,881	37,279
Reserves	儲備	(184,627)	208,223
		(116,746)	245,502

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st December, 2009 and 31st December, 2008 are as follows:

46. 主要附屬公司資料

於二零零九年十二月三十一日及二零零八年十二月三十一日之本公司主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本 / 註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本/ 註冊資本面值之比例		Principal activity 主要業務
			2009	2008	
Express Fortune Holdings Limited	British Virgin Islands 英屬處女群島	Ordinary US\$100 普通股100美元	100%	100%	Investment holding 投資控股
Express Fortune Limited	Hong Kong	Ordinary HK\$10 Non-voting deferred HK\$5,000,000 (note i) 普通股10港元 無投票權遞延股份 5,000,000港元 (附註i)	100%	100%	Maintaining the corporate office 保修企業辦公室
長遠有限公司	香港				
Fortune Shanghai	Wholly foreign owned enterprise established in the PRC 在中國成立之外商獨資企業	US\$28,100,000 28,100,000美元	100%	100%	Trading in mobile phones 買賣移動電話
長遠上海					
Fortune Telecom International Company Limited	Hong Kong	Ordinary HK\$10,000 普通股10,000港元	100%	100%	Investment holding 投資控股
長遠電信國際有限公司	香港				
Sifa Mining	Established in PRC	RMB1,000,000	50.8%	—	Exploration and extraction of mining resources 勘探及開採礦產資源
錫發礦業	在中國成立	人民幣1,000,000元			

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

46. 主要附屬公司資料 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本 / 註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本/ 註冊資本面值之比例		Principal activity 主要業務
			2009	2008	
Shanghai Telefortune	Wholly foreign owned enterprise established in the PRC	US\$6,000,000	100%	100%	Trading in mobile phones
上海忻科	在中國成立之外商獨資企業	6,000,000美元			買賣移動電話
Shanghai Yuanjia	Wholly foreign owned enterprise established in the PRC	US\$6,000,000	100%	100%	Trading in mobile phones
上海遠嘉	在中國成立之外商獨資企業	6,000,000美元			買賣移動電話
Synergy Technologies (Asia) Limited (note ii)	Hong Kong	Ordinary HK\$5,000,000	—	100%	Trading in computer products
Synergy Technologies (Asia) Limited (附註ii)	香港	普通股5,000,000港元			買賣電腦產品
Telefortune	Hong Kong	Ordinary HK\$40,000,000	100%	100%	Investment holding and provision of consultancy services in trading of mobile phones
長遠新科	香港	普通股40,000,000港元			投資控股及就買賣 移動電話提供 顧問服務
Top Emperor Investments Limited 凱皇投資有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	100%	100%	Property holding 持有物業
Zuhai Reminda	Sino-foreign equity joint ventures established in the PRC	RMB10,000,000	51%	51%	Trading in mobile phones
珠海雷鳴達	在中國成立之中外合資企業	人民幣10,000,000元			買賣移動電話

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

notes:

- (i) The deferred shares carry practically no rights to dividends or to receive notice of or to attend or vote at any general meeting of the respective company or to participate in any distribution on winding up.
- (ii) Synergy Technologies (Asia) Limited was disposed of during the year ended 31st December, 2009.

The Company directly holds the interest in Express Fortune Holdings Limited. All other interests shown above are indirectly held by the Company.

The principal activities are carried out in the place of incorporation/establishment except for Express Fortune Holdings Limited and Telefortune which mainly carry out their businesses in the PRC.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

46. 主要附屬公司資料 (續)

附註：

- (i) 遞延股份並無權收取股息、各公司任何股東大會通告或出席或於會上投票或於清盤時獲得任何分派。
- (ii) Synergy Technologies (Asia) Limited於截至二零零九年十二月三十一日止年內已被出售。

本公司直接持有 Express Fortune Holdings Limited 權益，而上文所示所有其他權益均由本公司間接持有。

除 Express Fortune Holdings Limited 及長遠新科主要在中國經營業務外，上述主要業務均於註冊成立／成立地點經營。

各附屬公司於年終或年內任何時間均無任何債務證券。

上表所列者乃董事認為會影響本集團業績或資產淨值的本公司主要附屬公司。董事認為，載列其他附屬公司之詳情會令有關資料過於冗長。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st December, 2009 截至二零零九年十二月三十一日止年度

47. PARTICULARS OF ASSOCIATES

Details of the Company's associates at 31st December, 2009 and 31st December, 2008 are as follows:

Name	Form of business structure	Place of incorporation/ operation	Nominal value of issued capital/ registered capital held indirectly by the Company		Principal activities
			2009	2008	
Artchief Industries Limited (note i)	Incorporated	Hong Kong	50%	50%	Trading in electronic products
藝捷實業有限公司 (附註i)	註冊成立	香港			買賣電子產品
Intelligence Tech (note ii)	Incorporated	Hong Kong	—	25%	Development and distribution of mobile phones
英騰科技 (附註ii)	註冊成立	香港			開發及分銷移動電話

notes:

- (i) The Company has less than 50% of representation in the board and thus classified as an associate.
- (ii) Intelligence Tech was disposed of during the year ended 31st December, 2009.

47. 聯營公司資料

於二零零九年十二月三十一日及二零零八年十二月三十一日之本公司聯營公司詳情如下：

Name	Form of business structure	Place of incorporation/ operation	Nominal value of issued capital/ registered capital held indirectly by the Company		Principal activities
			2009	2008	
Artchief Industries Limited (note i)	Incorporated	Hong Kong	50%	50%	Trading in electronic products
藝捷實業有限公司 (附註i)	註冊成立	香港			買賣電子產品
Intelligence Tech (note ii)	Incorporated	Hong Kong	—	25%	Development and distribution of mobile phones
英騰科技 (附註ii)	註冊成立	香港			開發及分銷移動電話

附註：

- (i) 由於本公司於董事會之代表權少於50%，故分類為於聯營公司。
- (ii) 英騰科技於截至二零零九年十二月三十一日止年內已被出售。

Financial Summary

財務概要

RESULTS

業績

		Year ended 31st December, 截至十二月三十一日止年度				
		2005	2006	2007	2008	2009
		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
Revenue	收益	2,664,254	3,046,805	2,744,597	2,097,593	2,156,356
Cost of sales	銷售成本	(2,569,618)	(2,933,472)	(2,838,162)	(2,063,001)	(2,111,301)
Gross profit (loss)	毛利(損)	94,636	113,333	(93,565)	34,592	45,055
Other income	其他收入	13,485	17,904	17,791	11,262	12,144
Selling and distribution costs	銷售及分銷成本	(31,138)	(36,716)	(50,623)	(23,092)	(28,912)
Administrative expenses	行政費用					
– share-based payment expenses	— 以股份為基礎 支付之費用	–	–	(14,816)	–	–
– other administrative expenses	— 其他行政費用	(27,710)	(24,122)	(31,490)	(29,090)	(24,493)
Loss on disposal of subsidiaries	出售附屬公司	–	–	–	–	(4,974)
Allowance for trade and other receivables	應收貿易賬款及 其他應收賬款撥備	(7,029)	(5,380)	(46,379)	(47,364)	(994)
Impairment loss recognised in respect of available-for-sale investment	就可供出售投資 確認之減值虧損	–	–	–	(632)	(217)
Impairment loss recognised in respect of goodwill	就商譽確認之 減值虧損	–	–	–	(5,105)	(184,340)
Impairment loss recognised in respect of interests in associates	就聯營公司權益 確認之減值虧損	–	–	(18,193)	(5,725)	–
Fair value gain on an investment property	一項投資物業之 公平值收益	200	60	2,240	–	–
Fair value gain on an embedded non-option derivative	嵌入式非期權衍生 工具之公平值收益	–	–	–	5,538	–
Fair value loss on convertible loan notes	可換股貸款票據之 公平值虧損	–	–	–	–	(326)
Gain on disposal of an associate	出售一家聯營公司 之收益	–	–	–	104	1,437
Reversal of impairment loss of trade and other receivables	應收貿易賬款及 其他應收賬款之 減值虧損撥回	–	–	–	–	14,916
Share of results of associates	分佔聯營公司之業績	–	–	(2,125)	(4,036)	732
Finance costs	融資成本	(22,100)	(27,535)	(26,350)	(11,837)	(2,330)
Profit (loss) before taxation	除稅前溢利(虧損)	20,344	37,544	(263,510)	(75,385)	(172,302)
Income tax expense	所得稅支出	(4,137)	(6,205)	(3,337)	(3,459)	(127)
Profit (loss) for the year	年度溢利(虧損)	16,207	31,339	(266,847)	(78,844)	(172,429)
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	11,380	31,339	(266,679)	(78,719)	(171,983)
Minority interests	少數股東權益	4,827	–	(168)	(125)	(446)
		16,207	31,339	(266,847)	(78,844)	(172,429)

Financial Summary

財務概要

ASSETS AND LIABILITIES

資產及負債

		At 31st December, 於十二月三十一日				
		2005	2006	2007	2008	2009
		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
Total assets	總資產	682,513	1,183,024	520,982	385,332	698,937
Total liabilities	總負債	(328,599)	(786,856)	(260,843)	(190,552)	(385,625)
		353,914	396,168	260,139	194,780	313,312
Equity attributable to owners of the Company	本公司擁有人 應佔權益	353,156	395,410	255,063	189,498	158,254
Share option reserve of a subsidiary	一家附屬公司之 購股權儲備	758	758	—	—	—
Minority interests	少數股東權益	—	—	5,076	5,282	155,058
		353,914	396,168	260,139	194,780	313,312



中國長遠控股有限公司
China Fortune Holdings Limited