



FOREFRONT GROUP LIMITED
福方集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
(Stock Code 股份代號: 885)

ANNUAL REPORT 2010
年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Yeung Ming Kwong# (Acting Chairman)
Ms. Lo Oi Kwok, Sheree
Mr. Lam Yick Sing (Appointed on 4 June 2010)
Mr. Ting Wing Cheung, Sharman (Resigned on 17 May 2010)
Mr. Wen Louis
Mr. Zhuang You Dao

Independent Non-Executive Directors:

Mr. Chung Yuk Lun**
Ms. Lam Yan Fong, Flora**
Mr. Pak William Eui Won**

* Member of Audit Committee
Member of Remuneration Committee

COMPANY SECRETARY

Mr. Chui Kark Ming

REGISTERED OFFICE

P.O. Box 309, Uglan House,
South Church Street, George Town,
Grand Cayman, Cayman Islands,
British West Indies

PRINCIPAL PLACE OF BUSINESS

Room 1103, 11/F., China United Centre,
28 Marble Road, North Point,
Hong Kong

AUDITOR

Mazars CPA Limited
Certified Public Accountants
42nd Floor, Central Plaza,
18 Harbour Road,
Wan Chai,
Hong Kong

董事會

執行董事：

楊明光先生# (署理主席)
羅愛過女士
林益勝先生 (於二零一零年六月四日獲委任)
丁永章先生 (於二零一零年五月十七日辭任)
溫耒先生
莊友道先生

獨立非執行董事：

鍾育麟先生**
林欣芳女士**
Pak William Eui Won先生**

* 審核委員會成員
薪酬委員會成員

公司秘書

崔格鳴先生

註冊辦事處

P.O. Box 309, Uglan House,
South Church Street, George Town,
Grand Cayman, Cayman Islands,
British West Indies

主要營業地點

香港
北角馬寶道28號
華匯中心11樓1103室

核數師

瑪澤會計師事務所有限公司
執業會計師
香港
灣仔
港灣道18號
中環廣場42樓

Corporate Information 公司資料

CAYMAN ISLAND LEGAL ADVISERS

Maples and Calder Asia
1504, One International Finance Centre,
1 Harbour View Street,
Hong Kong

Conyers Dill & Pearman
2901 One Exchange Square
8 Connaught Place, Central
Hong Kong

PRINCIPAL BANKER

Standard Chartered Bank (Hong Kong) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26/F., Tesbury Centre,
28 Queen's Road East, Wan Chai
Hong Kong

STOCK CODE

885

COMPANY WEBSITE

www.forefront.com.hk

開曼群島法律顧問

Maples and Calder Asia
香港
港景街1號
國際金融中心一期1504室

Conyers Dill & Pearman
香港
中環康樂廣場8號
交易廣場第一座2901室

主要往來銀行

渣打銀行(香港)有限公司

香港股份過戶登記分處

卓佳登捷時有限公司
香港
灣仔皇后大道東28號
金鐘匯中心26樓

證券代號

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公司網址

www.forefront.com.hk

Chairman's Statement & Management Discussion and Analysis

主席報告以及管理層論述及分析

On behalf of the Board of Directors, I would like to present the annual report of the Group for the year ended 31 December 2010.

BUSINESS REVIEW AND PROSPECTS

FINANCIAL RESULTS

The Group's audited consolidated net loss for the year was HK\$229.46 million (2009: net loss of HK\$61.61 million). The net asset value of the Group increased from HK\$408.40 million as at 31 December 2009 to HK\$890.25 million as at 31 December 2010. The net loss is mainly attributed to the loss from securities trading, provision on doubtful debts and impairment loss on intangible assets.

FINAL DIVIDEND

The Board of Directors does not recommend the payment of a final dividend for the year.

BUSINESS REVIEW

Tianjin Motor Business

The Group acquired 50% equity interest in Tianjin Kai Sheng Automobile Service Co., Ltd ("Kai Sheng") on 11 October 2007. Kai Sheng and its subsidiaries operated automobile sales and repair centers in Tianjin city, the PRC. Kai Sheng and its subsidiaries obtained permission to conduct the sales and repair services of Zhengzhou Nissan under the authorisation of Zhengzhou Nissan Automobiles Sales Company Limited. In year 2010, the sales from private motor vehicle in the PRC grew around 32% and expected to have a further increase of around 10% to 15% in the coming year. During the year, the sales volume of Kai Sheng and its subsidiaries increased due to the growth of the market. For the financial year, Kai Sheng and its subsidiaries contributed a profit of HK\$0.79 million to the Group. It is expected that there will be a growth in 12% in the sales volume in year 2011 under the current prevailing market trends in the PRC. However, due to the recent incidents of earthquake, tsunami and nuclear leakage in Japan, the tightened supplies on certain components for manufacturing of motor vehicles is foreseeable. The target sale volumes of Kai Sheng for the year 2011 will be inevitably be affected.

本人謹代表董事會提呈本集團截至二零一零年十二月三十一日止年度之年報。

業務回顧及前景

財務業績

本集團之年內經審核綜合虧損淨額為229,460,000港元(二零零九年:虧損淨額61,610,000港元)。本集團之資產淨值由二零零九年十二月三十一日之408,400,000港元增至二零一零年十二月三十一日之890,250,000港元。虧損淨額主要源自證券買賣虧損、呆帳撥備及無形資產減值虧損。

末期股息

董事會不建議派付本年度之末期股息。

業務回顧

天津汽車業務

於二零零七年十月十一日,本集團收購天津市凱聲汽車維修有限公司(「凱聲」)50%股權。凱聲及其附屬公司於中國天津市經營汽車銷售及維修中心。凱聲及其附屬公司在Zhengzhou Nissan Automobiles Sales Company Limited之授權下獲准為Zhengzhou Nissan提供銷售及維修服務。於二零一零年,中國私人汽車之銷量增加約32%,並預期於來年進一步增加約10%至15%。於本年度,凱聲及其附屬公司之銷量因市場增長而上升。於本財政年度,凱聲及其附屬公司為本集團帶來790,000港元之溢利貢獻。預期在中國現時之市場趨勢下,二零一一年之銷量將會增長12%。然而,近期日本發生地震、海嘯及核洩漏等事故,預計製造汽車之若干零件供應將會緊張。凱聲於二零一一年度之目標銷量將無可避免受到影響。

Chairman's Statement & Management Discussion and Analysis

主席報告以及管理層論述及分析

Logistic Services

The Group has invested 40% of the issued share capital of Golden Fame International Investments Group Limited ("GFIIGL") since 13 September 2007. GFIIGL provides various logistic services in Hong Kong and the PRC including third party logistics, freight forwarding, supply chain management, river trade shipping and terminal stevedoring. During the year, the overall revenue of GFIIGL increased amid a global economic recovery and increase in cargo volume, GFIIGL has made approximately HK\$0.6 million contribution to the Group as a result. It is expected that GFIIGL will have a slight increase during year 2011.

Reference is also made to the Company's announcement dated 8 November 2010 that GFIIGL and its subsidiaries intended to apply for listing on the growth enterprise market of the Stock Exchange in year 2011 as the planned schedule.

Forestry Business

On 26 April 2010, the Company's indirectly wholly-owned subsidiary, Regent Square Limited, completed its acquisition of Richful Zone International Limited at a consideration of HK\$79.2 million. The consideration was satisfied by an issue of 330,000,000 shares of the Company at an issue price of HK\$0.24 per share to Mascotte Holdings Limited. Richful Zone International Limited and its subsidiary hold 50% of the interests in the concession rights and forestry contracts in respect of three pieces of forest lands located in Simao District, Pure City, Yunnan Province, the PRC, with a total site area of approximately 36,735 Chinese Mu. The concession rights and interest in the forest lands are expiring in January 2060. At the reporting date, the operation of the forest lands has no profits contribute to the Group after payment of management fee to the PRC's partner. In view of the current condition of the forest lands and market environments, it is expected that the operation of the forest lands will have profits contribution and appreciation in forest lands value to the Group in the medium to long term spectrum.

物流服務

本集團自二零零七年九月十三日起投資於金信環球投資集團有限公司(「金信」)已發行股本之40%。金信在香港及中國提供各類物流服務，包括第三方物流、貨運、供應鏈管理、內河貨運及碼頭裝卸。於本年度，全球經濟復甦，貨運量上升，連帶金信之整體銷售額亦有所增長，為本集團業績帶來約600,000港元之貢獻。預期金信於二零一一年之表現將輕微提升。

謹此同時提述本公司日期為二零一零年十一月八日之公佈，按預計時間表，金信及其附屬公司擬於二零一一年申請在聯交所創業板上市。

林地業務

於二零一零年四月二十六日，本公司之間接全資附屬公司Regent Square Limited完成收購豐域國際有限公司，代價為79,200,000港元。代價已透過按發行價每股0.24港元向馬斯葛集團有限公司發行330,000,000股本公司股份之方式支付。豐域國際有限公司及其附屬公司持有三塊林地之特許權利及林地合約之50%權益。該等林地位於中國雲南省普洱市思茅區，總地盤面積約為36,735畝。該等林地之特許權利及權益將於二零六零年一月屆滿。於報告日期，經向中國夥伴支付管理費後，該等林地之營運並無為本集團帶來溢利。鑑於該等林地之現況及市場環境，預期該等林地之營運於中長期將會為本集團帶來溢利及林地升值。

Chairman's Statement & Management Discussion and Analysis

主席報告以及管理層論述及分析

Property Investments

On 19 May 2010, the Company's indirect wholly-owned subsidiary, Loyal Castle Investments Limited, completed its acquisition of Perfect Time Investments Limited at a consideration of HK\$100 million. The consideration was satisfied by an issue of 400,000,000 shares of the Company to Willie International Holdings Limited. Perfect Time Investments Limited and its wholly-owned subsidiary held a 20-storey composite building located in Guangzhou City, the PRC. At the date of completion, the 400,000,000 consideration shares valued at HK\$60 million were issued. On 26 May 2010, the Group completed its disposal of Perfect Time Investments Limited to an independent third party at HK\$85 million. The acquisition and disposal contributed a profit of HK\$25 million to the Group's results for the year.

Investment in a Limited Partnership

On 17 August 2010, the Company's indirect wholly-owned subsidiary, Pan Fortune Investments Limited entered into an investors' subscription agreement to invest a total of US\$10,000,000 into a co-investment vehicle, a limited partnership, established for the purpose of acquiring control of the equity securities and loan receivables of an investee group which is a supplier of automotive components, supplying both original equipment manufacturers and the aftermarket. The investment was approved by independent shareholders at the extraordinary general meeting of the Company on 27 September 2010. On 18 August 2010, approximately HK\$60.67 million (US\$7,777,777.78) has been invested by the Group and the remaining balance of approximately HK\$17.33 million (US\$2,222,222.22) is pending to be called by the limited partnership. The investment represents 22.2% holdings on the limited partnership. The limited partnership is managed by AITS Cayman Limited which is an affiliate of Unitas Capital Pte Ltd ("Unitas"). Unitas is one of the pioneers in large leveraged buy-out transactions in Asia. Since inception in 1999, funds advised by Unitas have invested in excess of US\$2.3 billion in equity capital in 28 transactions across a broad range of industries and geographies. The Company plays a passive role on the investment and to keep the investment as available-for-sale financial assets. After the year end, the Company was informed by the limited partnership that the investee group performance was ahead of its expectation and the progress of restructuring is in line with their planning. The investee group 2010's performance indicates strong support for their 2011's target performance.

物業投資

於二零一零年五月十九日，本公司之間接全資附屬公司Loyal Castle Investments Limited完成收購時美投資有限公司，代價為100,000,000港元。代價已透過向威利國際控股有限公司發行400,000,000股本公司股份之方式支付。時美投資有限公司及其全資附屬公司持有一幢位於中國廣州市之二十層綜合樓宇。於完成日期，該400,000,000股代價股份以市價60,000,000港元發行。於二零一零年五月二十六日，本集團完成向一名獨立第三方出售時美投資有限公司，作價85,000,000港元。是項收購及出售為本集團年度業績貢獻溢利25,000,000港元。

投資於有限責任合夥公司

於二零一零年八月十七日，本公司之間接全資附屬公司Pan Fortune Investments Limited訂立一項投資者認購協議，以向一間共同投資有限責任合夥公司投資合共10,000,000美元，該公司乃為取得一個接受投資集團之股本證券及應收貸款之控制權而成立，而後者為汽車零件供應商，對象為原設備製造商及售後零部件市場。該投資於二零一零年九月二十七日在本公司之股東特別大會上獲獨立股東批准。於二零一零年八月十八日，本集團已投資約60,670,000港元(7,777,777.78美元)，餘下結餘約17,330,000港元(2,222,222.22美元)有待有限責任合夥公司通知出資。該投資為有限責任合夥公司之22.2%股權。有限責任合夥公司由AITS Cayman Limited管理，而AITS Cayman Limited為Unitas Capital Pte Ltd (「Unitas」)之聯屬公司。Unitas為亞洲大型槓桿收購交易先驅之一，自一九九九年創業以來，接受Unitas建議之基金於各行各業及不同地區進行28宗交易，於股權資本方面之投資額超過23億美元。本公司於該投資擔當被動角色，並以可供銷售金融資產形式持有該投資。於年結後，本公司獲有限責任合夥公司通知，接受投資集團之表現超出預期，而重組進度則與計劃相符。接受投資集團於二零一零年之表現為其二零一一年之目標表現提供有力支持。

Chairman's Statement & Management Discussion and Analysis

主席報告以及管理層論述及分析

Trading of Securities

The Group invested its surplus cash in Hong Kong listed securities and unlisted securities. At the result of the volatility of the Hong Kong stock market, the Group recorded a realised and unrealised loss of approximately HK\$30.91 million and approximately HK\$116.55 million respectively.

Money Lending Business

The Group has used its surplus cash to fund a money lending business through its indirect wholly-owned subsidiary, Forefront Finance Company Limited. During the year, Forefront Finance Company Limited provides short-term loans to various borrowers which carried interest rates ranging from prime minus 2 to prime plus 2 per annum. Within the financial year, the money lending business contributed HK\$6.76 million interest income to the Group and HK\$89.35 million provision of doubtful debts was made on certain outstanding short-term lendings.

Carbon Fiber Business

As disclosed in the announcement dated 14 April 2010 and last annual report dated 23 April 2010, the directors of Excel Way Investments Ltd. ("**Excel Way**"), an indirect wholly-owned subsidiary of the Company which holds an aggregate of 42.86% equity interests in Tinhua Excel Way Special Fiber (Xintai) Co., Ltd., resolved to place Excel Way into voluntary liquidation pursuant to Section 228A of the Hong Kong Companies Ordinance. Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, were appointed provisional liquidators of Excel Way on the same day to preserve and ascertain the residual value of the Company's investment in Excel Way. An impairment loss of HK\$158.50 million regarding the investment had been made in last year's consolidated financial statements of the Group.

證券買賣

本集團將現金盈餘投資於香港上市證券及非上市證券。由於香港股市波動，本集團錄得已變現及未變現虧損分別約30,910,000港元及約116,550,000港元。

貸款業務

本集團透過其間接全資附屬公司福方財務有限公司利用其現金盈餘進行貸款業務。年內，福方財務有限公司向不同借款人提供短期貸款，該等短期貸款一般按最優惠利率減年利率2厘至最優惠利率加年利率2厘計息。於本財政年度內，貸款業務為本集團貢獻利息收入6,760,000港元，而本集團為若干未償還短期借貸作出呆帳撥備89,350,000港元。

碳纖維業務

如日期為二零一零年四月十四日之公佈以及日期為二零一零年四月二十三日之上一年報所披露，本公司之間接全資附屬公司溢威投資有限公司（「**溢威**」，持有天華溢威特種纖維（新泰）有限公司合共42.86%股權）之董事議決根據香港公司條例第228A條對溢威進行自動清盤。富理誠有限公司之霍義禹先生及沈仁諾先生已於同日獲委任為溢威之臨時清盤人，以保障及確定本公司於溢威之投資之剩餘價值。本集團去年之綜合財務報表已就有關投資計提減值虧損158,500,000港元。

Chairman's Statement & Management Discussion and Analysis

主席報告以及管理層論述及分析

FINANCIAL REVIEW

Liquidity, Financial Resources, Borrowing and Gearing Ratio

The Group financed its operation largely through internal cash resources and fund raising activities (mainly placing exercises and issuance of convertible bonds). As at the end of the reporting period, the cash balance was maintained at approximately HK\$131.34 million (2009: HK\$134.61 million). The Group's gearing ratio, calculated as total borrowings divided by net assets, is stated at 0% (2009: 20.68%). As at 31 December 2010, the Group's net assets value amounted to approximately HK\$890.25 million (as at 31 December 2009: HK\$408.40 million) with total assets approximately HK\$920.07 million (as at 31 December 2009: HK\$521.46 million). Net current assets were approximately HK\$723.84 million (as at 31 December 2009: HK\$454.56 million) and the current ratio was 25.27 times (as at 31 December 2009: 16.89 times).

Capital Structure

On 26 January 2010, 43,938,446 share options were granted to qualified participants under the share option scheme at an exercise price of HK\$0.32 per ordinary share of HK\$0.10 each. The share options were fully exercised on 26 January 2010. The Company received proceeds of approximately HK\$14.06 million.

On 11 February 2010, the Company issued 324,483,760 shares to convertible bonds holder(s) for the conversion of HK\$ 110 million convertible bonds at a conversion price of HK\$0.339 per share.

On 17 February 2010, the Company issued 1,098,461,165 shares for the completion of its rights issue, a net proceeds of HK\$298.82 million was received by the Company.

On 16 March 2010, the Company issued 16,224,188 shares to convertible bonds holder(s) for the conversion of HK\$5.5 million convertible bonds at a conversion price of HK\$0.339 per share.

財務回顧

流動資金、財務資源、借貸及負債資產比率

本集團主要透過內部現金資源及集資活動（主要為進行配售活動及發行可換股債券）為其業務提供資金。於報告期結束日，現金結存維持約131,340,000港元（二零零九年：134,610,000港元）。本集團之負債資產比率（以借貸總額除以資產淨值計算）為0%（二零零九年：20.68%）。於二零一零年十二月三十一日，本集團之資產淨值約為890,250,000港元（於二零零九年十二月三十一日：408,400,000港元），資產總值約為920,070,000港元（於二零零九年十二月三十一日：521,460,000港元）。流動資產淨值約為723,840,000港元（於二零零九年十二月三十一日：454,560,000港元），而流動比率為25.27倍（於二零零九年十二月三十一日：16.89倍）。

資本架構

於二零一零年一月二十六日，43,938,446份購股權已根據購股權計劃按每股面值0.10港元之普通股0.32港元之行使價，授予多名合資格參與者。購股權已於二零一零年一月二十六日獲悉數行使。本公司已收取所得款項約14,060,000港元。

於二零一零年二月十一日，110,000,000港元之可換股債券按轉換價每股0.339港元獲轉換，本公司向可換股債券持有人發行324,483,760股股份。

於二零一零年二月十七日，本公司就供股完成發行1,098,461,165股股份，並收取所得款項淨額298,820,000港元。

於二零一零年三月十六日，5,500,000港元之可換股債券按轉換價每股0.339港元獲轉換，本公司向可換股債券持有人發行16,224,188股股份。

Chairman's Statement & Management Discussion and Analysis

主席報告以及管理層論述及分析

On 19 March 2010, the Company issued 32,448,376 shares to convertible bonds holder(s) for the conversion of a HK\$11 million convertible bonds at a conversion price of HK\$0.339 per share.

於二零一零年三月十九日，11,000,000港元之可換股債券按轉換價每股0.339港元獲轉換，本公司向可換股債券持有人發行32,448,376股股份。

On 26 March 2010, the Company issued 32,448,376 shares to convertible bonds holder(s) for the conversion of HK\$11 million convertible bonds at a conversion price of HK\$0.339 per share.

於二零一零年三月二十六日，11,000,000港元之可換股債券按轉換價每股0.339港元獲轉換，本公司向可換股債券持有人發行32,448,376股股份。

On 15 April 2010, the Company issued 32,448,376 shares to convertible bonds holder(s) for the conversion of HK\$11 million convertible bonds at a conversion price of HK\$0.339 per share.

於二零一零年四月十五日，11,000,000港元之可換股債券按轉換價每股0.339港元獲轉換，本公司向可換股債券持有人發行32,448,376股股份。

On 26 April 2010, the Company issue 330,000,000 shares at an issue price of HK\$0.24 per share to Mascotte Holdings Limited as a consideration to acquire a company which held forest interest located in Yunnan Province, the PRC.

於二零一零年四月二十六日，本公司按每股0.24港元之發行價向馬斯葛集團有限公司發行330,000,000股股份，作為收購一間持有中國雲南省林地權益之公司之代價。

On 4 May 2010, the Company issued 60,988,080 shares under issue mandate to Mr. Kwong Kai Sing, Benny, an individual investor at a price of HK\$0.22 per share with the net price of HK\$0.218 per share. The closing price on 27 April 2010 is HK\$0.227 per share being the date on which the terms of the issue were fixed. The Company received a net proceeds of approximately HK\$13.29 million from the subscription which was used for general working capital of the Group.

於二零一零年五月四日，本公司根據發行授權按每股0.22港元之認購價向一名個人投資者鄭啟成先生發行60,988,080股股份，每股淨價為0.218港元。於二零一零年四月二十七日（即釐定發行條款當日）之收市價為每股0.227港元。本公司已從認購事項收取所得款項淨額約13,290,000港元，用作本集團一般營運資金。

On 19 May 2010, the Company issue 400,000,000 shares at an issue price on completion date of HK\$0.15 per share to Willie International Holdings Limited as a consideration to acquire a company which held 20-storey composite building located at Guangzhou City, the PRC.

於二零一零年五月十九日，本公司按完成日期之發行價每股0.15港元向威利國際控股有限公司發行400,000,000股股份，作為收購一間持有中國廣州市一幢二十層綜合樓宇之公司之代價。

On 29 July 2010, the Company issued 1,250,000,000 shares at a price of HK\$0.10 per share under placing. The Company received a net proceeds of approximately HK\$121.55 million from the placement.

於二零一零年七月二十九日，本公司根據配售按每股0.10港元之價格發行1,250,000,000股股份。本公司已從配售事項收取所得款項淨額約121,550,000港元。

Chairman's Statement & Management Discussion and Analysis

主席報告以及管理層論述及分析

Foreign Currency Exposure

The Group is not subject to material foreign currency exposure since its operations are mainly denominated in Hong Kong dollars. As such, no hedging instrument is considered necessary by the Board during the year.

Pledge of Assets

As at 31 December 2009, the Group maintained a bank deposit of approximately HK\$558,000 as collateral to satisfy the contingent warranty and delivery obligations in relation to certain sales contracts. As at 31 December 2010, all the collaterals were released by the bank.

As at 31 December 2010, margin facilities from regulated securities brokers were granted to the Group which was secured by the Group's financial assets at fair value through profit or loss. As at 31 December 2010, the Group has not utilised (*as at 31 December 2009: Nil*) these facilities.

PROSPECT

At the EGM of the Company held on 10 January 2011, independent shareholders approved the Company to carry out capital reorganisation and rights issue exercise. The capital reorganisation has been approved by court of Cayman Islands on 4 March 2011 and effected on 8 March 2011. The rights issue then will be carried out as planned and is expected to enhance the Company's capital base by approximately HK\$390.51 million from the net proceeds of the rights issue. At the fiscal year end, the Group's cash resource stood at HK\$131.34 million. The Group is in an advantageous position to take on new business opportunities as they arise.

外幣風險

由於本集團之業務主要以港元計值，故本集團並無面對任何重大外幣風險。因此，董事會於年內認為無必要使用對沖工具。

資產抵押

於二零零九年十二月三十一日，本集團約558,000港元銀行存款已作為與若干銷售合約有關之或然保固責任及交付責任之抵押品。於二零一零年十二月三十一日，銀行已解除所有抵押。

於二零一零年十二月三十一日，受規管證券經紀向本集團授出若干孖展融資，並以本集團於損益帳按公平值處理之財務資產作擔保。於二零一零年十二月三十一日，本集團並無動用該等融資（於二零零九年十二月三十一日：無）。

前景

於二零一一年一月十日舉行之本公司股東特別大會上，獨立股東批准本公司進行股本重組及供股，股本重組已於二零一一年三月四日獲開曼群島法院批准，並於二零一一年三月八日生效，隨後供股將按計劃進行，預期本公司之資本基礎將增加源自供股之所得款項淨額約390,510,000港元。於本財政年度年結日，本集團之現金資源維持於131,340,000港元。本集團現時穩佔有利位置，把握隨時湧現之新商機。

Chairman's Statement & Management Discussion and Analysis

主席報告以及管理層論述及分析

EMPLOYEES, REMUNERATION POLICY AND RETIREMENT BENEFIT SCHEME

As at 31 December 2010, the Group had 23 employees including directors of the Company. The policy of employee remuneration, bonus, share option scheme and training are commensurate with performance, experience and comparable to the market rate. The Group contributes to a Mandatory Provident Fund under the Hong Kong Mandatory Provident Fund Schemes Ordinance.

CONTINGENT LIABILITIES

Details of the Group's contingent liabilities as of 31 December 2010 are set out in note 32 to the consolidated financial statements.

Yeung Ming Kwong
Executive Director
Hong Kong

18 March 2011

僱員、酬金政策及退休福利計劃

於二零一零年十二月三十一日，本集團共有23名員工，包括本公司董事。僱員酬金政策、花紅、購股權計劃及培訓均按表現、經驗和參照市場水平釐定。本集團根據香港強制性公積金計劃條例向強制性公積金供款。

或然負債

本集團於二零一零年十二月三十一日之或然負債詳情載於綜合財務報表附註32。

執行董事
楊明光
香港

二零一一年三月十八日

Profile of the Management

管理層履歷

EXECUTIVE DIRECTORS

Mr. Yeung Ming Kwong, aged 52, joined the Company on 26 April 2007. Mr. Yeung is the Acting Chairman of the Company, formerly an executive director and CEO of Kai Yuan Holdings Limited, (stock code: 1215; formerly known as Wah Lee Resources Holdings Limited) and an executive director of Goldwiz Holdings Limited (delisted on 8 September 2008, stock code: 586). He has over 20 years of experience in import and export trading and investment business in the PRC. He also holds directorship in major subsidiaries of the Company.

Ms. Lo Oi Kwok, Sheree, aged 42, joined the Company on 26 April 2007. She holds an EMBA from Cheung Kong Graduate School of Business and a Bachelor's Degree of Arts from York University, Canada. She has over 10 years of experience in business development and investment. She was an executive director of Goldwiz Holdings Limited (delisted on 8 September 2008, stock code: 586) from May 2006 to January 2007. She also holds directorships in major subsidiaries of the Company.

Mr. Lam Yick Sing, aged 51, joined the Company on 4 June 2010. He had been a civil servant in Hong Kong for over 20 years. Mr. Lam was a senior administrative manager of Forefront International (Hong Kong) Limited, which is a wholly-owned subsidiary of the Company, from June 2007 to May 2008. He was an executive director of Tack Fat Group International Limited (Provisional Liquidators appointed; stock code: 928).

Mr. Wen Louis, aged 76, joined the Company on 1 September 2006. He holds a Bachelor of Engineering degree from City University of New York. An Executive Director of Forefront International (Hong Kong) Limited ("FIHK") from 1993 to 1997 and General Manager of FIHK since August 2005. Mr. Wen has extensive experience in engineering, marketing and advertising from previous position at J. Walter Thompson Co. and Dow Jones International Marketing Service in the United States. Mr. Wen is also an independent non-executive director of Willie International Holdings Limited (stock code: 273) effective from 22 April 2009.

執行董事

楊明光先生，52歲，於二零零七年四月二十六日加入本公司。楊先生現為本公司之署理主席，曾任開源控股有限公司（前稱華利資源控股有限公司）（股份代號：1215）之執行董事及行政總裁以及科維控股有限公司（股份代號：586，已於二零零八年九月八日除牌）之執行董事。彼於中國進出口貿易及投資業務方面擁有逾20年之經驗。彼亦出任本公司主要附屬公司之董事。

羅愛過女士，42歲，於二零零七年四月二十六日加入本公司。彼持有長江商學院高層管理人員工商管理碩士銜頭及加拿大約克大學之文學士學位。彼於業務發展及投資方面擁有逾10年經驗。彼於二零零六年五月至二零零七年一月擔任科維控股有限公司（股份代號：586，已於二零零八年九月八日除牌）之執行董事。彼亦出任本公司主要附屬公司之董事。

林益勝先生，51歲，於二零一零年六月四日加入本公司。彼曾任職香港公務員逾二十年。林先生曾於二零零七年六月至二零零八年五月擔任本公司全資附屬公司福方（香港）有限公司之高級行政經理。彼曾任德發集團國際有限公司（已委任臨時清盤人）（股份代號：928）之執行董事。

溫秉先生，76歲，於二零零六年九月一日加入本公司。彼持有美國City University of New York工程學學士學位。彼曾於一九九三年至一九九七年擔任福方（香港）有限公司（「福方香港」）之執行董事，並自二零零五年八月起一直出任福方香港總經理一職。溫先生曾在美國智威湯遜公司及Dow Jones International Marketing Service出任要職，具備工程、市場推廣及廣告推銷方面之豐富經驗。溫先生自二零零九年四月二十二日起亦擔任威利國際控股有限公司（股份代號：273）之獨立非執行董事。

Profile of the Management 管理層履歷

Mr. Zhuang You Dao, aged 58, joined the Company on 29 August 2007. He graduated from The Institute of Operation Management of China (中國經營管理學院) majoring in corporate management. Mr. Zhuang has over 30 years of experience in the automobile industry. He is the Chairman of Tianjin Kai Sheng Automobile Service Co., Ltd. (天津市凱聲汽車維修有限公司) and general manager of Tianjin Jinri Automobile Sale & Service Company Limited (天津津日汽車銷售服務有限公司). Mr. Zhuang is a senior consultant of Shenzhen Lan-you Technology Co., Ltd. (深圳聯友科技有限公司), a developer of automobile industry management software. Mr. Zhuang is an executive of the Chamber of Industry and Commerce of Tianjin Xiqing District, a special procurator of the First Branch of the People's Procuratorate of Tianjin Municipality and a representative of the 14th Session of People's Congress of Tianjin Hedong District.

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Chung Yuk Lun, aged 50, joined the Company on 26 April 2007. He is a fellow member of the Association of Chartered Certified Accountants, a member of The Hong Kong Institute of Certified Public Accountants and an Associated Chartered Accountants (England and Wales). Mr. Chung has over 20 years of experience in finance and project investment. He is an executive director and Chairman of Radford Capital Investment Limited (stock code: 901), an executive director of Ming Fung Jewellery Group Limited (stock code: 860) and an independent non-executive director of Heritage International Holdings Limited (stock code: 412) and Dragonite International Limited (stock code: 329).

Ms. Lam Yan Fong, Flora, aged 35, joined the Company on 18 May 2007. She obtained a Bachelor Degree in Law from the University of Hong Kong in 1999 and a Postgraduate Certificate in Laws in 2001. Ms. Lam is a practicing solicitor in Hong Kong.

莊友道先生，58歲，於二零零七年八月二十九日加入本公司。中國經營管理學院企業管理專業。莊先生擁有超過30年於汽車行業之工作經驗，目前為天津市凱聲汽車維修有限公司董事長及天津津日汽車銷售服務有限公司總經理。莊先生亦為汽車行業管理軟件開發商深圳聯友科技有限公司之高級顧問。莊先生現任天津市西青區工商執委、天津市第一檢察院特約檢察員及第十四屆天津市河東區人大代表。

獨立非執行董事

鍾育麟先生，50歲，於二零零七年四月二十六日加入本公司。彼為英國特許公認會計師公會資深會員、香港會計師公會會員以及英格蘭及威爾斯特許會計師。鍾先生於金融及項目投資方面擁有逾20年經驗。彼現任萊福資本投資有限公司（股份代號：901）之執行董事兼主席、明豐珠寶集團有限公司（股份代號：860）之執行董事、漢基控股有限公司（股份代號：412）之獨立非執行董事及叁龍國際有限公司（股份代號：329）之獨立非執行董事。

林欣芳女士，35歲，於二零零七年五月十八日加入本公司。彼於一九九九年獲香港大學頒授法律學士學位，另於二零零一年獲香港大學頒授法律深造文憑。林女士為香港執業律師。

Profile of the Management

管理層履歷

Mr. Pak William Eui Won, aged 31, joined the Company on 28 December 2009. He is currently a director of Hennabun International Group Limited and Cordoba Homes Limited which is a non-wholly owned subsidiary of Willie International Holdings Limited (stock code: 273) and the former Hennabun Capital Group Limited. He holds a Master of Laws degree in U.S. taxation from the University of Washington School of Law, a Juris Doctor's degree from the University of British Columbia Faculty of Law and an Economics and Commerce degree from the University of British Columbia Faculty of Arts. Mr. Pak is an attorney licensed by the New York State Bar and is a member of the New York State Bar Association and the American Bar Association. He was a lawyer in the investment funds practice at White & Case's New York and Hong Kong offices. He has substantive experience in the establishment and representation of both U.S. and international private investment funds including private equity funds, hedge funds, real estate funds, distressed funds and hybrid funds.

Pak William Eui Won先生，31歲，於二零零九年十二月二十八日加入本公司。彼現為Hennabun International Group Limited及Cordoba Homes Limited之董事。Cordoba Homes Limited為威利國際控股有限公司（股份代號：273）之非全資附屬公司，前為Hennabun Capital Group Limited。彼持有University of Washington School of Law（華盛頓大學法學院）之法學碩士學位（主修美國稅務）、The University of British Columbia Faculty of Law（英屬哥倫比亞大學法律系）之法律士學位及The University of British Columbia Faculty of Arts（英屬哥倫比亞大學文學系）之經濟及商業學位。Pak先生為紐約州執業律師，並為紐約州律師公會及美國律師協會會員。彼曾任偉凱律師事務所紐約及香港辦事處之投資基金常規律師。彼於成立及代表美國及國際私人投資基金（包括私募股本基金、對沖基金、房地產基金、受壓基金及混合基金）方面擁有豐富經驗。

Report of the Directors

董事會報告

The directors herein present their report together with the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, and through its subsidiaries and associated companies, is principally engaged in the business of selling and distribution of Nissan motor vehicles, operation of the Nissan 4S shops, provision of heavy motor vehicle repair and maintenance services in the PRC; provision of logistic services in Hong Kong and the PRC; investment in forest interest; investment in limited partnership that engages in the business of the manufacturing of automotive components (such investment being held for resale purpose); properties investments; securities trading and money lending business. Other activities and particulars of the Group's subsidiaries are set out in note 16 to the consolidated financial statements.

MAJOR CUSTOMERS

For the year ended 31 December 2010, the five largest customers accounted for approximately 64.76% of the Group's turnover in respect of the money-lending business and the securities trading service providers of the Group accounted for 100% of the Group's service costs in relation to the securities trading business. The largest customer accounted for approximately 41.25% of the Group's turnover in respect of the money-lending business. At no time during the year did a director or a shareholder of the Company (which the knowledge of the directors of the Company owned more than 5% of the Company's issued capital) have any material interest in any of the Group's largest customers.

RESULT AND DIVIDENDS

The Group's loss for the financial year ended 31 December 2010 and the state of affair of the Company and of the Group at the date are set out in the consolidated financial statements on pages 37 to 122.

The directors do not recommend the payment of any dividend.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in note 16 to the consolidated financial statements.

董事謹此提呈本公司及其附屬公司截至二零一零年十二月三十一日止財政年度之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，並透過其附屬公司及聯營公司主要在中國從事銷售及分銷日產汽車、經營日產4S店、提供重型汽車維修及保養服務、在中國及香港提供物流服務、投資在林地權益、投資在有關製造汽車組件之有限責任合夥業務（持作轉售目標之投資）、物業投資、證券交易及放貸業務。本集團附屬公司之其他業務及詳情載於綜合財務報表附註16。

主要客戶

截至二零一零年十二月三十一日止年度，五大客戶約佔本集團貸款業務營業額約64.76%，而本集團證券買賣服務供應商佔本集團證券買賣業務之服務成本達100%。最大客戶約佔本集團貸款業務營業額約41.25%。於年內任何時間，本公司董事或股東（據本公司董事所知擁有本公司已發行股本5%以上者）概無於本集團任何最大客戶中擁有任何重大權益。

業績及股息

本集團截至二零一零年十二月三十一日止財政年度之虧損及本公司與本集團於該日之業務狀況載於第37至122頁之綜合財務報表。

董事並不建議派付任何股息。

附屬公司

本公司主要附屬公司之詳情載於綜合財務報表附註16。

Report of the Directors

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in note 10 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTION

Details of movements in share capital and share option scheme of the Company are set out in notes 24 and 25 respectively to the consolidated financial statements.

CONVERTIBLE SECURITIES, OPTION, WARRANTS OR OTHER SIMILAR RIGHTS

Details of movements in convertible securities of the Company are set out in note 21 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and the laws in the Cayman Islands, which would oblige the Company to offer shares on a pro rata basis to its existing shareholders.

PURCHASE, SALES OR REDEMPTION OF SECURITIES

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

RESERVES

Movements in the reserves of the Company during the year are set out in note 26 to the consolidated financial statements. The surplus in distributable reserves of the Company as at 31 December 2010 amounted to approximately HK\$451,974,000 (2009: HK\$233,541,000).

FIVE YEARS SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 123 and 124 of the annual report.

物業、廠房及設備

物業、廠房及設備於年內之變動詳情載於綜合財務報表附註10。

股本及購股權

本公司股本及購股權計劃之變動詳情分別載於綜合財務報表附註24及25。

可換股證券、購股權、認股權證或其他相類權利

本公司可換股證券之變動詳情載於綜合財務報表附註21。

優先購買權

本公司組織章程細則及開曼群島法律並無關於本公司須按比例向其現有股東發售股份之優先購買權之條文。

購買、出售或贖回證券

於截至二零一零年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

儲備

本公司儲備於年內之變動載於綜合財務報表附註26。於二零一零年十二月三十一日，本公司之可供分派儲備盈餘約為451,974,000港元（二零零九年：233,541,000港元）。

五年概要

本集團過去五個財政年度之業績及資產負債概要載於年報第123及124頁。

Report of the Directors

董事會報告

CONNECTED TRANSACTIONS

Certain related party transactions disclosed in note 34 to the consolidated financial statements constituted connected transactions under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Details of connected transactions are as follows:

1) Put Option

The Company has entered into the put option Agreement dated 17 August 2010 (the “Put Option”) with a Director, Mr. Yeung Ming Kwong (“Mr. Yeung”), so that in the event that shareholders’ approval is not obtained in respect of an investment (including a Drag Right) in a limited partnership, the Company will have a right under the Put Option, subject to compliance with the Listing Rules, to require Mr. Yeung to acquire all the issued share capital of Pan Fortune Limited (the “Pan Fortune”) or all the units owned by Pan Fortune in the limited partnership at the same investment cost (i.e. US\$10 million) made by Pan Fortune. The transfer to Mr. Yeung if it occurs will be a connected transaction for the Company subject to the then applicable requirements of the Listing Rules which may include independent shareholders’ approval.

The Put Option lapsed after the shareholders approved on the investment at EGM held on 27 September 2010.

關連交易

綜合財務報表附註34所披露之若干關連人士交易構成香港聯合交易所有限公司證券上市規則（「上市規則」）第14A章下之關連交易。關連交易詳情如下：

1) 認沽期權

本公司與一名董事楊明光先生（「楊先生」）已訂立日期為二零一零年八月十七日之認沽期權協議（「認沽期權」），即使股東未有批准於共同投資有限責任合夥公司（包括領售權），本公司將有權根據認沽期權要求楊先生按Pan Fortune Limited（「Pan Fortune」）作出之相同投資成本（即10,000,000美元）收購Pan Fortune全部已發行股本，或收購Pan Fortune擁有之所有共同投資有限責任合夥公司基金單位，惟須符合上市規則。本公司一旦與楊先生進行上述轉讓將會構成本公司一項關連交易，須遵守上市規則當時適用之規定，可能包括取得獨立股東批准。

認沽期權於股東在二零一零年九月二十七日舉行之股東特別大會上批准該投資後失效。

Report of the Directors

董事會報告

2) Loan Agreement

On 14 December 2009, a loan agreement entered into between Crown Creation Limited, an indirect wholly owned subsidiary of the Company, and 天津市凱聲汽車維修有限公司 (Tianjin Kai Sheng Automobile Service Company Limited) (“**Tianjin Kai Sheng**”), an associated company of the Company for which the Company indirectly owns a 50% equity interest, pursuant to which Crown Creation Limited agreed to lend HK\$12,500,000 to Tianjin Kai Sheng for financing its business operation in the PRC. The Loan was guarantee by Mr. Zhuang You Dao, an executive Director of the Company. As Tianjin Kai Sheng is a connected person of the Company under Listing Rules, the provision of loan constitutes a discloseable and connected transaction, which is subject to independent shareholders’ approval. On 19 January 2010, the relevant resolution was duly passed at the EGM of the Company. On 29 January 2010, parties entered into a supplemental agreement for the minor alterations of the loan agreement, which had the effect of (i) extending the repayment date to the date falling six months after the date of drawing or on 31 December 2010; and (ii) possibly shortening the actual lending period of the loan through amending the repayment date to the date falling six months after the date of drawing or on 31 December 2010, whichever being the earliest. Subsequent to the supplement agreement and before drawing of the loan, Tianjin Kai Sheng informed the lender that they had no immediate funding requirement. Parties then entered into a termination agreement on 5 February 2010.

2) 貸款協議

於二零零九年十二月十四日，本公司間接全資附屬公司Crown Creation Limited與本公司聯營公司天津市凱聲汽車維修有限公司（「**天津市凱聲**」，本公司間接擁有其50%股權）訂立貸款協議，據此，Crown Creation Limited同意向天津市凱聲借出12,500,000港元，為其中國業務營運提供資金。該筆貸款由本公司執行董事莊友道先生擔保。由於天津市凱聲為上市規則下本公司之關連人士，提供貸款構成一項須予披露及關連交易，須獲獨立股東批准。於二零一零年一月十九日，相關決議案已於本公司股東特別大會上獲正式通過。於二零一零年一月二十九日，訂約各方就貸款協議之輕微修改訂立補充協議，以(i)將還款日延遲至支取日期起計滿六個月當天或二零一零年十二月三十一日；及(ii)透過將還款日修訂為支取日期起計滿六個月當天或二零一零年十二月三十一日（以最早者為準），儘可能縮短實際貸款期。於訂立補充協議後至支取貸款前，天津市凱聲知會貸款人其並無即時資金需要。訂約各方其後於二零一零年二月五日訂立終止協議。

Report of the Directors

董事會報告

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors

Mr. Yeung Ming Kwong
Ms. Lo Oi Kwok, Sheree
Mr. Lam Yick Sing (Appointed on 4 June 2010)
Mr. Ting Wing Cheung, Sherman (Resigned on 17 May 2010)
Mr. Wen Louis
Mr. Zhuang You Dao

Independent Non-Executive Directors

Mr. Chung Yuk Lun
Ms. Lam Yan Fong, Flora
Mr. Pak William Eui Won

In accordance with Article 116 of the Article of Association of the Company, Mr. Yeung Ming Kwong, Ms. Lo Oi Kwok, Sheree and Ms. Lam Yan Fong, Flora will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

In accordance with Article 99 of the Article of Association of the Company, Mr. Lam Yick Sing, who was newly appointed by the Board as executive Director will retire and, being eligible, offer himself for re-election at the forthcoming Annual General Meeting.

DIRECTORS' SERVICE CONTRACTS

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

董事及董事之服務合約

年內及截至本報告發佈當日任職之董事如下：

執行董事

楊明光先生
羅愛過女士
林益勝先生（於二零一零年六月四日獲委任）
丁永章先生（於二零一零年五月十七日辭任）
溫耒先生
莊友道先生

獨立非執行董事

鍾育麟先生
林欣芳女士
Pak William Eui Won先生

按照本公司組織章程細則第116條，楊明光先生、羅愛過女士及林欣芳女士將於應屆股東週年大會上輪流告退及符合資格並願意膺選連任。

按照本公司組織章程細則第99條，獲董事會委任之新執行董事林益勝先生將於應屆股東週年大會上退任，惟符合資格並願意膺選連任。

董事之服務合約

擬於應屆股東週年大會上重選之董事概無與本公司訂立任何本公司不可於一年內免付補償（法定補償除外）而終止之服務合約。

Report of the Directors

董事會報告

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

DIRECTORS' INTEREST AND SHORT POSITIONS IN SHARE AND UNDERLYING SHARES

As at 31 December 2010, the interests and short positions of the Directors and the Company's chief executives in the shares, underlying shares and debentures of the Company or any associated corporation (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 pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transaction by Directors of Listed Companies and which were required to be entered in the register required to be kept under section 352 of the SFO were as follows:

(i) Long positions in shares of the Company

Name of Directors	Capacity	Number of shares held	% of the Company's issued share capital 佔本公司已發行股本之百分比
董事姓名	身份	所持股份數目	百分比
Mr. Yeung Ming Kwong 楊明光先生	Beneficial owner 實益擁有人	4,421,047	0.11%
Mr. Wen Louis 溫耒先生	Interest of spouse 配偶權益	7,500	0.00%
Mr. Lam Yick Sing 林益勝先生	Beneficial owner 實益擁有人	30,000,000	0.74%

管理合約

年內概無訂立或存在關於本公司全部或任何重大部分業務之管理及行政合約。

董事於股份及相關股份之權益及淡倉

於二零一零年十二月三十一日，董事及本公司主要行政人員於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部及上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有之權益及淡倉），以及須根據證券及期貨條例第352條而存置之登記冊所記錄之權益及淡倉如下：

(i) 於本公司股份中之好倉

Report of the Directors 董事會報告

(ii) Long positions in shares or registered capital of associated corporations

Name of Director	Name of associated corporation	Capacity	Amount of registered capital on associated corporations	Approximate percentage of shareholding or registered capital
董事姓名	相聯法團名稱	身份	相聯法團註冊資本金額	佔股權或註冊資本之概約百分比
Mr. Zhuang You Dao	Tianjin Kai Sheng Automobile Service Co., Ltd	Corporate interest	RMB7,500,000	50%
莊友道先生	天津市凱聲汽車維修有限公司	公司權益	人民幣 7,500,000元	50%
Mr. Zhuang You Dao	Tianjin Jinri Automobile Sale & Service Co., Ltd	Beneficial interest	RMB6,750,000	45%
莊友道先生	天津津日汽車銷售服務有限公司	實益權益	人民幣 6,750,000元	45%

(ii) 於相聯法團之股份或註冊資本中之好倉

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme" below and note 25 in the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, neither the Directors nor any of their spouses or children under the age of 18 had any right to subscribe for the securities or debt securities of the Company or had exercised any such right.

董事購買股份或債權證之權利

除下文「購股權計劃」一節及綜合財務報表附註25所披露者外，於年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事可藉購買本公司或任何其他法人團體之股份或債務證券（包括債權證）而獲取利益，而各董事或彼等之配偶或十八歲以下子女概無擁有可認購本公司證券或債務證券之任何權利，亦無行使任何該等權利。

Report of the Directors

董事會報告

DIRECTORS' INTEREST IN CONTRACTS

Save as disclosed on page 17 of Report of the Directors in respect of the Put Option, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries or holding companies was a party to and in which any of the Company's directors or members of its management had a material interest in, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year and up to the date of this report, no director is considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

SHARE OPTION SCHEME

The Company adopted a new share option scheme (the "Scheme") on 6 August 2007. Under the Scheme, the Directors may grant options to those qualified participants (including Directors and employees) who, in the opinion of the Board, have contributed or may contribute to the development of the Group and any entity in which the Group holds an equity interest.

The following table discloses movement in the Company's share options under the Scheme during the year.

Category	Date of grant	Exercise price	As at 1 January 2010 於二零一零年 一月一日	Grant during the year 年內授出	Exercise during the year 年內行使	As at 31 December 2010 於二零一零年 十二月三十一日
Qualified allottees in aggregate	26 January 2010	HK\$0.32	-	43,938,446 shares	43,938,446 shares	-
合資格承配人(合計)	二零一零年一月二十六日	0.32港元	-	43,938,446股	43,938,446股	-

As at 31 December 2010, no option has been granted to any directors nor employees.

董事於合約之權益

除董事會報告第17頁所披露有關認沽期權之事項外，於年終或年內任何時間並無存在由本公司或其任何附屬公司或控股公司就本集團業務訂立，且本公司董事或其管理層成員於當中直接或間接擁有重大權益之重大合約。

董事於競爭業務之權益

於年內及截至本報告日期，概無董事被視為與本集團業務直接或間接競爭或可能競爭之業務中擁有權益（定義見上市規則）。

購股權計劃

本公司於二零零七年八月六日採納一項新購股權計劃（「該計劃」）。根據該計劃，董事可向董事會認為曾經或可能對本集團及本集團持有任何股權之任何實體之發展作出貢獻之合資格參與者（包括董事及僱員）授出購股權。

下表披露本公司根據該計劃授出之購股權於年內之變動。

於二零一零年十二月三十一日，本集團概無向任何董事或僱員授出購股權。

Report of the Directors 董事會報告

SUBSTANTIAL SHAREHOLDER AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2010, the following persons (other than the Directors or Chief Executive of the Company) has interests or short position in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, as known to the Company or recorded in the register required to be kept under Section 336 of the SFO and in accordance with information received by the Company.

主要股東及其他人士於股份及相關股份之權益

於二零一零年十二月三十一日，就本公司所知或根據證券及期貨條例第336條須存置之登記冊所記錄及按照本公司獲得之資料，以下人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有本公司已發行股本5%或以上之權益或淡倉：

Name of Shareholders	Capacity and nature of interests	Number of shares/ underlying shares held (long position) 所持股份／ 相關股份數目 (好倉)	Approximate % of shareholding 概約持股 百分比
股東名稱	身份及權益性質		
Underwriter (Note 1) 包銷商（附註1）	Beneficial owner 實益擁有人	4,100,897,984 4,100,897,984	88.89% 88.89%
Get Nice Holdings Limited (Note 2) 結好控股有限公司（附註2）	Interest of controlled corporations 受控制法團權益	1,366,960,000 (Note 5) 1,366,960,000 (附註5)	29.63% 29.63%
Get Nice Incorporated (Note 2) Get Nice Incorporated（附註2）	Interest of controlled corporations 受控制法團權益	1,366,960,000 (Note 5) 1,366,960,000 (附註5)	29.63% 29.63%
Get Nice Securities Limited (Note 2) 結好證券有限公司（附註2）	Beneficial owner 實益擁有人	1,366,960,000 (Note 5) 1,366,960,000 (附註5)	29.63% 29.63%

Report of the Directors

董事會報告

Name of Shareholders	Capacity and nature of interests	Number of shares/ underlying shares held (long position) 所持股份/ 相關股份數目 (好倉)	Approximate % of shareholding 概約持股百分比
Chu Yuet Wah (Note 3)	Interest of controlled corporations	1,366,960,000 (Note 5)	29.63%
李月華 (附註3)	受控制法團權益	1,366,960,000 (附註5)	29.63%
Active Dynamic Limited (Noted 3)	Interest of controlled corporations	1,366,960,000 (Note 5)	29.63%
Active Dynamic Limited (附註3)	受控制法團權益	1,366,960,000 (附註5)	29.63%
Eagle Mission Limited (Note 3)	Interest of controlled corporations	1,366,960,000 (Note 5)	29.63%
Eagle Mission Limited (附註3)	受控制法團權益	1,366,960,000 (附註5)	29.63%
Galaxy Sky Investments Limited (Note 3)	Interest of controlled corporations	1,366,960,000 (Note 5)	29.63%
Galaxy Sky Investments Limited (附註3)	受控制法團權益	1,366,960,000 (附註5)	29.63%
Kingston Securities Limited (Note 3)	Beneficial owner	1,366,960,000 (Note 5)	29.63%
金利豐證券有限公司 (附註3)	實益擁有人	1,366,960,000 (附註5)	29.63%

Report of the Directors 董事會報告

Note:

1. These are the Rights Shares which the Underwriter has underwritten in respect of the Rights Issue as disclosed in note 38 to the consolidated financial statements. The Underwriter is Chung Nam Securities Limited.
2. Based on the filings under the SFO, Get Nice Securities Limited is wholly-owned by Get Nice Incorporated, which in turn is wholly-owned by Get Nice Holdings Limited.
3. Based on the filings under the SFO, Kingston Securities Limited is wholly-owned by Galaxy Sky Investments Limited, which in turn is wholly-owned by Eagle Mission Limited, and in turn is owned as to 80% by Active Dynamic Limited. Active Dynamic Limited is wholly-owned by Chu Yuet Wah.
4. These are the Rights Shares which the sub-underwriters have agreed to sub-underwrite in respect of the Rights Issue.

Saved as disclosed above, no person had notified the Company of interests or short positions in the shares or underlying shares of the Company as at 31 December 2010 that was required to be record pursuant to section 336 of the SFO.

附註:

1. 該等股份為包銷商就供股（見綜合財務報表附註38所披露）包銷的供股股份。包銷商為中南證券有限公司。
2. 據按照證券及期貨條例作出的申報，結好證券有限公司由Get Nice Incorporated全資擁有，而Get Nice Incorporated則由結好控股有限公司全資擁有。
3. 據按照證券及期貨條例作出的申報，金利豐證券有限公司由Galaxy Sky Investments Limited全資擁有，而Galaxy Sky Investments Limited則由Eagle Mission Limited全資擁有，Eagle Mission Limited由Active Dynamic Limited擁有80%。而Active Dynamic Limited由李月華全資擁有。
4. 該等股份為分包銷商同意就供股分包銷之供股股份。

除上文所披露者外，於二零一零年十二月三十一日，概無人士知會本公司於本公司股份或相關股份中擁有根據證券及期貨條例第336條須記錄之權益或淡倉。

Report of the Directors

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained the prescribed public float under the Listing Rules.

CODE OF BEST PRACTICE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 27 to 34.

AUDITOR

The consolidated financial statements of the Company for the year ended 31 December 2010 were audited by Mazars CPA Limited, who has been the auditor of the Company since the year 2007.

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appointed Mazars CPA Limited as auditor of the Company.

ON BEHALF OF THE BOARD

Yeung Ming Kwong

Executive Director

Hong Kong

18 March 2011

公眾持股量之充足度

本公司已維持上市規則規定之公眾持股量。

最佳常規守則

本公司採納之主要企業管治常規載於第27至34頁之企業管治報告。

核數師

自二零零七年度以來，本公司截至二零一零年十二月三十一日止年度之綜合財務報表均由一直擔任本公司核數師之瑪澤會計師事務所有限公司審核。

本公司將於應屆股東週年大會上提呈一項決議案，續聘瑪澤會計師事務所有限公司為本公司之核數師。

代表董事會

執行董事

楊明光

香港

二零一一年三月十八日

Corporate Governance Report

企業管治報告

The Company recognises that good governance standards maintained throughout the Group serves as an effective risk management mechanism for the Company. The Board of Directors (the “**Board**”) of the Company is committed to ensuring a high level of corporate governance standards.

1. CORPORATE GOVERNANCE PRACTICES

The Board of the Company has adopted its own code on corporate governance practices which incorporate all the code provision in the Code on Corporate Governance Practices (the “**CG 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**”). The Company will continue to enhance the corporate governance standards throughout the Group and ensure further standards be put in place by reference to the recommended best practices whenever suitable and appropriate.

本公司確認，本集團上下奉行之良好管治標準能有效地管理本公司之風險。本公司董事會（「**董事會**」）致力確保維持高企業管治水平。

1. 企業管治常規

本公司董事會已採納自訂企業管治常規守則，該守則加入香港聯合交易所有限公司證券上市規則（「**上市規則**」）附錄十四載列之企業管治常規守則（「**企業管治守則**」）之所有守則條文。本公司將繼續提升本集團整體之企業管治標準，確保於合適及適當之時參考建議最佳常規採用進一步之標準。

Corporate Governance Report

企業管治報告

2. CORPORATE MANAGEMENT

i) Board of Directors

Composition

As at the date of this report, the Board is comprised of 8 members including 5 executive directors and 3 independent non-executive directors. The biographical details are set out on pages 12 to 14 of this report. The executive directors are responsible for managing the Group's business, including the business development, corporate strategies and company policies. The Independent Non-executive Directors endeavor to assist the Board to maintain high standards of financial and other mandatory reporting standards as well as providing adequate checks and balance for safeguarding the interest of shareholders and the Company as a whole. For the year ended 31 December 2010, the number of Independent Non-executive Directors at all times exceed one-third of the Board membership. Pursuant to the Listing Rules, the Company has received a written confirmation from each independent non-executive director of his/her independence to the Company. None of the existing Independent Non-executive Directors of the Company is appointed for a specific term which constitutes a deviation from code provision A.4.1 of the CG Code. However, one-third of the Directors of the Company (both executive and independent non-executive) are subject to retirement by rotation at each annual general meeting under the Articles of Association of the Company. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are in line to those of the CG Code. The Board is comprised of professionally qualified and diversified individuals.

2. 企業管理

i) 董事會

成員

於本報告日期，董事會由八名成員組成，包括五名執行董事及三名獨立非執行董事，彼等之簡歷載於本報告第12至14頁。執行董事負責管理本集團之業務，包括業務發展、企業策略及公司政策。獨立非執行董事致力協助董事會維持高水平之財政及其他強制性申報標準，並作出充份制衡，以保障股東及本公司之整體利益。截至二零一零年十二月三十一日止年度，獨立非執行董事之人數一直超過董事會成員人數三分之一。根據上市規則，本公司已接獲各獨立非執行董事發出之確認書，確認其獨立於本公司。本公司現任獨立非執行董事概無特定任期，此舉構成偏離企業管治守則之守則條文A.4.1。然而，按照本公司組織章程細則，本公司三分之一之董事（包括執行董事及獨立非執行董事）須於每屆股東週年大會上輪流告退。本公司認為已採取足夠措施，確保本公司之企業管治常規符合企業管治守則之守則條文。董事會成員包括具備專業資格之多個界別人士。

Corporate Governance Report

企業管治報告

Nomination of Directors

The Company has not set up nomination committee. The Board as a whole is responsible for the procedures of appointment of board members and for nominating them for election by shareholders on the initial appointment and thereafter at regular intervals by rotation.

Board Process

The Board meets regularly throughout the year to discuss the overall strategy as well as the operational and financial performance of the Group. In 2010, the Board held 7 full board meetings. In addition, executive Board meetings are convened when necessary to deal with day-to-day matters that require the Board's prompt decision, and are thus usually only executive directors would be attended. Individual attendance records on full board meetings and committees meetings are set out on page 30 of this Annual Report. Directors who are considered having conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting on the relevant resolutions subject to certain exceptions set out in the Articles of Association of the Company. The Company Secretary maintains the minutes of the Board meetings for inspection by directors. All directors have access to the services of the Company Secretary who regularly updates the Board on corporate governance and regulatory matters. Any Director, Audit Committee member and Remuneration Committee member of the Company may take independent professional advice at the expense of the Company should they so wish.

提名董事

本公司尚未成立提名委員會。董事會全體須負責委任董事會成員之程序，並於首次任命及於其後定期輪值時提名董事會成員供股東投選。

董事會程序

董事會在全年定期舉行會議，討論整體策略以及本集團之經營及財務表現。於二零一零年，董事會曾舉行7次全體會議。此外，必要時會召開執行董事會議，處理需要董事會迅速決策之日常事宜，有關會議一般僅由執行董事出席。個別出席全體董事會會議及委員會會議之紀錄載於本年報第30頁。被認為於建議交易或將予討論事宜中存在利益衝突或擁有重大權益之董事，將不會計入會議法定人數，並會放棄就相關決議案投票，惟本公司組織章程細則所載之若干例外情況除外。公司秘書保存董事會會議之紀錄以供董事查閱。公司秘書定期為董事會更新企業管治及法規事宜之資料，並向所有董事提供有關服務。本公司董事、審核委員會成員及薪酬委員會成員均可按意願獲取獨立專業意見，費用由本公司承擔。

Corporate Governance Report

企業管治報告

Board and Board Committee Attendance

The following table indicates the number of Board and Committee Meetings during the financial year and the number of attendance by each of the Directors:

董事會及董事委員會之出席率

下表顯示董事會及其轄下委員會於本財政年度內舉行會議之數目及各董事出席該等會議之次數：

Name 姓名		Number of meetings attended/held 出席／舉行會議次數		
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
Executive Directors 執行董事				
Mr. Yeung Ming Kwong	楊明光先生	7/7	2/2	2/2
Mr. Lo Oi Kwok, Sheree	羅愛過女士	6/7	–	–
Mr. Lam Yick Sing (Appointed on 4 June 2010)	林益勝先生 (於二零一零年 六月四日獲委任)	6/6	–	–
Mr. Ting Wing Cheung, Sherman (Resigned on 17 May 2010)	丁永章先生 (於二零一零年 五月十七日辭任)	1/1	–	–
Mr. Wen Louis	溫耒先生	6/7	–	–
Mr. Zhuang You Dao	莊友道先生	7/7	–	–
Independent Non-executive Directors 獨立非執行董事				
Mr. Chung Yuk Lun	鍾育麟先生	1/7	2/2	2/2
Ms. Lam Yan Fong, Flora	林欣芳女士	1/7	1/2	2/2
Mr. Pak William Eui Won	Pak William Eui Won先生	4/7	2/2	2/2

Corporate Governance Report

企業管治報告

Directors' Duties

The Board is charged with leadership and supervision of the Group's affairs and is collectively responsible for promoting the success of the Group. Each director has a duty to act in good faith and in the best interests of the Company.

Matters that require decisions by the Board normally include but not limited to the overall group strategies, major acquisitions and disposals, annual and interim results, recommendation on the appointment or reappointment of directors, and other significant operational and financial matters. Directors are kept informed on a timely basis of major changes that may affect the Group's businesses, including relevant rules and regulations. The Board acknowledges its responsibility to prepare the financial statements and have them audited on an annual basis. The Company has adopted the generally accepted accounting standards in Hong Kong in preparing financial statements. Reasonable and prudent judgment and estimates have been made. The Group announces its financial results on a timely basis.

Conduct on Share Dealings

The Company has adopted a code of conduct for securities transactions and dealings (the "**Code of Conduct**") based on the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "**Model Code**"). The terms of Code of Conduct are no less exacting than the standards in the Model Code, and the Code of Conduct applies to all the relevant persons as defined therein. Specific enquiry has been made of all Directors of the Company who have confirmed in writing of their compliance with the required standards set out in the Code of Conduct during the year under review.

董事之職責

董事會之職責為領導及監督本集團事務，並須共同負責為本集團之成功作出努力。各董事有責任盡心為本公司之最佳利益行事。

須提交董事會決定之事宜一般包括（但不限於）整體集團策略、主要收購事項及出售事項、年度及中期業績、就任命或重新任命董事提出推薦建議以及其他重大營運及財務事宜。各董事均會適時得悉可能影響本集團業務之重大變動，包括相關規則及規例。董事會知悉其有責任編製財務報表，並安排每年將之審核。本公司於編製財務報表時採納香港公認會計原則，並已作出合理而審慎之判斷及估計。本集團適時公佈其財務業績。

股份買賣操守

本公司已根據上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》（「標準守則」）採納證券交易及買賣之操守守則（「操守守則」）。操守守則之條款不遜於標準守則內之標準，而操守守則適用於該守則所界定之全部有關人士。本公司已向全體董事作出特定查詢，而所有董事已書面確認於回顧年度內已遵守操守守則所載之規定標準。

Corporate Governance Report

企業管治報告

ii) Chairman and Chief Executive Officer

Code Provision A2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have a designated position of Chief Executive Officer. The daily operation and management of the Company is monitored by the Executive Directors. On 27 February 2008, Mr. Yeung Ming Kwong, executive director of the Company, was appointed as acting Chairman of the Group.

iii) Board Committees

In 2007, the Board established an Audit Committee and a Remuneration Committee with defined terms of reference. Both committees are chaired by Independent Non-Executive Directors.

(a) Audit Committee

The Company has established an Audit Committee which comprises of three Independent Non-Executive Directors of the Company. The Audit Committee has reviewed the audit findings, the accounting principles and practices adopted by the Group, the Listing Rules and statutory compliance, and has discussed auditing, internal control, risk management and financial reporting matters (including the interim and annual financial statements) with the senior management and the auditor. In addition, the Audit Committee has also reviewed the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function.

ii) 主席及行政總裁

守則條文A2.1訂明主席及行政總裁之角色應有所區分，而不應由同一人兼任。本公司並無設立行政總裁一職，惟執行董事會負責監督本公司日常營運及管理。於二零零八年二月二十七日，本公司執行董事楊明光先生獲委任為本集團之署理主席。

iii) 董事委員會

於二零零七年，董事會成立具有界定職權範圍之審核委員會及薪酬委員會。兩個委員會均由獨立非執行董事擔任主席。

(a) 審核委員會

本公司已成立審核委員會，由本公司之三名獨立非執行董事組成。審核委員會已審閱核數結果、本集團所採納之會計原則及慣例、上市規則及法定事宜之遵守情況，並聯同高級管理層及核數師討論審核、內部監控、風險管理及財務申報事宜（包括中期及年度財務報表）。此外，審核委員會亦已審閱本集團會計及財務申報職能員工之資源、資格及經驗是否足夠。

Corporate Governance Report

企業管治報告

(b) Remuneration Committee

The Company has established a Remuneration Committee responsible for review and determination of the remuneration policy and packages of the directors and management executives. The Remuneration Committee comprises three Independent Non-executive Directors and one Executive Director. The terms of reference of the Remuneration Committee follow the CG Code. No director is involved in deciding his own remuneration.

iv) External Auditor

The fees payable to the Company's auditor, Mazars CPA Limited, in respect of audit, review services and non-audit services in relation to the circulars of a major and connected transaction and the Company's rights issue for the year ended 31 December 2010 amounted to HK\$770,000, HK\$130,000 and HK\$757,000 respectively.

3. INTERNAL CONTROL

The Board recognises the overall responsibility for the establishment, maintenance, and review of a system of internal control that provides reasonable assurance of the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, the safeguarding of assets and the compliance with laws and regulations. The system of internal control is designed to manage rather than eliminate all risks of failure while its goal is to provide reasonable but not absolute assurance regarding the achievement of organisational objectives.

During the year end 31 December 2010, the Company engaged Mazars CPA Limited to review the effectiveness of the system of internal controls on the Group. The review covered the control on investment, money lending, securities trading and cash management operations on the Group.

(b) 薪酬委員會

本公司已成立薪酬委員會，負責審閱及釐定董事及管理級行政人員之薪酬政策及組合。薪酬委員會由三名獨立非執行董事及一名執行董事組成。薪酬委員會之職權範圍按照企業管治守則訂定。概無董事參與釐定其本身之薪酬。

iv) 外聘核數師

截至二零一零年十二月三十一日止年度，應付本公司核數師瑪澤會計師事務所有限公司之審核、審閱及非審核服務（有關本公司之主要及關連交易以及供股之若干通函）之費用分別為770,000港元、130,000港元及757,000港元。

3. 內部監控

董事會確認其有整體責任成立、維持及檢討內部監控系統，以合理地確保財務及營運資料之可靠性及真實性、營運效率及效益、保障資產及遵守法律及法規。內部監控系統乃為管理而非消除所有錯誤之風險而設，旨在就達成組織目標提供合理而非絕對之保證。

於截至二零一零年十二月三十一日止年度，本公司委聘瑪澤會計師事務所有限公司審閱本集團內部監控制度之成效。該審閱涵蓋本集團投資、放債、證券買賣及現金管理業務之監控。

Corporate Governance Report

企業管治報告

4. INVESTOR RELATIONS AND COMMUNICATIONS

The Company continues to pursue a proactive policy of promoting investor relations and communication by maintaining meetings with institutional shareholders, fund managers and analysts through different means including meetings, presentations and correspondence. In an effort to enhance communications with shareholders and investors, the Company maintains a website (www.forefront.com.hk) to disseminate information relating to the latest business developments and all Company announcements. The Company regards the Annual General Meeting (the “AGM”) as an important event as it provides an opportunity for direct communication between the Board and its shareholders. All shareholders of the Company are given at least a minimum of 20 clear business days notice of the date and venue of the AGM at which time the Directors and Committee members are available to answer questions on the business. The Company supports the CG Code’s principle to encourage shareholder participation. The Board, according to the Listing Rules, will conduct voting at the forthcoming AGM by poll. The results of the Company voting will be announced on the Hong Kong Stock Exchange website and the Company website.

4. 投資者關係及溝通

本公司繼續採取主動促進投資者關係和溝通之政策，與機構股東、基金經理及分析師會面，形式包括會議、簡報及書信。為加強與股東及投資者之溝通，本公司已設立一個網站(www.forefront.com.hk)，方便發放有關最新業務發展之資料及本公司所有公佈。本公司將股東週年大會（「股東週年大會」）視為重要事件，因股東週年大會可讓董事會與其股東直接溝通。本公司全體股東於股東週年大會舉行前至少有最短20個完整營業日獲通知大會舉行日期及地點，而董事及委員會成員屆時會於會上回應有關業務之提問。本公司支持企業管治守則鼓勵股東參與之原則。董事會將根據上市規則，於即將舉行之股東週年大會上以投票表決方式進行投票。本公司之投票結果將於香港聯交所網站及本公司網站公佈。

Independent Auditor's Report

獨立核數師報告



MAZARS CPA LIMITED

瑪澤會計師事務所有限公司

42nd Floor, Central Plaza,

18 Harbour Road, Wanchai, Hong Kong

香港灣仔港灣道18號中環廣場42樓

To the shareholders of Forefront Group Limited

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Forefront Group Limited (the "Company") and its subsidiaries (together "the Group") set out on pages 37 to 122, which comprise the consolidated and the Company's statements of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, 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 about whether the consolidated financial statements are free from material misstatement.

致福方集團有限公司

(於開曼群島註冊成立之有限公司)

全體股東

吾等已審核列載於第37至122頁福方集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。綜合財務報表包括二零一零年十二月三十一日之綜合及貴公司財務狀況表,以及截至該日止年度之綜合全面收入報表、綜合股東權益變動表及綜合現金流量表連同主要會計政策概要及其他附註解釋。

董事就綜合財務報表之責任

本公司董事負責根據由香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定,編製可真實而公平地反映狀況之綜合財務報表,並對董事釐定就編製並無重大錯誤陳述(無論因欺詐或錯誤)之綜合財務報表而言屬必要之有關內部監控負責。

核數師之責任

吾等之責任是根據吾等之審核,就該等綜合財務報表提出意見,並僅向全體股東報告吾等之意見,除此以外不作其他用途。吾等概不就本報告內容向任何其他人士承擔或負上任何責任。吾等乃根據香港會計師公會頒佈之香港核數準則進行審核工作。該等準則要求吾等遵守道德規範,並策劃及執行審核,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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Company and of the Group as at 31 December 2010, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Mazars CPA Limited

Certified Public Accountants

Hong Kong
18 March 2011

Fung Shiu Hang

Practising Certificate number: P04793

審核涉及進行取得綜合財務報表所載金額及披露事項之審核憑證之程序。獲選用之程序取決於核數師之判斷，包括評估綜合財務報表因欺詐或錯誤而存在重大錯誤陳述之風險。在評估有關風險時，核數師會考慮與實體編製可真實而公平地反映狀況之綜合財務報表相關之內部監控，以設計適合有關情況之審核程序，惟並非旨在對實體內部監控之成效發表意見。審核亦包括評估所採用之會計政策是否合適，董事作出之會計估計是否合理，以及評估綜合財務報表之整體呈報方法。

吾等相信已獲足夠而合適之審核憑證作為吾等審核意見之基礎。

意見

吾等認為，綜合財務報表已根據香港財務報告準則真實而公平地顯示 貴公司及 貴集團於二零一零年十二月三十一日之財務狀況，以及 貴集團於截至該日止年度之虧損及現金流量，並已根據香港公司條例之披露規定妥為編製。

瑪澤會計師事務所有限公司

執業會計師

香港
二零一一年三月十八日

馮兆恆

執業證書編號：P04793

Consolidated Statement of Comprehensive Income

綜合全面收入報表

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

		Notes	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元 (Restated) (重列)
		附註		
Turnover	營業額	3	(21,703)	46,518
Other income	其他收入	3	29,239	513
(Provision) Written back of provision for bad and doubtful debts	呆壞帳(撥備)撥備撥回		(89,346)	42,769
General and administrative expenses	一般及行政開支		(18,913)	(19,637)
Changes in fair value of financial assets at fair value through profit or loss	於損益帳按公平值處理之財務資產之公平值變動		(116,551)	26,839
Finance costs	融資成本	4(a)	(1,324)	(992)
Share of results of associates	應佔聯營公司之業績	11	1,393	2,676
Impairment loss on interest in an associate	於一間聯營公司之權益之減值虧損		-	(158,500)
Impairment loss on intangible assets	無形資產之減值虧損		(12,258)	-
Loss before taxation	除稅前虧損	4	(229,463)	(59,814)
Taxation	稅項	7	-	-
Loss for the year from continuing operations	持續經營業務之年內虧損		(229,463)	(59,814)
Loss from discontinued operations	已終止經營業務之虧損		-	(1,798)
Loss for the year	年內虧損		(229,463)	(61,612)
Other comprehensive loss	其他全面虧損			
Exchange difference arising from translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額		(213)	(30)
Total comprehensive loss for the year	年內全面虧損總額		(229,676)	(61,642)

Consolidated Statement of Comprehensive Income

綜合全面收入報表

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

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元 (Restated) (重列)
Loss for the year attributable to:	以下人士應佔年內虧損：			
Equity holders of the parent	母公司股權持有人		(229,463)	(61,612)
Non-controlling interest	非控股權益		—	—
			<u>(229,463)</u>	<u>(61,612)</u>
Total comprehensive loss for the year attributable to:	以下人士應佔年內全面虧損總額：			
Equity holders of the parent	母公司股權持有人		(229,676)	(61,642)
Non-controlling interest	非控股權益		—	—
			<u>(229,676)</u>	<u>(61,642)</u>
			HK\$ 港元	HK\$ 港元 (Restated) (重列)
Basic and diluted loss per share	每股基本及攤薄虧損	9	<u>(0.80)</u>	<u>(1.66)</u>

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2010 於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	409	1,204
Interest in associates	於聯營公司之權益	11	36,487	37,094
Goodwill	商譽	12	–	–
Intangible assets	無形資產	13	69,000	–
Available-for-sale financial assets	可供出售財務資產	14	60,512	–
			166,408	38,298
Current assets	流動資產			
Financial assets at fair value through profit or loss	於損益帳按公平值處理之 財務資產	15	451,324	273,919
Loans receivable	應收貸款	17	150,571	60,082
Other receivables	其他應收款項	18	20,420	13,994
Pledged deposits	有抵押存款	19(b)	–	558
Bank balances and cash	現金及現金等價物	19(a)	131,342	134,610
			753,657	483,163
Current liabilities	流動負債			
Other payables	其他應付款項	20	29,820	28,603
			29,820	28,603
Net current assets	流動資產淨值		723,837	454,560
Total assets less current liabilities	資產總值減流動負債		890,245	492,858
Non-current liabilities	非流動負債			
Zero coupon convertible bonds	零息票可換股債券	21	–	84,461
NET ASSETS	資產淨值		890,245	408,397

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2010 於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	24	406,082	43,938
Reserves	儲備		484,163	364,459
Equity attributable to equity holders of the parent	母公司股權持有人應佔股權		890,245	408,397
Non-controlling interest	非控股權益		—	—
TOTAL EQUITY	股權總值		890,245	408,397

The financial statements on pages 37 to 122 were approved and authorised for issue by the Board of Directors on 18 March 2011 and are signed on behalf by:

第37至122頁之財務報表經由董事會於二零一一年三月十八日批准及授權刊發，並由下列董事代表簽署：

Yeung Ming Kwong

楊明光

Director

董事

Lo Oi Kwok, Sheree

羅愛過

Director

董事

Statement of Financial Position

財務狀況表

At 31 December 2010 於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current assets	非流動資產			
Interest in subsidiaries	於附屬公司之權益	16	818,731	319,926
Available-for-sale financial assets	可供出售財務資產	14	–	–
			818,731	319,926
Current assets	流動資產			
Other receivables	其他應收款項	18	583	290
Pledged deposits	有抵押存款		–	558
Bank balances and cash	銀行結存及現金	19	129,783	90,807
			130,366	91,655
Current liabilities	流動負債			
Other payables	其他應付款項	20	2,963	1,390
Amounts due to subsidiaries	應付附屬公司款項		86,905	47,078
			89,868	48,468
Net current assets	流動資產淨值		40,498	43,187
Total assets less current liabilities	資產總值減流動負債		859,229	363,113
Non-current liabilities	非流動負債			
Zero coupon convertible bonds	零息票可換股債券	21	–	84,461
NET ASSETS	資產淨值		859,229	278,652
Equity and reserves	股權及儲備			
Share capital	股本	24	406,082	43,938
Reserves	儲備	26	453,147	234,714
TOTAL EQUITY	股權總值		859,229	278,652

The financial statements on pages 37 to 122 were approved and authorised for issue by the Board of Directors on 18 March 2011 and are signed on behalf by:

Yeung Ming Kwong
楊明光
Director
董事

第37至122頁之財務報表經由董事會於二零一一年三月十八日批准及授權刊發，並由下列董事代表簽署：

Lo Oi Kwok, Sheree
羅愛過
Director
董事

Consolidated Statement of Changes in Equity

綜合股東權益變動表

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

		Attributable to the equity holders of the parent 母公司股權持有人應佔										
		Share capital	Share premium	Share option reserve	Equity component of zero coupon convertible bonds 零息票可換股債券之權益部分	Capital reserve	Capital redemption reserve	Cumulative translation reserve	Accumulated deficit	Total	Non-controlling interest	Total equity
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	可換股債券之權益部分 HK\$'000 千港元	資本儲備 HK\$'000 千港元	資本贖回儲備 HK\$'000 千港元	累計換算儲備 HK\$'000 千港元	累計虧蝕 HK\$'000 千港元	總計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	股權總值 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	93,636	709,566	-	-	10,482	1,173	243	(589,825)	225,275	-	225,275
Loss for the year	年內虧損	-	-	-	-	-	-	-	(61,612)	(61,612)	-	(61,612)
Other comprehensive loss for the year	年內其他全面虧損											
Exchange difference arising from translation of foreign operation	換算海外業務產生之匯兌差額	-	-	-	-	-	-	(30)	-	(30)	-	(30)
Transactions with equity holders of the Company recognised directly in equity	與直接於股權確認之本公司股權持有人進行之交易											
Issue of new shares, net of expenses	發行新股 (已扣除開支)	56,526	35,000	-	-	-	-	-	-	91,526	-	91,526
Share options granted	授出購股權	-	-	7,210	-	-	-	-	-	7,210	-	7,210
Issue of shares under share option scheme	根據購股權計劃發行股份	16,899	12,788	(7,210)	-	-	-	-	-	22,477	-	22,477
Shares issued on conversion of convertible bonds, net of expenses	轉換可換股債券時發行股份 (已扣除開支)	52,631	47,690	-	23,230	-	-	-	-	123,551	-	123,551
Capital reorganisation	股本重組	(175,754)	-	-	-	-	-	-	175,754	-	-	-
At 31 December 2009	於二零零九年十二月三十一日	43,938	805,044	-	23,230	10,482	1,173	213	(475,683)	408,397	-	408,397
At 1 January 2010	於二零一零年一月一日	43,938	805,044	-	23,230	10,482	1,173	213	(475,683)	408,397	-	408,397
Loss for the year	年內虧損	-	-	-	-	-	-	-	(229,463)	(229,463)	-	(229,463)
Other comprehensive loss for the year	年內其他全面虧損											
Exchange difference arising from translation of foreign operation	換算海外業務產生之匯兌差額	-	-	-	-	-	-	(213)	-	(213)	-	(213)
Transactions with equity holders of the Company recognised directly in equity	與直接於股權確認之本公司股權持有人進行之交易											
Issue of new shares, net of expenses	發行新股 (已扣除開支)	204,099	70,295	-	-	-	-	-	-	274,394	-	274,394
Issue of shares on rights issue, net of expenses	供股時發行股份 (已扣除開支)	109,846	188,977	-	-	-	-	-	-	298,823	-	298,823
Share options granted	授出購股權	-	-	1	-	-	-	-	-	1	-	1
Issue of shares under share option scheme	根據購股權計劃發行股份	4,394	9,667	(1)	-	-	-	-	-	14,060	-	14,060
Shares issued on conversion of convertible bonds, net of expenses	轉換可換股債券時發行股份 (已扣除開支)	32,448	76,528	-	(23,230)	-	-	-	-	85,746	-	85,746
Issue of optional bonds (note 21)	發行選擇性債券 (附註21)	-	-	-	10,472	-	-	-	-	10,472	-	10,472
Shares issued on conversion of optional bonds	轉換選擇性債券時發行股份	11,357	27,143	-	(10,472)	-	-	-	-	28,028	-	28,028
At 31 December 2010	於二零一零年十二月三十一日	406,082	1,177,654	-	-	10,482	1,173	-	(705,146)	890,245	-	890,245

Consolidated Statement of Cash Flow

綜合現金流量表

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

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
OPERATING ACTIVITIES 經營業務				
Net cash used in operations	經營所用現金淨額	27	(515,878)	(100,174)
Interest paid	已付利息		(38)	(229)
Net cash used in operating activities	經營業務所用現金淨額		(515,916)	(100,403)
INVESTING ACTIVITIES 投資活動				
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		–	131
Interest received	已收利息		114	351
Dividend received from an associate	已收一間聯營公司股息		1,200	–
Purchase of property, plant and equipment	購買物業、廠房及設備		(74)	(5)
Purchase of available-for-sale financial assets	購買可供出售財務資產		(60,512)	–
Proceeds from disposal of a subsidiary	出售一間附屬公司所得款項	29	85,000	–
Acquisition of an associate	收購一間聯營公司		–	(24,575)
Net cash generated from (used in) investing activities	投資活動所得(所用)現金淨額		25,728	(24,098)
FINANCING ACTIVITIES 融資活動				
Repayment of bank and other borrowings	償還銀行及其他借貸		–	(27,274)
Proceeds from issue of optional bonds/convertible bonds	發行選擇性債券／可換股債券所得款項		38,500	107,249
Proceeds from issue of new shares	發行新股所得款項		135,192	91,526
Proceeds from issue of new shares under share option scheme	根據購股權計劃發行新股之所得款項		14,060	22,477
Proceeds from issue of new shares on rights issue, net of expenses	供股時發行新股之所得款項(已扣除開支)		298,823	–
Net cash generated from financing activities	融資活動所得現金淨額		486,575	193,978

Consolidated Statement of Cash Flow

綜合現金流量表

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

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Effect on cumulative translation adjustments	累計換算調整之影響		(213)	(30)
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額		(3,826)	69,447
Cash and cash equivalents at beginning of year	年初之現金及現金等價物		135,168	65,721
Cash and cash equivalents at end of year	年終之現金及現金等價物	19	131,342	135,168

Notes to the Financial Statements

財務報表附註

1. CORPORATION INFORMATION

Forefront Group Limited is a limited liability company incorporated in Cayman Islands and its shares are listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office, principal place of business, activities and particulars of the Company and its subsidiaries are set out in the Corporation Information and Report of the Directors.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2009 consolidated financial statements. The adoption of the new/revised HKFRS that are relevant to the Group and effective from the current year had no significant effects on the results and financial position of the Group and the Company for the current and prior years, except that certain presentation and disclosures of consolidated financial statements item have been revised. A summary of the main effect on the accounting policies adopted by the Group is set out below.

1. 公司資料

福方集團有限公司為於開曼群島註冊成立之有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司及其附屬公司之註冊辦事處及主要營業地點地址、業務及詳情載於公司資料及董事會報告內。

2. 主要會計政策

編製基準

此等綜合財務報表乃按香港財務報告準則（「香港財務報告準則」）編製。香港財務報告準則為一統稱，包括香港會計師公會（「香港會計師公會」）頒佈之所有適用香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋、香港公認會計原則及香港公司條例之披露規定。此等綜合財務報表亦符合聯交所證券上市規則之適用披露條文。

此等綜合財務報表之編製基準與二零零九年綜合財務報表所採納之會計政策貫徹一致。採納與本集團有關並於本年度生效之新訂／經修訂香港財務報告準則對本集團及本公司於本年度及過往年度之業績及財務狀況並無重大影響，惟綜合財務報表項目之若干呈列方式及披露事項已作修訂。對本集團採納之會計政策之主要影響概要載列如下。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of preparation (Continued)

HKFRS 3 (Revised): Business Combinations/ Improvements to HKFRSs 2009 with amendments to HKFRS 3 (Revised)

The revised standard introduced a number of major changes including the following:

- acquisition-related transaction costs, other than share and debt issue costs, to be expensed as incurred;
- existing interest in the acquiree to be remeasured at fair value, with the gain or loss recognised in profit or loss, upon subsequent changes in ownership interests;
- non-controlling interest in the acquiree to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree;
- contingent consideration to be recognised at fair value at the acquisition date; and
- goodwill to be measured at the excess of the aggregate of the acquisition-date fair value of the acquirer's interest in the acquiree and the amount of any non-controlling interest over the net of the acquisition-date amounts of identifiable assets acquired and the liabilities assumed from the acquisition.

The Improvements to HKFRSs 2009 contains amendments to clarify the measurement of the fair value of an intangible asset acquired in a business combination and to permit the grouping of intangible assets as a single asset if each asset has a similar useful economic life.

2. 主要會計政策 (續)

編製基準 (續)

香港財務報告準則第3號(經修訂): 業務合併/香港財務報告準則之改進(二零零九年)連同香港財務報告準則第3號之修訂(經修訂)

該項經修訂準則引進多項主要變動, 包括下列各項:

- 收購相關交易成本(股份及債務發行成本除外)將如產生支銷;
- 於被收購方之現有權益將於擁有權權益日後出現變動時按公平值重新計量, 所產生之盈虧於損益帳中確認;
- 於被收購方之非控股權益將按公平值或按被收購方之可識別資產及負債之權益比例計量;
- 或然代價將按收購當日之公平值確認; 及
- 商譽按收購方於被收購方之權益在收購當日之公平值與任何非控股權益金額之總額, 超出所收購可識別資產於收購當日之價值減去因收購而承擔之負債後之金額計量。

香港財務報告準則之改進(二零零九年)載有多項修訂, 釐清計量於業務合併時收購無形資產之公平值之方法, 並允許倘無形資產之可用經濟年期相近, 則可將該等無形資產合併作一項單一資產計算。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of preparation (Continued)

HKFRS 3 (Revised): Business Combinations/Improvements to HKFRSs 2009 with amendments to HKFRS 3 (Revised) (Continued)

The Group amended its accounting policies in relation to business combinations in order to bring them in line with the requirements under HKFRS 3 (Revised). The new accounting policies are set out in the notes below. In accordance with the relevant transitional provisions in HKFRS 3 (Revised), the Group has applied these new policies prospectively to business combinations for which the acquisition date is on or after 1 January 2010. These changes in accounting policies did not affect the accounting for the acquisitions of the subsidiaries during the year since these acquisitions did not involve material acquisition-related transaction costs and any non-controlling interests.

HKAS 27 (Revised): Consolidated and Separate Financial Statements

The revised Standard requires accounting for changes in ownership interests in a subsidiary, while maintaining control, to be recognised as an equity transaction. It also requires, when the group loses control of a subsidiary, any interest retained in the former subsidiary to be remeasured at fair value with the gain or loss recognised in profit or loss. This principle is also extended to a disposal of an associate through the consequential amendments to HKAS 28: Investments in Associates. The new accounting policies are set out in the note below. The adoption of the revised standard did not have an impact on the consolidated financial statements for the year ended 31 December 2010.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost, except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out below.

2. 主要會計政策 (續)

編製基準 (續)

香港財務報告準則第3號 (經修訂) : 業務合併 / 香港財務報告準則之改進 (二零零九年) 連同香港財務報告準則第3號之修訂 (經修訂) (續)

本集團修訂其有關業務合併之會計政策，以符合香港財務報告準則第3號 (經修訂) 之規定。新會計政策載於下文附註。按照香港財務報告準則第3號 (經修訂) 之相關過渡條文，本集團已對收購日期為二零一零年一月一日或之後之業務合併應用該等新政策。該等會計政策變動並不影響年內收購附屬公司之會計方法，原因為該等收購事項並不涉及重大之收購相關交易成本及任何非控股權益。

香港會計準則第27號 (經修訂) : 綜合及獨立財務報表

該項經修訂準則規定一間附屬公司在其控制權仍屬集團所有時，其擁有權權益之變動會確認為股權交易。此外，該準則亦規定倘集團失去附屬公司之控制權，則所保留於前附屬公司之任何權益將按公平值重新計量，所產生之盈虧則於損益帳中確認。該項原則亦透過香港會計準則第28號：於聯營公司之投資之其後修訂擴展至出售聯營公司之情況。新會計政策載於下文附註。採納該項經修訂準則不會對截至二零一零年十二月三十一日止年度之綜合財務報表構成任何影響。

計量基準

編製此等財務報表所採用之計量基準為歷史成本法，惟如下文載列之會計政策所述，若干財務工具乃以公平值計量。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceased.

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each 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. Acquisition-related costs are recognised in profit or loss as incurred.

Non-controlling interests are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from owners of the parent. For each business combination occurs on or after 1 January 2010, the non-controlling interest in the acquiree is measured initially either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. For each business combination occurred prior to 1 January 2010, the non-controlling interest in the acquiree was measured at the non-controlling interest's proportionate share of the acquiree's net assets.

2. 主要會計政策 (續)

綜合基準

綜合財務報表包括本公司及其所有附屬公司截至每年十二月三十一日為止之財務報表。附屬公司之財務報表乃於與本公司相同之申報年度使用與本公司貫徹一致之會計政策編製。

集團內公司間之所有結餘、交易、收支及集團內公司間交易所產生盈虧會全數對銷。附屬公司之業績由本集團取得控制權當日起至有關控制權終止當日止綜合計算。

收購附屬公司及業務使用收購法入帳。每宗收購之代價按所獲得之資產、所產生或承擔之負債以及本集團為交換被收購公司控制權而發行之股本工具之公平值總額（於交易日期）計量。收購相關成本於產生時在損益帳確認。

非控股權益乃於綜合全面收入報表及綜合財務狀況表之股權中分開呈列，並與母公司擁有人分開呈列。就於二零一零年一月一日或之後進行之每項業務合併而言，於被收購公司之非控股權益初步按公平值或按非控股權益所佔被收購公司淨資產之比例計量。計量基準會因應逐項收購選擇。就於二零一零年一月一日前進行之每項業務合併而言，於被收購公司之非控股權益按非控股權益所佔被收購公司淨資產之比例計量。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. From 1 January 2010, total comprehensive income is attributed to the owners of the parent and the non-controlling interest even if this results in the non-controlling interest having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interest in excess of the non-controlling interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

Changes in ownership interest

From 1 January 2010, changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary is recognised on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary is accounted for as a financial asset, associate, jointly controlled entity or others as appropriate from the date when control is lost.

2. 主要會計政策 (續)

綜合基準 (續)

分配全面收入總額

損益及其他全面收入各組成部分均歸於母公司擁有人以及非控股權益。由二零一零年一月一日起，全面收入總額歸於母公司擁有人以及非控股權益，即使此舉會導致非控股權益之餘額出現虧絀。於二零一零年一月一日前，非控股權益適用之虧損超出其於附屬公司股權之權益之部分於本集團權益中作出分配，惟非控股權益負有具約束力之義務及可作出額外投資彌補虧損則除外。

擁有權權益之變動

由二零一零年一月一日起，倘本集團於附屬公司之擁有權權益出現變動，但並無導致本集團失去對該附屬公司之控制權，則入帳列作權益交易。本集團之權益與非控股權益之帳面金額均予以調整，以反映彼等於附屬公司之相關權益之變動。非控股權益之調整款額與已付或已收代價之公平值兩者間之任何差額，均直接於權益確認並歸屬於母公司擁有人。

倘本集團失去對附屬公司之控制權，則出售損益按(i)已收代價之公平值及於失去控制權當日所釐定任何保留權益之公平值之總額與(ii)該附屬公司之資產(包括商譽)及負債以及任何非控股權益於失去控制權當日之帳面金額兩者間之差額計算。先前就已出售附屬公司於其他全面收入確認之款額，會按猶如母公司已直接出售相關資產或負債之所需相同基準入帳。在前附屬公司保留之任何投資及該前附屬公司所結欠或應收之任何金額，會由失去控制權當日起入帳列作財務資產、聯營公司、共同控制實體或其他項目(如適用)。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Changes in ownership interest (Continued)

Prior to 1 January 2010, the Group applied a policy of treating transactions with non-controlling interest as transactions with external parties to the Group and the excess amount of any consideration paid over the carrying value of the non-controlling interest acquired was recognised as goodwill. For decreases in the Group's ownership interest in a subsidiary, regardless of whether the disposals would result in a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

Subsidiaries

A subsidiary is an entity, in which the Company has the power to govern the financial and operating policies so as to obtain benefits from activities.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses. The carrying amount of the investment is reduced to its recoverable amount on an individual basis. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Associates

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

The Group's investment in associate is accounted for under the equity method of accounting. The consolidated statement of comprehensive income includes the Group's share of the post-acquisition results of the associate for the year. The consolidated statement of financial position includes the Group's share of the net assets of the associate and also goodwill. The Group discontinues recognising its share of further losses when the Group's share of losses of the associate equals or exceeds the carrying amount of its interest in the associate, which includes any long term interests that, in substance, form part of the Group's net investment in the associate.

2. 主要會計政策 (續)

綜合基準 (續)

擁有權權益之變動 (續)

於二零一零年一月一日前，本集團之政策為將與非控股權益進行之交易視為與本集團外部人士進行之交易，故任何已付代價超出所收購非控股權益之款額已確認為商譽。至於本集團於附屬公司之擁有權權益減少（不論會否導致失去控制權）方面，已收代價與應佔已出售淨資產之帳面金額兩者間之差額會於損益帳確認。

附屬公司

附屬公司指本公司有權監管其財務及營運政策以自業務中獲取利益之實體。

於本公司之財務狀況表中，於附屬公司之投資乃按成本減減值虧損入帳。投資之帳面金額按個別基準扣減至其可收回金額。本公司按已收及應收股息基準將附屬公司之業績入帳。

聯營公司

聯營公司指本集團對其擁有重大影響力但不屬於附屬公司及合營公司之實體。

本集團於聯營公司之投資以權益會計法入帳。綜合全面收入報表包括年內本集團應佔聯營公司之收購後業績。綜合財務狀況表包括本集團應佔聯營公司之資產淨值以及商譽。倘本集團應佔聯營公司之虧損相等於或超過其於該聯營公司之權益（包括任何實質上構成本集團於該聯營公司之淨投資一部分之長期權益）之帳面金額，則本集團不再確認其應佔之進一步虧損。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Goodwill

From 1 January 2010, goodwill arising on an acquisition of a subsidiary is measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the acquisition date amounts of the identifiable assets acquired and the liabilities assumed of the acquired subsidiary. Goodwill arising on an acquisition of an associate or a jointly controlled entity is measured as the excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the acquired associate or jointly controlled entity. Prior to 1 January 2010, goodwill represented the excess of the cost of acquisition over the Group's share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, associate and jointly controlled entity.

Goodwill on acquisition of subsidiary is recognised as a separate asset. Goodwill on acquisitions of associates or jointly controlled entities is included in interests in associates or jointly controlled entities. Goodwill is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units. An impairment loss on goodwill is not reversed.

2. 主要會計政策 (續)

商譽

由二零一零年一月一日起，收購附屬公司所產生之商譽按所轉讓代價、於被收購公司中任何非控股權益之金額及以往所持被收購公司股權之公平值，超過被收購附屬公司之所收購可識別資產及所承擔負債於收購當日之金額之差額計量。收購聯營公司或共同控制實體所產生之商譽按投資成本超過本集團應佔被收購聯營公司或共同控制實體之可識別資產及負債之公平淨值之差額計量。於二零一零年一月一日後，商譽指收購成本超過本集團應佔被收購附屬公司、聯營公司及共同控制實體之可識別資產、負債及或然負債之公平值之差額。

收購附屬公司所產生之商譽確認為獨立之資產。收購聯營公司或共同控制實體產生之商譽計入於聯營公司或共同控制實體之權益。商譽以成本減累計減值虧損列帳，並每年或於發生事件或狀況變動顯示帳面值可能出現減值時更頻密地進行減值測試。進行減值測試及釐定出售盈虧時會將商譽分配至現金產生單位。商譽之減值虧損不作撥回。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

From 1 January 2010, in respect of a subsidiary, any excess of the acquisition date amounts of identifiable assets acquired and the liabilities assumed of the acquired subsidiary over the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, if any, after reassessment, is recognised immediately in profit or loss as a bargain purchase. In respect of an associate or a jointly controlled entity, any excess of the Group's share of its net fair value of identifiable assets and liabilities over the cost of investment is recognised immediately as income. Prior to 1 January 2010, any excess of the Group's share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, associate and jointly controlled entity over the related cost of acquisition, after reassessment, was recognised immediately in profit or loss.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repair and maintenance are charged to the profit or loss during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method, at the following rates per annum:

Leasehold improvement	50%
Furniture and fixture	20%-50%
Motor vehicles	33%

2. 主要會計政策 (續)

商譽 (續)

由二零一零年一月一日起，就附屬公司而言，被收購附屬公司之所收購可識別資產及所承擔負債於收購當之金額超過所轉讓代價、任何非控股權益於被收購公司中應佔金額及收購方以往所持被收購公司股權（如有）之公平值之差額，會於重新評估後即時於損益帳中確認為購買優惠。就聯營公司或共同控制實體而言，本集團應佔其可識別資產負債之公平淨值超過投資成本之任何差額會即時確認為收入。於二零一零年一月一日前，本集團應佔被收購附屬公司、聯營公司或共同控制實體之可識別資產、負債及或然負債之公平值超過相關收購成本之差額會於重新評估後即時於損益帳中確認。

物業、廠房及設備

物業、廠房及設備按成本減累計折舊及累計減值虧損列帳。物業、廠房及設備項目之成本包括其購買價及令資產達致其營運狀況及運送至其運作地點作擬定用途之任何直接應佔費用。維修及保養開支於產生當年在損益帳中扣除。

本集團於計及物業、廠房及設備之估計餘值後，於由可供使用日期起之估計可用年期內以直線法按下列年率撇銷成本減累計減值虧損，以作出折舊撥備：

租賃物業裝修	50%
傢具及裝置	20%-50%
汽車	33%

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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

Intangible assets

Intangible assets that are acquired by the Group are stated in consolidated statement of financial position at cost less accumulated amortisation (where the estimated useful life is definite) and impairment losses.

Amortisation of intangible assets with finite useful lives is charged to the profit or loss on a straight-line basis over the assets' estimated useful lives which are determined by the period over which it is expected to bring economic benefits to the Group. The intangible assets with finite useful lives are amortised from the date they are available for use over their estimated useful life of 50 years.

The Group reviews the estimated useful life and amortisation method for these intangible assets annually and makes adjustment when necessary.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when the Group's contractual rights to future cash flows from the financial asset expire or when the Group transfers the financial asset and the Group has transferred substantially all the risks and rewards of ownership of the financial asset. A financial liability is derecognised only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

2. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備項目於出售時，或預期持續使用該資產不會產生未來經濟利益時，終止確認。終止確認資產所產生之任何盈虧（按出售所得款項淨額與項目帳面值之差額計算）計入項目終止確認年度之損益帳。

無形資產

本集團收購之無形資產於綜合財務狀況表內按成本減累計攤銷（估計可使用年期有限之無形資產）及減值虧損列帳。

可使用年期有限之無形資產之攤銷會於資產估計可使用年期內按直線法在損益帳中扣除，而有關估計可使用年期乃按資產預期為本集團帶來經濟利益之期限釐定。可使用年期有限之無形資產由可供使用當日起按估計可使用年期為50年攤銷。

本集團會每年檢討此等無形資產之估計可使用年期及攤銷方法，並於有需要時作出調整。

財務工具

財務資產及財務負債乃按交易日期基準於本集團成為該等工具之合約條文之一方時確認。

倘本集團於財務資產未來現金流量之合約權利屆滿，或本集團轉讓該財務資產，同時轉移該項財務資產擁有權之絕大部分風險及回報，則終止確認財務資產。財務負債僅於負債消除時（即相關合約列明之義務被免除、取消或屆滿時）終止確認。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets or financial liabilities held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. They are carried at fair value, with any resultant gain and loss recognised in profit or loss.

Financial assets are classified as held for trading if they are (i) acquired or incurred principally for the purpose of selling or repurchasing in the near future; (ii) part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) derivatives that are not designated and effective hedging instruments.

Financial assets are designated at initial recognition as at fair value through profit or loss if (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis; or (ii) they are part of a group of financial assets that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) they contain embedded derivatives that would need to be separately recorded.

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

2. 主要會計政策 (續)

財務工具 (續)

於損益帳按公平值處理之財務資產

於損益帳按公平值處理之財務資產包括持作買賣之財務資產或財務負債及於首次確認時指定於損益帳按公平值處理之財務資產，以公平值列帳，所產生之任何盈虧於損益帳中確認。

倘財務資產(i)主要為於短期內出售或購回而購入或產生；(ii)由本集團集中管理且有跡象顯示近期出現實際短期獲利之已識別財務工具組合之一部分；或(iii)屬並非指定且為有效對沖工具之衍生工具，則分類為持作買賣財務資產。

財務資產會於下列情況下於首次確認時指定為於損益帳按公平值處理：(i)該項指定消除或大幅減少因按不同基準計量資產或負債或確認盈虧而導致處理方法不一之情況；或(ii)該等財務資產屬受管理且根據明文風險管理策略按公平值基準評估表現之一組財務資產之一部分；或(iii)該等財務資產包含須分開記錄之嵌入式衍生工具。

倘一份合約包含一項或多項嵌入式衍生工具，則整份混合合約或會指定為於損益帳按公平值處理之財務資產，惟倘嵌入式衍生工具不能大幅改善現金流量或明顯不得將嵌入式衍生工具分開則除外。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Loans and receivables

Loans and receivables including loans and other receivables and amounts due from subsidiaries are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the year to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated at this category or not classified in any of the other categories of financial assets. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment loss.

2. 主要會計政策 (續)

財務工具 (續)

貸款及應收款項

貸款及應收款項包括貸款及其他應收款項以及應收附屬公司款項，為有固定或可釐定付款額而並無活躍市場報價且非持作買賣之非衍生財務資產。此等資產以實際利率法按經攤銷成本計量，惟倘應收款項為無固定還款期或貼現影響不大之免息貸款，則按成本減減值虧損列帳。經攤銷成本於到期前各年經計及收購時之任何折讓或溢價後計算。終止確認、減值或透過攤銷過程所產生之盈虧於損益帳確認。

可供出售財務資產

可供出售財務資產為指定為此類別或不予分類為其他財務資產類別之非衍生財務資產。並無活躍市場報價且公平值不能可靠地計量之可供出售財務資產按成本減減值虧損列帳。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that financial assets, other than those at fair value through profit or loss, are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction 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.

For an available-for-sale financial asset that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

2. 主要會計政策 (續)

財務工具 (續)

財務資產減值

本集團會於各報告期結束日評估是否有客觀證據顯示財務資產(於損益帳按公平值處理者除外)出現減值。按經攤銷成本列帳之財務資產之減值虧損按資產帳面值與按財務資產原實際利率貼現之估計未來現金流量現值之差額計量。倘資產之可收回金額增加，而是項增加能夠客觀地與確認減值後之事件有關，則於往後期間透過損益帳撥回有關減值虧損，惟該項資產於撥回減值當日之帳面值不得超過原先並無確認減值時之經攤銷成本。

至於按成本列帳之可供出售財務資產，減值虧損之金額為財務資產之帳面金額與按類似財務資產現有市場回報率貼現之估計未來現金流量現值之差額。有關減值虧損不予撥回。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities

The Group's financial liabilities include other payables and amounts due to subsidiaries. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Convertible bond

The component of the convertible bond that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of issue costs. On the issue of the convertible bond, the fair value of the liability component is determined using a market rate for a similar bond that does not have a conversion option; and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of issue costs. The value of the conversion option carried in equity is not changed in subsequent years.

Issue costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are first recognised. Transaction costs that relate to the issue of the convertible bond are allocated to the liability and equity components in proportion to the allocation of proceeds.

2. 主要會計政策 (續)

財務工具 (續)

財務負債

本集團之財務負債包括其他應付款項及應付附屬公司款項。所有財務負債(衍生工具除外)初步以公平值確認,其後利用實際利率法按經攤銷成本計量,惟倘貼現影響並不重大,則按成本列帳。

可換股債券

具有負債特點之可換股債券部分會於財務狀況表確認為負債,當中扣除發行成本。於發行可換股債券時,負債部分之公平值以並無轉換期權之類似債券之市場利率釐定,而此金額會按經攤銷成本入帳列為負債,直至因轉換或贖回而消除為止。

餘下所得款項會分配至換股權,換股權會於扣除發行成本後在股東資金確認及計入。於股權列帳之換股權價值不會於往後年度出現變動。

發行成本會於可換股債券之負債與權益部分之間按所得款項於首次確認工具時在負債與權益部分之分配額分配。發行可換股債券之相關交易成本按所得款項之分配比例於負債與權益部分之間分配。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Cash equivalents

For the purpose the consolidated statement of cash flow, cash equivalent represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, net of bank overdrafts.

Revenue recognition

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

Realised gain or loss on investments held for trading is recognised on a trade date basis whilst unrealised gain or loss on investment held for trading is recognised to restate to their fair value at the end of the reporting period.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Interest income from financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Foreign currency translation

Items included in the financial statements of each of the Group entities are measured using currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Group's functional and presentation currency.

2. 主要會計政策 (續)

現金等價物

就綜合現金流量表而言，現金等價物指扣除銀行透支後可隨時轉換為可知數額現金，而所承受之價值變動風險不大之短期高流動性投資項目。

收益確認

收益乃於經濟利益極有可能將會流入本集團且收益及成本（如適用）能可靠地計量時按下列基準確認。

持作買賣投資之已變現收益或虧損按交易日基準確認，而持作買賣投資之未變現收益或虧損則予確認，以重列至其於報告期結束日之公平值。

投資股息收入乃於本集團之收款權利確立時確認。

財務資產之利息收入參考未償還本金及適用實際利率按時間基準計算。

外幣換算

本集團各實體之財務報表內所列項目乃依各實體營運所在之主要經濟環境所用貨幣（「功能貨幣」）計量。綜合財務報表以本集團之功能及呈列貨幣港元呈列。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses resulting from the retranslation of non-monetary items carried at fair value are recognised in profit or loss except for those arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the gains or losses are also recognised directly in equity.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency (“**foreign operations**”) are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- Income and expenses for each statement of comprehensive income are translated at average exchange rate;
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group’s net investment in a foreign operation are recognised as a separate component of equity. On disposal of a foreign operation, the cumulative amount of the exchange differences deferred in the separate component of equity relating to that foreign operation is recognised in income statement when the gain or loss on disposal is recognised.

2. 主要會計政策 (續)

外幣換算 (續)

外幣交易使用交易日之匯率換算為功能貨幣。因結算該等交易及按年結日匯率換算以外幣計值之貨幣資產及負債而產生之外匯收益及虧損於損益帳中確認。因重新換算以公平值列帳之非貨幣項目而產生之外匯收益及虧損於損益帳中確認，惟倘有關收益及虧損乃因重新換算直接於股權確認收益及虧損之非貨幣項目而產生，則同樣直接於股權確認。

功能貨幣有別於呈列貨幣之各本集團實體（「**海外業務**」）之業績及財務狀況，乃按以下方式換算為呈列貨幣：

- 於各財務狀況表呈列之資產及負債按報告期結束日之收市匯率換算；
- 各全面收入報表之收入及開支按平均匯率換算；
- 所有因上述換算而產生之匯兌差額以及因構成本集團於海外業務之淨投資一部分之貨幣項目而產生之匯兌差額，確認為股權之獨立部分。出售海外業務時，歸入涉及海外業務股權獨立部分之匯兌差額之累計金額於確認出售盈虧時在收益表中確認。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to determine whether property, plant and equipment and intangible assets with finite useful lives have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income immediately.

2. 主要會計政策 (續)

非財務資產之減值

於各報告期結束日，本集團審閱內部及外部所得資料，以釐定物業、廠房及設備以及具有有限可使用年期之無形資產有否出現減值虧損，或先前確認之減值虧損是否不再存在或可能有所減少。倘有任何該等跡象存在，則根據其公平值減銷售成本及使用價值（以較高者為準）估計該項資產之可收回金額。倘無法估計個別資產之可收回金額，本集團則估計可獨立產生現金流量之最小資產組別（即現金產生單位）之可收回金額。

倘資產或現金產生單位之可收回金額估計低於其帳面金額，則資產或現金產生單位之帳面金額會減至其可收回金額。減值虧損即時確認為開支。

撥回之減值虧損以假設在過往年度並無確認減值虧損之情況下釐定之資產或現金產生單位之帳面金額為限。撥回之減值虧損即時確認為收入。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Leases

Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Lease incentives are recognised in profit or loss as an integral part of the net consideration agreed for the use of the leased asset.

Employee benefits

Defined contribution plans

The obligations for contributions to defined contribution retirement schemes are recognised as expenses in profit or loss as incurred. The assets of the schemes are held separately from those of the Group in an independently administered fund.

2. 主要會計政策 (續)

撥備

當本集團因過往事件而須承擔現時之法定或推定責任，而履行該責任可能需要流出資源且有關責任之金額能可靠估計時，即會確認撥備。已確認撥備之支出會在產生支出年度與有關撥備互相抵消。本集團會於各報告期結束日審閱撥備，並作出調整，以反映當前之最佳估計。倘有關撥備金額之時間值影響重大，則撥備金額應為履行義務預期所需支出之現值。倘本集團預期撥備將會獲得償還，則償還款會確認為單獨資產，惟僅於償還實際上肯定時方予確認。

租賃

並無將擁有權之絕大部分風險及回報轉移予承租人之租賃分類為經營租賃。

根據經營租賃應付之租金於相關租賃期內以直線法從損益帳中扣除。

租賃優惠於損益帳確認為使用租賃資產所協定之淨代價的一部分。

僱員福利

界定供款計劃

向界定供款退休計劃供款之責任於產生時於損益帳中確認為開支。計劃資產與本集團之資產分開，由獨立管理之基金持有。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Employee benefits (Continued)

Long service payment

The Group's net obligation in respect of long service payment under the Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including retirement scheme benefit.

Share-based payment transactions

Equity-settled transactions

The Group's employees, including directors, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a reserve within equity. The fair value is determined using the Black-Scholes Model, taking into account the terms and conditions of the transactions, other than conditions linked to the price of the shares of the Company ("**market conditions**").

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

The cost of equity-settled transactions is recognised in profit or loss at the grant date.

2. 主要會計政策 (續)

僱員福利 (續)

長期服務金

本集團根據僱傭條例之長期服務金責任淨額為僱員於本期間及過往期間提供服務所賺取之未來福利金額。有關責任乃以估計單位基數法計算，並貼現至其現值，再扣除任何相關資產（包括退休計劃福利）之公平值。

以股份付款之交易

以股權結算之交易

本集團僱員（包括董事）提供服務以換取股份或有關股份之權利時，即以股份付款之交易方式收取薪酬。與僱員進行該等交易之成本乃參考股本工具於授出日期之公平值計量。向僱員授出之購股權之公平值確認為僱員成本，而股權儲備會出現相應增加。公平值乃使用布萊克-斯克爾斯模型釐定，當中已考慮交易條款及條件，惟不包括與本公司股份價格相關之條件（「市場條件」）。

與僱員以外之人士進行以股權結算以股份付款之交易，按所收取貨品或服務之公平值計量，惟倘未能可靠估計公平值時，則按實體取得貨品或對手方提供服務當日計量之已授出股本工具之公平值計量。

以股權結算之交易之成本於授出日期在損益帳確認

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arises from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investment in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2. 主要會計政策 (續)

稅項

即期所得稅支出乃按就無須課稅或不得抵扣項目調整之年內業績計算，並使用於報告期結束日已實行或大致上已實行之稅率計算。

遞延稅項乃使用負債法，就資產與負債之稅基以及該等資產與負債於財務報表內所列之帳面金額間於報告期結束日之所有暫時差額作出撥備。然而，倘遞延稅項因首次確認商譽而產生，或因業務合併以外之交易之其他資產或負債而產生，而進行交易時對會計溢利或應課稅溢利或虧損均無影響，則不予確認。

遞延稅項負債及資產乃按照於報告期結束日已實行或大致上實行之稅率及稅務法律，按照預期將於收回資產或償還負債之期間適用之稅率計量。遞延稅項資產乃在極可能有未來應課稅溢利以動用可抵扣暫時差額、稅項虧損及稅項抵免時確認。

遞延稅項按於附屬公司、聯營公司及共同控制實體之投資所產生之暫時差額作出撥備，惟本集團可控制暫時差額之撥回時間，以及暫時差額不大可能於可見未來撥回之情況除外。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Related parties

A party is related to the Group if:

- (a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; or has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (b) the party is an associate of the Group;
- (c) the party is a joint venture in which the Group is a venturer;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

2. 主要會計政策 (續)

關連人士

在以下情況下，一方將被視為本集團之關連人士：

- (a) 該方直接或透過一名或多名中間人間接控制本集團、受控於本集團或與本集團受共同控制；或於本集團擁有權益，使其對本集團有重大影響；或對本集團有共同控制權；
- (b) 該方為本集團之聯繫人士；
- (c) 該方為本集團乃合營夥伴之合營公司；
- (d) 該方為本集團或其母公司之主要管理層成員；
- (e) 該方為(a)或(d)項所述任何人士之直系親屬；
- (f) 該方為直接或間接受(d)或(e)項所述任何人士控制、共同控制或重大影響之實體，或(d)或(e)項所述任何人士於該實體直接或間接擁有重大投票權；或
- (g) 該方為一離職後福利計劃，而受益人為本集團或任何屬本集團關連人士之實體之僱員。

分類報告

經營分類及於財務報表報告之各分類項目金額均按定期提供予本集團最高層行政管理人員之財務資料劃分，以於本集團各業務及地區之間分配資源及評估其表現。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Segment reporting (Continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Critical accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made by the management in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

2. 主要會計政策 (續)

分類報告 (續)

個別重大經營分類於進行財務報告時不會合併計劃，惟倘若若干分類具有類似經濟特性，以及產品及服務性質、生產程序性質、客戶種類或類型、分銷產品或提供服務之方法以及監管環境性質相類似時則作別論。並非個別重大之經營分類在上述大部分條件共通時可予合併。

關鍵會計估計及判斷

管理層於編製財務報表時會作出估計、關於未來之假設以及判斷。有關估計、假設及判斷會影響本集團會計政策之應用情況、資產、負債、收入及開支之申報金額以及所披露之資料，並持續根據經驗及相關因素（包括在各種情況下相信對未來事件作出之合理預期）評估。於適用時，會計估計之修訂會於作出修訂之期間及未來期間（如有關修訂同時影響未來期間）確認。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements (Continued)

Impairment of investments and receivables

The Group assesses annually if investment in subsidiaries/ associates has suffered any impairment in accordance with *HKAS 36* and follows the guidance of *HKAS 39* in determining whether amounts due from these entities are impaired. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause the adjustments of their carrying amounts.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of the estimates used to calculate the recoverable amount are given in note 12. Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances

2. 主要會計政策 (續)

關鍵會計估計及判斷 (續)

投資及應收款項之減值

本集團根據香港會計準則第36號每年評估於附屬公司／聯營公司之投資有否出現減值，並依循香港會計準則第39號之指引釐定應收此等實體款項有否出現減值。有關方法詳載於相關之會計政策。評估時須估計資產之未來現金流量（包括預期股息）及挑選適當之貼現率。倘此等實體之財務表現及狀況日後有變，會影響對減值虧損之估計，因而須對帳面金額作出調整。

商譽減值

本集團最少每年釐定商譽有否出現減值，當中須估計獲分配商譽之現金產生單位之使用價值。本集團於估計使用價值時須估計現金產生單位之預期現金流量，亦須選擇合適之貼現率，以計算該等現金流量之現值。計算可收回金額時使用之估計之詳情載於附註12。編製財務報表時所作估計、有關未來之假設以及判斷會影響本集團會計政策之應用情況、資產、負債、收入及開支之申報金額以及所披露之資料，並持續根據經驗及相關因素（包括在各種情況下對未來事件作出之合理預期）評估。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements (Continued)

Allowance for bad and doubtful debts

The provisioning policy for bad and doubtful debts of the Group is based on the evaluation of collectability of the loans receivable. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including assessing the current creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance will be required.

Fair value estimation

Unlisted convertibles notes are stated at fair value based on the valuations performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates. In relying on the valuation reports, the directors of the Group have exercised their judgement and are satisfied that the method of valuations is reflective of the current market conditions.

Impairment of intangible assets

The Group determines whether its intangible assets are impaired at least on an annual basis. This requires an estimation of value in use of the intangible assets. Estimating the value in use requires the Group to make an estimate of the expected cash flows from the intangible assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

2. 主要會計政策 (續)

關鍵會計估計及判斷 (續)

呆壞帳撥備

本集團之呆壞帳撥備政策乃根據能否收回應收貸款作出評估。於評估該等應收款項之最終變現能力時，須從多方面作出判斷，包括評估各名客戶之現時信譽及過往收帳記錄。倘該等客戶之財務狀況惡化，令其還款能力受損，將須作出額外撥備。

公平值估計

非上市可換股票據按公平值根據獨立專業估值師進行之估值列帳。於釐定公平值時，估值師以涉及若干估計之估值法為基礎。於倚賴估值報告時，本集團董事已行使判斷，並信納估值法能反映現時市況。

無形資產減值

本集團最少每年釐定其無形資產有否減值。此舉須估計無形資產之使用價值。本集團於估計使用價值時須估計源自無形資產之預期現金流量，並選取合適之貼現率以計算該等現金流量之現值。

Notes to the Financial Statements

財務報表附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Future changes in HKFRS

At the date of authorisation of these consolidated financial statements, the HKICPA has issued a number of the following new/revised HKFRS that are not yet effective for the current year, which the Group has not early adopted.

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

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

² Effective for annual periods beginning on or after 1 July 2010

³ Effective for annual periods beginning on or after 1 January 2011

⁴ Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate

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

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

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

The directors do not anticipate that the adoption of these new HKFRSs in future periods will have any material impact on the results of the Group.

2. 主要會計政策 (續)

香港財務報告準則之未來變動

於授權刊發此等綜合財務報表當日，香港會計師公會已頒佈以下多項新訂／經修訂香港財務報告準則，該等準則於本年度尚未生效，而本集團亦未有提早採納。

香港會計準則第32號之修訂	供股分類 ¹
香港財務報告準則第1號之修訂 (經修訂)	首次採納者就香港財務報告準則第7號比較性披露資料之有限豁免 ²
香港 (國際財務報告詮釋委員會) – 詮釋第19號	以股本工具償清財務負債 ²
香港會計準則第24號 (經修訂)	關連人士披露 ³
香港 (國際財務報告詮釋委員會) – 詮釋第14號之修訂	最低資金需求之預付款項 ³
二零一零年香港財務報告準則之改進	二零一零年香港財務報告準則之改進 ⁴
香港財務報告準則第7號之修訂	披露 – 財務資產轉移 ⁵
香港會計準則第12號之修訂	遞延稅項：收回相關資產 ⁶
香港財務報告準則第9號	財務工具 ⁷

¹ 於二零一零年二月一日或之後開始之年度期間生效

² 於二零一零年七月一日或之後開始之年度期間生效

³ 於二零一一年一月一日或之後開始之年度期間生效

⁴ 於二零一零年七月一日或二零一一年一月一日 (如適用) 或之後開始之年度期間生效

⁵ 於二零一一年七月一日或之後開始之年度期間生效

⁶ 於二零一二年一月一日或之後開始之年度期間生效

⁷ 於二零一三年一月一日或之後開始之年度期間生效

董事預期於未來期間採納此等新訂香港財務報告準則不會對本集團業績構成任何重大影響。

Notes to the Financial Statements 財務報表附註

3. TURNOVER AND REVENUE

Turnover and revenue recognised by category are analysed as follows:

3. 營業額及收益

按分類確認之營業額及收益分析如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
(a) Turnover	(a) 營業額		
Net (loss) gain on disposal of financial assets at fair value through profit or loss	出售於損益帳按公平值處理之財務資產之(虧損)盈利淨額	(30,913)	42,025
Interest income from provision of financial services	提供金融服務之利息收入	6,764	4,191
Dividend income	股息收入	2,446	302
		(21,703)	46,518
(b) Other income	(b) 其他收入		
Bank interest income	銀行利息收入	114	420
Net gain on acquisition and disposal of a subsidiary (notes 28 and 29)	附屬公司收購及出售之盈利淨額(附註28及29)	25,000	-
Bargain purchase arising from acquisition of a subsidiary	收購一間附屬公司所產生之購買優惠	3,262	-
Other	其他	863	93
		29,239	513

Notes to the Financial Statements

財務報表附註

4. LOSS BEFORE TAXATION

This is stated after charging:

4. 除稅前虧損

除稅前虧損經扣除下列各項後列帳：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
(a) Finance costs	(a) 融資成本		
Interest on interest-bearing borrowings wholly repayable within five years	須於五年內全數償還之計息借貸之利息	38	229
Amortisation of effective interest on zero coupon convertible bonds	攤銷零息票可換股債券之實際利息	1,286	763
		1,324	992
(b) Other items	(b) 其他項目		
Auditor's remuneration	核數師酬金	900	750
Depreciation of property, plant and equipment	物業、廠房及設備折舊	867	989
Operating lease charges on premises	物業經營租賃支出	1,036	918
Share-based payment in respect of share option (note 25)	有關購股權之以股份支付之款項(附註25)	-	7,210
Amortisation of intangible assets	無形資產攤銷	1,242	-
Staff costs, including directors' emoluments:	員工成本, 包括董事酬金:		
– Salaries and other allowances	– 薪金及其他津貼	5,087	5,870
– Contributions to defined contribution plans	– 界定供款計劃供款	150	184

Notes to the Financial Statements

財務報表附註

5. DIRECTORS' REMUNERATION

5. 董事酬金

		Year ended 31 December 2010 截至二零一零年十二月三十一日止年度				
Name of Director 董事姓名	Appointed during the year 於年內委任	Resigned during the year 於年內辭任	Fees	Basic salaries, allowance and other benefits 基本薪金、津貼及其他福利	Mandatory Provident Fund scheme contribution 強制性公積金計劃供款	Total 總計
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Mr. Wen Louis 溫耒先生	-	-	-	300	-	300
Mr. Zhou Qi Jin 周奇金先生	-	-	-	-	-	-
Ms. Lo Oi Kwok, Sheree 羅愛過女士	-	-	-	420	12	432
Mr. Yeung Ming Kwong 楊明光先生	-	-	-	420	12	432
Mr. Kwong Wai Tim, William 鄭維添先生	-	-	-	-	-	-
Mr. Chung Yuk Lun 鍾育麟先生	-	-	120	-	-	120
Mr. Ting Wing Cheung, Sherman 丁永章先生	-	17 May 五月十七日	-	160	5	165
Ms. Lam Yan Fong, Flora 林欣芳女士	-	-	120	-	-	120
Ms. Swartz, Kristi Lynn Swartz, Kristi Lynn女士	-	-	-	-	-	-
Mr. Zhuang You Dao 莊友道先生	-	-	-	120	-	120
Mr. Pak William Eui Won Pak William Eui Won先生	-	-	120	-	120	120
Mr. Lam Yick Sing 林益勝先生	4 June 六月四日	-	-	207	7	214
			<u>360</u>	<u>1,627</u>	<u>156</u>	<u>2,023</u>

Notes to the Financial Statements

財務報表附註

5. DIRECTORS' REMUNERATION (Continued)

5. 董事酬金 (續)

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度					
Name of Director	董事姓名	Appointed during the year	Resigned/Removed during the year	Fees	Basic salaries, allowance and other benefits	Mandatory Provident Fund scheme contribution	Total
		於年內委任	於年內辭任/罷免	袍金	基本薪金、津貼及其他福利	強制性公積金計劃供款	總計
				HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Mr. Wen Louis	溫耒先生	-	-	-	376	-	376
Ms. Yau Shum Tek, Cindy	邱深苗女士	-	-	-	-	-	-
Mr. Zhou Qi Jin	周奇金先生	-	20 Nov 十一月二十日	-	319	-	319
Ms. Lo Oi Kwok, Sheree	羅愛過女士	-	-	-	420	12	432
Mr. Yeung Ming Kwong	楊明光先生	-	-	-	420	12	432
Mr. Kwong Wai Tim, William	鄭維添先生	-	3 Sep 九月三日	81	-	-	81
Mr. Chung Yuk Lun	鍾育麟先生	-	-	120	-	-	120
Mr. Ting Wing Cheung, Sherman	丁永章先生	-	-	-	420	12	432
Ms. Lam Yan Fong, Flora	林欣芳女士	-	-	120	-	-	120
Ms. Swartz, Kristi Lynn	Swartz, Kristi Lynn女士	-	29 Dec 十二月二十九日	120	-	-	120
Mr. Zhuang You Dao	莊友道先生	-	-	-	120	-	120
Mr. Pak William Eui Won	Pak William Eui Won先生	28 Dec 十二月二十八日	-	-	-	-	-
				441	2,075	36	2,552

No director waived any emoluments during the year. No incentive payment nor compensation for loss of office was paid or payable to any director for the year ended 31 December 2010 (2009: Nil).

年內並無董事放棄任何酬金。於截至二零一零年十二月三十一日止年度，本集團概無向任何董事支付或應付任何款項作為獎金或離職補償（二零零九年：無）。

Notes to the Financial Statements 財務報表附註

6. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Among the five individuals with the highest emoluments, three (2009: three) are executive directors whose emoluments are disclosed in note 5.

The emoluments paid to the remaining two (2009: two) individuals during the year were as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	1,020	1,200
Pension scheme contributions	退休金計劃供款	24	24
		1,044	1,224

The emoluments fell within the following band:

		Number of individuals 人數	
		2010 二零一零年	2009 二零零九年
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元	2	2

During the year, no payments were paid to the five highest paid individuals (including directors and other employees) as inducement to join or upon joining the Group or as compensation for loss of office.

6. 最高薪人士

五位最高薪人士中，有三位（二零零九年：三位）為執行董事，彼等之酬金已於附註5內披露。

年內已付其餘兩位（二零零九年：兩位）人士之酬金如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	1,020	1,200
Pension scheme contributions	退休金計劃供款	24	24
		1,044	1,224

酬金介乎以下範圍：

		Number of individuals 人數	
		2010 二零一零年	2009 二零零九年
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元	2	2

年內，本集團並無向五位最高薪人士（包括董事及其他僱員）支付款項，作為鼓勵加盟或加盟本集團時之獎金或離職補償。

Notes to the Financial Statements

財務報表附註

7. TAXATION

The Company is incorporated in the Cayman Islands and is exempted from taxation in the Cayman Islands. Hong Kong Profits Tax has not been provided in the financial statements as the Company and its subsidiaries have no assessable profits or have unutilised tax losses to set off against current year's assessable profits for the years of 2010 and 2009.

Reconciliation of tax expenses

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Loss before taxation from continuing and discontinued operation	持續及已終止經營業務之除稅前虧損	(229,463)	(61,612)
Income tax at Hong Kong Profits Tax rate of 16.5% (2009: 16.5%)	按香港利得稅稅率16.5% (二零零九年: 16.5%) 計算之所得稅	(37,861)	(10,166)
Net effect of non-deductible expenses/ tax-exempted revenue	不可扣稅開支/免稅收益之影響淨額	(1,006)	27,204
Unrecognised temporary differences	未確認之暫時差額	106	61
Utilisation of previously unrecognised tax losses	動用先前未確認之稅項虧損	-	(17,099)
Unrecognised deferred tax assets in respect of tax losses	有關稅項虧損之未確認遞延稅項資產	38,761	-
Taxation as per statement of comprehensive income	全面收入報表所列之稅項	-	-

8. LOSS ATTRIBUTABLE TO SHAREHOLDERS

The loss attributable to shareholders includes a loss of HK\$130,947,000 (2009: HK\$176,691,000) which has been dealt with in the financial statements of the Company.

7. 稅項

本公司於開曼群島註冊成立，並獲豁免繳納開曼群島稅項。由於本公司及其附屬公司於二零一零年及二零零九年並無應課稅溢利，或有未動用稅項虧損以抵銷當年度之應課稅溢利，故並無於財務報表中計提香港利得稅撥備。

稅項開支對帳

8. 股東應佔虧損

股東應佔虧損包括虧損130,947,000港元 (二零零九年: 176,691,000港元)，有關溢利已於本公司財務報表中處理。

Notes to the Financial Statements

財務報表附註

9. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share is based on the loss for the year attributable to shareholders of HK\$229,463,000 (2009: HK\$61,612,000) and the weighted average number of ordinary shares of 286,789,000 shares (2009 (restated): 37,027,500 shares) in issue during the year.

The weighted average number of ordinary shares adopted in the calculation of the basic loss per share for the year of 2010 has been adjusted to reflect the impact of the capital reorganisation effected subsequent to the end of 2010 (see note 36).

The weighted average number of ordinary shares adopted in the calculation of the basic loss per share for the year of 2009 has been adjusted to reflect the impact of the rights issue effected subsequent to the end of 2009 and further restated to reflect the impact of the capital reorganisation effected subsequent to the end of 2010.

Diluted loss per share

For the years ended 31 December 2010 and 2009, as there was an anti-dilutive effect after adjusting for the effects of all dilutive potential ordinary shares, diluted loss per share was the same as the basic loss per share.

9. 每股虧損

每股基本虧損

每股基本虧損乃按股東應佔年內虧損229,463,000港元(二零零九年: 61,612,000港元)及年內已發行286,789,000股(二零零九年(重列): 37,027,500股)普通股加權平均數計算。

計算二零一零年度之每股基本虧損時採納之普通股加權平均股數已作出調整,以反映於二零一零年後進行之股本重組之影響(見附註36)。

計算二零零九年度之每股基本虧損時採納之普通股加權平均股數已作出調整,以反映於二零零九年後進行之供股之影響,並經進一步重列以反映於二零一零年後進行之股本重組之影響。

每股攤薄虧損

截至二零一零年及二零零九年十二月三十一日止年度,由於調整所有具潛在攤薄影響之普通股的影響後會造成反攤薄影響,故每股攤薄虧損與每股基本虧損相同。

Notes to the Financial Statements

財務報表附註

10. PROPERTY, PLANT AND EQUIPMENT

10. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and equipment 傢具及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount	帳面值				
At beginning of year 2009	於二零零九年初	131	539	1,646	2,316
Additions	添置	-	5	-	5
Disposals	出售	-	(47)	(84)	(131)
Depreciation	折舊	(131)	(159)	(696)	(986)
At 31 December 2009	於二零零九年 十二月三十一日	-	338	866	1,204
At 31 December 2009	於二零零九年 十二月三十一日				
Cost	成本	1,247	952	2,219	4,418
Accumulated depreciation	累計折舊	(1,247)	(614)	(1,353)	(3,214)
		-	338	866	1,204
Carrying amount	帳面值				
At beginning of year 2010	於二零一零年初	-	338	866	1,204
Additions	添置	-	74	-	74
Disposals	出售	-	(2)	-	(2)
Depreciation	折舊	-	(193)	(674)	(867)
At 31 December 2010	於二零一零年 十二月三十一日	-	217	192	409
At 31 December 2010	於二零一零年 十二月三十一日				
Cost	成本	1,247	1,016	2,219	4,482
Accumulated depreciation	累計折舊	(1,247)	(799)	(2,027)	(4,073)
		-	217	192	409

Notes to the Financial Statements

財務報表附註

11. INTEREST IN ASSOCIATES

The interest in the associates is set out below:

		As at 31 December 2010			As at 31 December 2009
		於二零一零年十二月三十一日			於 二零零九年 十二月 三十一日
		Golden Fame 金信 HK\$'000 千港元	Tianjin Kai Sheng 天津市凱聲 HK\$'000 千港元	Total 總計 HK\$'000 千港元	HK\$'000 千港元
Share of net assets	應佔資產淨值	33,012	3,475	36,487	103,601
Goodwill on acquisition	收購產生之商譽	-	-	-	91,993
Impairment loss	減值虧損	-	-	-	(158,500)
		33,012	3,475	36,487	37,094

11. 於聯營公司之權益

於聯營公司之權益載列如下：

Details of the principal associates at the end of the reporting period are as follows:

於報告期結束日之主要聯營公司詳情如下：

Name of associates	Form of business	Principal place of operation/Place of incorporation	Proportion of registered capital and voting power held by the Group	Principal activities
聯營公司名稱	業務形式	主要營運地點/ 註冊成立地點	本集團 所持註冊資本及 投票權所佔比例	主要業務
Tianjin Kai Sheng Automobile Service Co. Limited ("Tianjin Kai Sheng")	Incorporate	PRC	50%	Provision of repair service for automobile and distribution of Nissan motor vehicles
天津市凱聲汽車維修有限公司 〔天津市凱聲〕	法團	中國	50%	提供汽車維修服務及 分銷日產汽車

Notes to the Financial Statements

財務報表附註

11. INTEREST IN ASSOCIATES (Continued)

11. 於聯營公司之權益 (續)

Name of associates	Form of business	Principal place of operation/Place of incorporation	Proportion of registered capital and voting power held by the Group	Principal activities
聯營公司名稱	業務形式	主要營運地點/ 註冊成立地點	本集團 所持註冊資本及 投票權所佔比例	主要業務
Golden Fame International Investment Group Limited ("Golden Fame")	Incorporate	Hong Kong	40%	Logistic business
金信環球投資集團有限公司(「金信」)	法團	香港	40%	物流業務

Summary of financial information of associates are as follows:

各聯營公司之財務資料概要如下：

		Golden Fame 金信		Tianjin Kai Sheng 天津市凱聲		Tinhua (note a) 天華(附註a)		Total 總計	
		2010	2009	2010	2009	2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年
		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
Share of associates' assets and liabilities	應佔聯營公司資產及負債								
Non-current assets	非流動資產	28,891	29,770	21,458	20,879	-	40,036	50,349	90,685
Current assets	流動資產	106,462	89,225	37,340	48,726	-	13,506	143,802	151,457
Non-current liabilities	非流動負債	(23,158)	(22,549)	-	-	-	-	(23,158)	(22,549)
Current liabilities	流動負債	(66,538)	(54,002)	(51,098)	(63,284)	-	(426)	(117,636)	(117,712)
Non-controlling interest	非控股權益	(12,645)	(8,034)	(4,225)	(3,673)	-	-	(16,870)	(11,707)
Share of associates' revenue and profit	應佔聯營公司收益及溢利								
Revenue	收益	316,127	219,120	216,855	165,352	-	-	532,982	384,472
Profit (Loss)	溢利(虧損)	603	3,689	790	(1,013)	-	-	1,393	2,676

Notes to the Financial Statements

財務報表附註

11. INTEREST IN ASSOCIATES (Continued)

(a) Investment in Tinhua Excel Way Special Fiber (Xintai) Company Limited ("Tinhua")

Reference is made to the annual report of year 2009, interim report of year 2010 and related announcements. The Group had invested in Tinhua by acquiring two subsidiaries, Excel Way Investments Limited ("Excel Way") and Shinning Global Worldwide Limited ("Shinning Global"), at an aggregate consideration of HK\$158,500,000. Due to the lengthy administrative process for a bank in granting banking facility to Tinhua, the required liquidity to meet the working capital requirement for the commencement of Tinhua's production has been adversely affected. Up to 31 December 2009, the Group had not yet injected the last instalment of capital of US\$3,100,000 due to the uncertainties involved in the operations of Tinhua. The Group believed that such uncertainties arisen would in turn increase the risk exposure of its investment in Tinhua. The directors were of the opinion that the possibility of recovering the residual value from the investment in Tinhua was low and a full impairment loss of HK\$158,000,000 was made in the consolidated financial statements for the year ended 31 December 2009.

Given the unforeseeable prospect of Tinhua's business, management has appointed provisional liquidators to voluntarily liquidate Excel Way. A Statement of Voluntary Winding Up and the Notice of Appointment of Provisional Liquidators were filed with the Company Registry on 14 April 2010 and the commencement of the voluntary liquidation process has been disclosed in the Company's announcement on 15 April 2010. Pursuant to High Court Order on 31 May 2010, joint and several liquidators had been appointed and as at the end of the reporting period, Excel Way is still under the winding up process.

The Group had ceased to exercise significant influence over Tinhua following Excel Way's appointment of the provisional liquidators and therefore Tinhua is no longer treated as an associate of the Group.

11. 於聯營公司之權益 (續)

(a) 於天華溢威特種纖維(新泰)有限公司(「天華」)之投資

謹此提述二零零九年年報、二零一零年中期報告及相關公佈。本集團已透過收購兩間附屬公司溢威投資有限公司(「溢威」)及Shinning Global Worldwide Limited(「Shinning Global」)而投資於天華，總代價為158,500,000港元。由於銀行向天華授出銀行信貸須辦理冗長之行政程序，令天華取得所需流動資金作為開展生產業務之營運資金一事受到不利影響。截至二零零九年十二月三十一日止，本集團並無作出最後一期注資3,100,000美元，原因為天華之營運涉及不確定因素。本集團相信，出現該等不確定因素會增加本集團於天華之投資風險。董事認為，本公司可收回於天華之投資之剩餘價值之可能性不大，因而已於截至二零零九年十二月三十一日止年度之綜合財務報表內計提全數減值虧損158,000,000港元。

鑑於天華業務之不明朗前景，管理層已委任臨時清盤人對溢威進行自動清盤。於二零一零年四月十四日，自動清盤陳述書及委任臨時清盤人通知書已獲呈交予公司註冊處，而如本公司日期為二零一零年四月十五日之公佈所披露，自動清盤程序已經展開。根據日期為二零一零年五月三十一日之高等法院判令，共同及個別清盤人已獲委任，而於報告期結束日，溢威仍處於清盤程序中。

於溢威委任臨時清盤人後，本集團已不再對天華行使重大影響力，故天華不再被視為本集團之聯營公司。

Notes to the Financial Statements

財務報表附註

11. INTEREST IN ASSOCIATES (Continued)

(a) Investment in Tinhua Excel Way Special Fiber (Xintai) Company Limited ("Tinhua") (Continued)

In February 2011, Tinhua received a demand notice from the State Administration of Industry and Commerce of the PRC for the remaining capital injection of US\$3,100,000 (HK\$23,910,000) for which the amount had already been recorded in accrued charges and other creditors (note 20). Taking into consideration the current status of Excel Way, the directors are of the opinion that the exposure associated with the investment in Tinhua would not give rise to any further material financial impact on the Group's consolidated financial statements.

12. GOODWILL

Carrying value	帳面值
Acquisition of subsidiaries	收購附屬公司
Less: Impairment loss	減：減值虧損
At end of the reporting period	於報告期結束日

A full provision for impairment losses have been made in the goodwill arose on the Group's acquisition of Leapfly Limited and Natural Harvest Investment Limited.

11. 於聯營公司之權益 (續)

(a) 於天華溢威特種纖維(新泰)有限公司(「天華」)之投資(續)

於二零一一年二月，天華接獲中國國家工商行政管理總局就餘下注資3,100,000美元(23,910,000港元)發出之催繳通知。有關金額已經於應計費用及其他應付帳款入帳(附註20)。經考慮溢威之現況，董事認為與於天華之投資相關之風險不會對本集團之綜合財務報表進一步構成任何重大財務影響。

12. 商譽

As at 31 December 2010			As at 31 December 2009
於二零一零年十二月三十一日			於二零零九年 十二月三十一日
Leapfly HK\$'000 千港元	Natural Harvest 盛然 HK\$'000 千港元	Total 總計 HK\$'000 千港元	HK\$'000 千港元
20,000	55,000	75,000	75,000
(20,000)	(55,000)	(75,000)	(75,000)
-	-	-	-

本集團已就收購Leapfly Limited及盛然投資有限公司所產生之商譽作出全數減值虧損撥備。

Notes to the Financial Statements

財務報表附註

13. INTANGIBLE ASSETS

13. 無形資產

		Forestry rights 林地權 HK\$'000 千港元
Reconciliation of carrying amount – year ended 31 December 2010	帳面金額對帳—截至二零一零年 十二月三十一日止年度	
Acquisition during the year	年內收購	82,500
Amortisation	攤銷	(1,242)
Impairment loss	減值虧損	<u>(12,258)</u>
At end of the reporting period	於報告期結束日	<u>69,000</u>
At 31 December 2010	於二零一零年十二月三十一日	
Costs	成本	82,500
Accumulated amortisation and impairment losses	累計攤銷及減值虧損	<u>(13,500)</u>
		<u>69,000</u>

Notes to the Financial Statements

財務報表附註

13. INTANGIBLE ASSETS (Continued)

Reference is made to the Company's announcement dated 9 April 2010. The Group acquired the entire issued share capital of a company, Richful Zone International Limited ("Richful Zone") which owns the rights to (i) obtain 50% of the interests in the concession rights and forestry contracts in respect of three forestry sites in Simao District, Puer City, Yunnan Province, the People's Republic of China (the "PRC"); and (ii) share 50% of distributable profits of these forests. The Group has neither significant influence nor joint control over the forestry operations.

At the date of acquisition, the fair value of these rights attributable to the Group was approximately HK\$82,500,000, which was determined based on the professional valuation conducted by an independent professional valuer, B.I. Appraisals Limited, on the market approach with reference to prices recently paid for similar assets. As at 31 December 2010, the fair value of the forestry rights attributable to the Group was estimated to be approximately HK\$69,000,000 which is determined based on the professional valuation conducted by B.I. Appraisals Limited under the same market approach which decrease in the value was mainly resulted from the tree-cutting activities carried out during the period. The directors are of the opinion that a provision of impairment loss amounting to HK\$12,258,000 should be recognised so as to reflect the recoverable amount of the future economic benefits that the forestry rights can generate, having taken into consideration the respective value in use.

The term of forestry land use rights and forestry trees entitlement of these three forestry sites are 50 years from 8 January 2010 to 7 January 2060, according to the re-issued forestry land use rights and ownership rights issued by the PRC local government.

13. 無形資產 (續)

謹此提述本公司日期為二零一零年四月九日之公佈。本集團收購一間公司豐域國際有限公司(「豐域」)之全部已發行股本，豐域擁有以下各項權利：(i)取得中華人民共和國(「中國」)雲南省普洱市思茅區三塊林地特許權利及林木合約之50%權益，及(ii)分佔該等林地之50%可分派溢利。本集團於林地業務並無重大影響力或共同控制權。

於收購之日，本集團應佔該等權利之公平值約為82,500,000港元，乃依據獨立專業估值師保柏國際評估有限公司經參考類似資產最近之交易價格後使用市場法進行之專業估值而釐定。於二零一零年十二月三十一日，本集團應佔林地權之公平值估計約為69,000,000港元，乃依據保柏國際評估有限公司根據同一市場法進行之專業估值而釐定。價值降低主要源自期內進行之伐木活動所致。董事認為，經考慮各項使用價值，減值虧損撥備12,258,000港元應予確認，以反映林木權可產生之未來經濟利益之可收回金額。

根據中國地方政府重新發出之林地使用權及林木所有權，該三塊林地之林地使用權及林木所有權期限由二零一零年一月八日起至二零六零年一月七日止為期50年。

Notes to the Financial Statements

財務報表附註

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

14. 可供出售財務資產

	Note 附註	The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At cost	按成本				
Unlisted equity interest outside Hong Kong	於香港境外之 非上市股本權益	6,908	6,908	6,908	6,908
Unlisted equity interest in Hong Kong	於香港之非上市股本 權益	25,000	25,000	-	-
Unlisted investment in a limited partnership outside Hong Kong	於香港境外一間有限 責任合夥公司之 非上市投資	60,512	-	-	-
		92,420	31,908	6,908	6,908
Impairment loss recognised	已確認之減值虧損	(31,908)	(31,908)	(6,908)	(6,908)
		60,512	-	-	-

The unlisted investments represented long-term investments in unlisted equity securities issued by private entities. They are measured at cost less impairment at the end of each reporting period because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably.

非上市投資指於私人實體發行之非上市股本證券之長期投資。由於非上市投資之合理公平值估計範圍過大，董事認為無法可靠地計算其公平值，故於各報告期結束日按成本減去減值計量。

Notes to the Financial Statements

財務報表附註

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(Continued)

14(a) Unlisted investment in a limited partnership

Reference is made to the Company's announcement dated 17 August 2010. Pursuant to partnership agreement with the lead investor ("Lead Investor") and certain limited partners dated 17 August 2010, the Group agreed to acquire 22.22% equity interest in AITS L.P. ("AITS"), which controls a group of companies engaged in the manufacturing of automotive components, for a consideration of US\$10,000,000 (equivalent to approximately HK\$78,000,000). The consideration shall be settled in two phases upon issuance of the drawdown notice by the general partner of AITS. The first payment amounting to approximately US\$7,800,000 (equivalent to approximately HK\$60,512,000) was paid in August 2010. The balance of approximately US\$2,200,000 (equivalent to approximately HK\$17,289,000) may be called by the general partner as required to fund the activities of AITS and its subsidiaries. Up to the date of this annual report, no drawdown notice for second payment was served by the general partner.

Pursuant to the partnership agreement, a Tag Along Offer will be made by the Lead Investor, in the circumstance that the Lead Investor proposes to dispose of any of its units in AITS to a purchaser, an offer to other limited partners to dispose of a pro rata share of their units in AITS to the purchaser at the same price and on the same terms as the proposed disposal by the Lead Investor will also be made, subject to compliance with mandatory regulatory conditions by the relevant limited partner.

14. 可供出售財務資產 (續)

14(a) 於一間有限責任合夥公司之非上市投資

謹此提述本公司日期為二零一零年八月十七日之公佈。根據於二零一零年八月十七日與牽頭投資者(「牽頭投資者」)及若干有限責任合夥人訂立之合夥協議，本集團同意收購AITS L.P.(「AITS」)22.22%股本權益，代價為10,000,000美元(相等於約78,000,000港元)。AITS控制一組從事製造汽車零部件之公司。代價將於AITS之普通合夥人發出催繳通知後分兩期支付。首筆款項約7,800,000美元(相等於約60,512,000港元)已於二零一零年八月支付。普通合夥人可於有需要時催繳餘額約2,200,000美元(相等於約17,289,000港元)，為AITS及其附屬公司之活動提供資金。截至本年報日期，普通合夥人並無發出第二筆款項之催繳通知。

根據合夥協議，倘牽頭投資者建議出售其任何AITS基金單位予一名買家，則牽頭投資者可邀請其他有限責任合夥人按牽頭投資者將同時建議出售之相同價格及條款按比例出售彼等之AITS基金單位，即隨售要約，惟相關有限責任合夥人須遵守強制規管條件。

Notes to the Financial Statements

財務報表附註

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(Continued)

14(a) Unlisted investment in a limited partnership

(Continued)

In addition, Drag Along Option has been granted to the Lead Investor in the same agreement aforementioned. If the Lead Investor proposes to dispose of all its units in AITS under a bona fide arm's length offer to a transferee, it has the option to require the limited partners to sell all their respective units in AITS to the transferee at a price not lower than the price which the Lead Investor offered to the transferee.

Pursuant to the partnership agreement, as a limited partner, the Group shall take no part in the conduct or management and shall have no right or authority to act for AITS or take any part in or in any way to interfere in the conduct or management of AITS. From the inception of contemplating the investment plan in AITS up to the date of these financial statements, the Group has no intention to participate in the operations of AITS and solely treat it as a passive investment looking to the long term appreciation of value so as to retrieve future benefits from the investment. Accordingly, the investment in AITS is classified as available-for-sale investment. Taken into consideration that the equity interest in AITS does not have a quoted market price in an active market, the directors are of the opinion that the fair value cannot be reliably measured. As a result, the Group's investment in AITS, together with the Tag Along Offer and the Drag Along Option that are linked to such unquoted equity instruments, are measured at cost less impairment.

14. 可供出售財務資產 (續)

14(a) 於一間有限責任合夥公司之非上市投資 (續)

此外，上述相同協議亦向牽頭投資者授出領售選擇權。倘若牽頭投資者建議根據一項真誠公平之要約向一名承讓人出售其所有AITS基金單位，牽頭投資者擁有選擇權要求有限責任合夥人按作價不低於牽頭投資者提呈予該名承讓人之價格，向承讓人出售其各自之所有AITS基金單位。

根據合夥協議，由於以有限責任合夥人身份投資，本集團不會參與AITS之營運或管理，亦無權利或授權代表AITS行事或參與或以任何方式干擾AITS之營運或管理。由制訂AITS之投資計劃建議起至該等財務報表日期，本集團無意參與AITS之營運，純粹將之視為尋求長遠增值之被動投資，旨在日後從投資中獲利。因此，於AITS之投資被分類為可供出售投資。鑑於於AITS之股本權益並無活躍市場所報市價，董事認為無法可靠地計算其公平值。因此，本集團於AITS之投資連同與該等無報價股本工具掛鈎之隨售要約及領售選擇權均按成本扣除減值計量。

Notes to the Financial Statements

財務報表附註

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(Continued)

14(a) Unlisted investment in a limited partnership

(Continued)

Particulars of the equity investee are as follows:

Company name	Place of incorporation	Class of share held	Proportion of the nominal value of issued Participating Share held by the Group
公司名稱	註冊成立地點	所持股份類別	本集團所持已發行參與股份之面值比例
AITS L.P.	Cayman Islands 開曼群島	A Units A類基金單位	22.22%

14. 可供出售財務資產 (續)

14(a) 於一間有限責任合夥公司之非上市投資 (續)

股本接受投資公司之詳情如下：

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

15. 於損益帳按公平值處理之財務資產

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Held for trading equity securities listed in Hong Kong	持作買賣之香港上市股本證券		
At beginning of year	於年初	273,919	98,748
Additions	購入	682,508	311,080
Disposals	出售	(430,593)	(162,748)
Fair value adjustments	公平值調整	(132,831)	26,839
At the end of the reporting period	於報告期結束日	393,003	273,919
Designated upon initial recognition unlisted convertible notes	於首次確認時指定分類之非上市可換股票據		
Acquisition during the year	年內收購	42,041	—
Fair value adjustments	公平值調整	16,280	—
At the end of the reporting period	於報告期結束日	58,321	—
Total	總計	451,324	273,919

Notes to the Financial Statements 財務報表附註

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The fair value of listed equity securities is based on quoted market prices in active markets at the end of the reporting period.

At the end of the reporting period, none of the Group's financial assets at fair value through profit or loss exceeded 10% of the Group's total assets. In addition, the Group's shareholding in each of the investees did not exceed 20% of the issued shares of the investees.

15. 於損益帳按公平值處理之財務資產 (續)

上市股本證券之公平值乃根據報告期結束日在活躍市場所報之市價計算。

於報告期結束日，本集團於損益帳按公平值處理之財務資產概無超過本集團總資產之10%。此外，本集團於各被投資方之股權並無超過該等被投資方已發行股份之20%。

16. INTEREST IN SUBSIDIARIES

16. 於附屬公司之權益

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	-	-
Amounts due from subsidiaries	應收附屬公司款項	<u>1,856,907</u>	<u>1,233,774</u>
		1,856,907	1,233,774
Less: Provision for amounts due from subsidiaries	減：應收附屬公司款項撥備	<u>(1,038,176)</u>	<u>(913,848)</u>
		<u>818,731</u>	<u>319,926</u>

The amounts due from / to subsidiaries are unsecured, non-interest bearing and the settlement of which is neither planned nor likely to occur in the foreseeable future.

應收／應付附屬公司款項為無抵押及免息，且並無既定還款期，亦不大可能於可見未來清償。

Notes to the Financial Statements

財務報表附註

16. INTEREST IN SUBSIDIARIES (Continued)

Details of the Company's principal subsidiaries at 31 December 2010 were as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本/註冊資本	Percentage of equity interest held by the Company 本公司所持股本權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Allied Loyal International Investments Limited	British Virgin Islands	US\$50,000	-	100%	Investment holding
	英屬處女群島	50,000美元			投資控股
Crown Creation Limited	British Virgin Islands	US\$1	-	100%	Investment holding
	英屬處女群島	1美元			投資控股
Forefront Automotive Services Company Limited 福方汽車服務有限公司	Hong Kong	HK\$20	-	100%	Trading of motor vehicle accessories
	香港	20港元			汽車零配件貿易
Forefront Finance Company Limited 福方財務有限公司	Hong Kong	HK\$2,000,000	-	100%	Money-lending
	香港	2,000,000港元			放債
Forefront International (Hong Kong) Limited	Hong Kong	HK\$100,000	-	100%	Provision of management services for the Group
		Ordinary share HK\$6,000,000 Non-voting deferred shares (i)			
福方(香港)有限公司	香港	100,000港元普通股			為本集團提供管理服務
		6,000,000港元無投票權遞延股份(i)			
Great Journey Limited	British Virgin Islands	US\$1	-	100%	Investment holding
	英屬處女群島	1美元			投資控股
Harvest Peace Limited	British Virgin Islands	US\$1	-	100%	Investment holding
	英屬處女群島	1美元			投資控股
Leapfly Limited	British Virgin Islands	US\$1	-	100%	Investment holding
	英屬處女群島	1美元			投資控股

16. 於附屬公司之權益 (續)

本公司主要附屬公司於二零一零年十二月三十一日之詳情如下：

Notes to the Financial Statements

財務報表附註

16. INTEREST IN SUBSIDIARIES (Continued)

16. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest held by the Company 本公司所持股本權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Loyal Fine Ltd	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	–	Investment holding 投資控股
Loyal Castle Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100%	Investment holding 投資控股
Natural Harvest Investments Limited 盛然投資有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100%	Investment holding 投資控股
Pan Fortune Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100%	Investment holding 投資控股
Ready Capital Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100%	Investment holding 投資控股
Regent Square Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100%	Investment holding 投資控股
Richful Zone International Limited 豐域國際有限公司	British Virgin Islands 英屬處女群島	US\$17,478,973 17,478,973美元	–	100%	Investment holding 投資控股
Shinning Global Worldwide Limited	British Virgin Islands 英屬處女群島	US\$10,000 10,000美元	–	100%	Investment holding 投資控股
Sino Wealthy Ltd	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100%	Trading of securities 證券買賣
Smart Oriental Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100%	Investment holding 投資控股
Suntrend China Ltd 新怡中國有限公司	Hong Kong 香港	HK\$1 1港元	–	100%	Investment holding 投資控股
Talenteam Development Limited 德天發展有限公司	British Virgin Island 英屬處女群島	US\$10,000 10,000美元	–	61.25%	Investment holding 投資控股

Notes to the Financial Statements

財務報表附註

16. INTEREST IN SUBSIDIARIES (Continued)

Note:

- (i) Holders of deferred shares have no rights to vote at general meetings or receive any dividend. Upon winding up, they are entitled to one half of the balance of the company's assets after HK\$100,000,000,000 has been distributed to holders of ordinary shares.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2010.

17. LOANS RECEIVABLE

Loans granted to borrowers are repayable according to repayment schedules. The balance comprises loans receivable from:

16. 於附屬公司之權益 (續)

附註：

- (i) 遞延股份之持有人無權在股東大會上投票，亦無權收取任何股息。在清盤時，該公司資產中100,000,000,000港元將首先用於分派予普通股之持有人，而餘額之一半由遞延股份之持有人享有。

各附屬公司於截至二零一零年十二月三十一日止年度內任何時間並無任何已發行借貸資本。

17. 應收貸款

借款人獲授之貸款須按照還款時間表償還。有關結餘包括來自下列各方之應收貸款：

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元 (Restated) (重列)
Third parties	第三方	(a)	241,388	61,553
Allowance for doubtful debts	呆帳撥備	(b)	(90,817)	(1,471)
Balances due within one year included in current assets	計入流動資產、於一年內 到期之結餘	(b)	150,571	60,082

Notes to the Financial Statements

財務報表附註

17. LOANS RECEIVABLE (Continued)

Notes:

- (a) At the end of the reporting period, (1) loans receivable carry effective interest rate ranging from prime rate minus 2% to prime rate plus 2% (2009: prime rate); (2) loan balance of HK\$1,447,000 (2009: HK\$1,471,000) was overdue and fully impaired; (3) the remaining loan balances of HK\$239,941,000 (2009: HK\$60,082,000) are within the respective maturity dates (2009: within maturity dates); (4) loan balances of HK\$162,151,000 are secured by the borrowers' net interests in their account maintained with a broker (2009: HK\$60,028,000); and (5) loan balance of HK\$77,790,000 (2009: HK\$Nil) is unsecured.

- (b) The movement of allowance for doubtful debts is analysed as follows:

Balance at beginning of year	年初結餘
Increase in allowance	撥備增加
Amount recovered	已收回金額

The directors assessed the collectability of loans receivable at the end of the reporting period individually with reference to borrowers' past collection history and current creditworthiness. Based on the assessment with reference to the collaterals secured by the borrowers on the secured loans and the financial position of the borrower of the unsecured loan the collectability of loans receivable amounting to HK\$90,817,000 was in doubt and additional provision amounting to HK\$89,370,000 was made for the year accordingly (2009: write-back of HK\$42,769,000). In the directors' opinion, there was no indication of deterioration in the collectability of the remaining amount of HK\$150,571,000 (2009: HK\$60,082,000) and thus no additional allowance was considered necessary.

17. 應收貸款 (續)

附註:

- (a) 於報告期結束日，(1)應收貸款之實際利率介乎最優惠利率減2厘至最優惠利率加2厘(二零零九年：最優惠利率)；(2)貸款結餘1,447,000港元(二零零九年：1,471,000港元)乃逾期未付並已全數減值；(3)餘下貸款結餘239,941,000港元(二零零九年：60,082,000港元)均無逾期(二零零九年：無逾期)；(4)貸款結餘162,151,000港元乃以借款人證券經紀帳戶內之淨權益作擔保(二零零九年：60,028,000港元)；及(5)貸款結餘77,790,000港元(二零零九年：零港元)為無抵押。

- (b) 呆帳撥備變動分析如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
1,471	44,240
89,370	-
(24)	(42,769)
90,817	1,471

董事於報告期結束日參照借款人過往之還款紀錄及現時之信用程度，個別評估能否收回應收貸款。根據參照借款人就有抵押貸款抵押之抵押品及無抵押貸款借款人之財務狀況作出之評估，應收貸款90,817,000港元之可收回程度成疑，因而於本年度作出相應額外撥備89,370,000港元(二零零九年：撥回42,769,000港元)。董事認為並無跡象顯示收回餘額150,571,000港元(二零零九年：60,082,000港元)方面出現問題，故無須作出額外撥備。

Notes to the Financial Statements

財務報表附註

18. OTHER RECEIVABLES

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Deposits, prepayments and other debtors	按金、預付款項及其他 應收帳款	19,220	6,929	583	290
Due from an associate	應收一間聯營公司款項	-	5,065	-	-
Dividend receivable from an associate	應收一間聯營公司股息	1,200	2,000	-	-
		20,420	13,994	583	290

Included in other debtors is an amount of HK\$16,422,000 (2009: HK\$Nil) receivables from a securities broker of which the settlement term is two days after trade date.

其他應收帳款包括應收一名證券經紀之款項16,422,000港元(二零零九年:零港元),該筆款項之結算期為交易日後兩日。

19. CASH AND CASH EQUIVALENTS

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Bank balances and cash	銀行結存及現金	131,342	134,610	129,783	90,807
Pledged deposits	有抵押存款	-	558	-	558
As stated in consolidated statement of cash flows	於綜合現金流量表列示	131,342	135,168	129,783	91,365

Bank balances earn interest at floating rates based on daily bank deposit rates.

銀行結存根據每日銀行存款利率按浮動利率賺取利息。

Notes to the Financial Statements 財務報表附註

20. OTHER PAYABLES

20. 其他應付款項

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Accrued charges and other creditors	應計費用及其他應付帳款	29,820	4,454	2,963	1,390
Due to an associate (note 11(a))	應付聯營公司款項 (附註11(a))	-	24,149	-	-
		29,820	28,603	2,963	1,390

Included in other creditors is an amount of HK\$23,910,000 payable to Excel Way as more fully described in note 11(a).

其他應付帳款包括應付溢威之款項23,910,000港元(詳見附註11(a))。

21. ZERO COUPON CONVERTIBLE BONDS

21. 零息票可換股債券

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Liability component	負債部分		
At beginning of year	於年初	84,461	-
Addition	增加	28,028	141,175
Issuance costs	發行成本	-	(2,154)
Amortisation of effective interest	攤銷實際利息	1,286	762
Exercise of conversion rights	行使轉換權	(113,775)	(55,322)
At end of the reporting period	於報告期結算日	-	84,461
Equity component	權益部分		
At beginning of year	於年初	23,230	-
Addition	增加	10,472	68,825
Issuance costs	發行成本	-	(595)
Exercise of conversion rights	行使轉換權	(33,702)	(45,000)
At end of the reporting period	於報告期結束日	-	23,230

Notes to the Financial Statements

財務報表附註

21. ZERO COUPON CONVERTIBLE BONDS

(Continued)

On 17 December 2009, the Company had issued certain zero coupon convertible bonds (the “**Bonds**”) to certain independent third parties at an aggregate principal amount of HK\$110,000,000 bearing no interest. The Bonds are convertible into ordinary shares of the Company, the whole or any part of the principal amount outstanding, at conversion price of HK\$0.55 per share and have a maturity of 2 years from the date of issue. In accordance with the terms of the bond instrument, an option is attached to the bond. Upon exercising the conversion rights within 12 months from the date of issue of the Bonds, a converting bondholder shall be granted the option by the Company to subscribe, in cash at 100% of their principal amount, for an aggregate principal amount of optional bonds equal to the principal amount of the Bonds being converted by that converting bondholder on the relevant occasion. Accordingly, the maximum aggregate amount of additional Convertible Bonds in respect of which Options might be granted was HK\$110,000,000.

The fair value of the liability component and the equity conversion component were determined at issuance of the Bonds. The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible bonds. The residual amount represents the value of the equity conversion component.

On 10 February 2010, the conversion price of the Bonds was adjusted from HK\$0.55 per share to HK\$0.339 per share in relation to the rights issue pursuant to the anti-dilutive effect clause as set out in the bond subscription agreement. On 11 February 2010, the Company received conversion notices from the bondholders to request for the conversion of the Bonds and 324,483,760 shares were issued at the conversion price of HK\$0.339.

21. 零息票可換股債券 (續)

於二零零九年十二月十七日，本公司向若干獨立第三方發行本金總額達110,000,000港元及不計息之若干零息票可換股債券(「債券」)。債券可以轉換價每股0.55港元，將全部或任何部分未償還本金額轉換為本公司普通股，有效期由發行日起計為期兩年。根據債券文據之條款，選擇權隨附於債券。倘於債券發行日起計12個月內行使轉換權，進行轉換之債券持有人將獲本公司授予選擇權，可以本金額100%之現金認購本金總額相等於進行轉換之債券持有人於相關情況下將轉換之債券本金額之選擇性債券。因此，涉及可能授出選擇權之額外可換股債券總額最多為110,000,000港元。

負債部分及權益轉換部分之公平值均於發行債券時釐定。負債部分之公平值乃使用同等之非可換股債券之市場利率計算。剩餘價值為權益轉換部分之價值。

於二零一零年二月十日，債券之轉換價已就供股根據債券認購協議所載之反攤薄影響條文由每股0.55港元調整至每股0.339港元。於二零一零年二月十一日，本公司收到債券持有人發出之轉換通知要求轉換債券，而本公司已按轉換價0.339港元發行324,483,760股股份。

Notes to the Financial Statements

財務報表附註

21. ZERO COUPON CONVERTIBLE BONDS

(Continued)

In addition, certain bondholders of the Bonds have exercised their options to subscribe additional bonds amounting to HK\$38,500,000 which have also been converted into 113,569,316 shares of the Company at the conversion price of HK\$0.339. On 29 July 2010, the conversion price of the Bonds was further adjusted from HK\$0.339 per share to HK\$0.322 per share in relation to the share placing pursuant to the anti-dilutive clause as set out in the bond subscription agreement. The remaining options to subscribe additional bonds amounting to HK\$71,500,000 were lapsed on 16 December 2010. There were neither convertible bonds nor option to subscribe for convertible bond outstanding at the end of the reporting period.

22. DEFINED CONTRIBUTION PLANS

The group companies in Hong Kong participate in the Mandatory Provident Fund (the "MPF Scheme") which is a defined contribution scheme managed by independent trustees. The assets of the fund are held separately from those of the group companies and are managed by independent professional fund managers. Under the MPF Scheme, each of the Group (the employer) and its employees make monthly contributions to the MPF Scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employees are subject to a cap of HK\$1,000 and thereafter contributions are voluntary.

Contributions of approximately HK\$150,000 (2009: HK\$175,000) were made during the year ended 31 December 2010.

At 31 December 2010, the Group had no material forfeited contributions available to reduce its contributions to the retirement benefit scheme in future years (2009: Nil).

21. 零息票可換股債券 (續)

此外，若干債券持有人已行使其選擇權以認購38,500,000港元之額外債券，並已按轉換價0.339港元將之轉換為113,569,316股本公司股份。於二零一零年七月二十九日，債券之轉換價已就股份配售根據債券認購協議所載之反攤薄條文由每股0.339港元進一步調整至每股0.322港元。餘下可認購71,500,000港元之額外債券之選擇權已於二零一零年十二月十六日失效。於報告期結束日並無任何未獲轉換之可換股債券或可認購可換股債券之選擇權。

22. 界定供款計劃

本集團旗下在香港之公司已參加強制性公積金計劃（「強積金計劃」），該計劃乃由獨立受託人管理之界定供款計劃。該基金之資產與本集團各公司之資產分開持有，並由獨立專業基金經理管理。根據強積金計劃，本集團（僱主）及其僱員須根據強制性公積金法例之規定，各自每月向強積金計劃作出相等於僱員收入5%之供款。每名僱員之每月供款上限為1,000港元，超出之供款純屬自願性質。

本集團於截至二零一零年十二月三十一日止年度作出之供款約為150,000港元（二零零九年：175,000港元）。

於二零一零年十二月三十一日，本集團並無重大已沒收供款可供扣減未來年度之退休福利計劃供款（二零零九年：無）。

Notes to the Financial Statements

財務報表附註

23. DEFERRED TAXATION

The Group has not recognised deferred tax asset in respect of unused tax loss of HK\$719,040,000 (2009: HK\$484,121,000) relating to certain Hong Kong incorporated subsidiaries. The tax losses have no expiry date under current tax legislation. The deferred tax asset has not been recognised due to uncertainty of its recoverability.

23. 遞延稅項

本集團並無就有關若干於香港註冊成立之附屬公司之未動用稅項虧損719,040,000港元(二零零九年: 484,121,000港元)確認遞延稅項資產。根據現行稅法,稅項虧損並無屆滿日期。遞延稅項資產因未能估計可收回性而未予確認。

24. SHARE CAPITAL

24. 股本

	2010 二零一零年		2009 二零零九年	
	No. of shares 股份數目 '000 千股	HK\$'000 千港元	No. of shares 股份數目 '000 千股	HK\$'000 千港元
Authorised:	法定:			
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股			
At beginning of year	50,000,000	5,000,000	10,000,000	1,000,000
Increase in authorised share capital	-	-	40,000,000	4,000,000
At end of the year	<u>50,000,000</u>	<u>5,000,000</u>	<u>50,000,000</u>	<u>5,000,000</u>
Issued and fully paid:	已發行及繳足:			
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股			
At beginning of year	439,384	43,938	936,358	93,636
Issue of shares on rights issue (note a)	1,098,461	109,846	-	-
Issue of new shares (note b)	2,040,988	204,099	565,258	56,526
Issue of shares under share options scheme (note c)	43,939	4,394	168,990	16,899
Shares issued on conversion of zero coupon convertible bonds	324,484	32,448	526,316	52,631
Shares issued on conversion of optional bonds	113,569	11,357	-	-
Capital reorganisation	-	-	(1,757,538)	(175,754)
At end of the reporting period	<u>4,060,825</u>	<u>406,082</u>	<u>439,384</u>	<u>43,938</u>

Notes to the Financial Statements

財務報表附註

24. SHARE CAPITAL (Continued)

Note:

- (a) Pursuant to the special resolutions passed at the extraordinary general meeting held on 25 September 2009, rights shares of 1,098,461,165 were allotted to successful applicants at HK\$0.28 each on 17 February 2010.
- (b) On 26 April 2010, the Company issued 330,000,000 shares at an issue price of HK\$0.24 per share to Mascotte Holdings Limited, a 14.04% shareholder of the Company after the issuance, as consideration to acquire a company which held forestry rights located in Yunnan Province, the PRC (notes 13 and 28).

On 19 May 2010, the Company issued 400,000,000 shares at an issue price of HK\$0.15 per share to Willie International Holdings Limited, a 17.1% shareholder of the Company after the issuance, as consideration to acquire a company which held a 20-storey composite building located at Guangzhou City, the PRC (notes 28 and 29).

On 4 May 2010 and 29 July 2010, the Company had allotted and issued to independent third parties 60,988,080 and 1,250,000,000 shares at cash consideration of HK\$0.22 and HK\$0.10 per share, respectively.

- (c) Pursuant to the ordinary resolutions passed during the year, an aggregate of 43,938,446 new shares of HK\$0.1 each of the Company were issued to certain individuals under the share option scheme at the exercise price of HK\$0.32 each.

24. 股本 (續)

附註:

- (a) 於二零一零年二月十七日，本公司根據於二零零九年九月二十五日舉行之股東特別大會上通過之特別決議案按每股0.28港元向成功申請人配發1,098,461,165股供股股份。
- (b) 於二零一零年四月二十六日，本公司按發行價每股0.24港元向馬斯葛集團有限公司發行330,000,000股股份，作為收購持有位於中國雲南省之林木權之公司之代價（附註13及28）。於發行有關股份後，馬斯葛集團有限公司為擁有本公司14.04%權益之股東。

於二零一零年五月十九日，本公司按每股發行價0.15港元向威利國際控股有限公司發行400,000,000股股份，作為收購持有位於中國廣州市之一幢二十層綜合樓宇之公司之代價（附註28及29）。於發行有關股份後，威利國際控股有限公司為擁有本公司17.1%權益之股東。

於二零一零年五月四日及二零一零年七月二十九日，本公司已向獨立第三方配發及發行分別60,988,080股及1,250,000,000股股份，現金代價分別為每股0.22港元及0.10港元。

- (c) 根據於年內通過之普通決議案，本公司根據購股權計劃向若干個別人士發行合共43,938,446股每股面值0.1港元之新股，行使價為每股0.32港元。

Notes to the Financial Statements

財務報表附註

25. SHARE OPTIONS

(a) Share option scheme

A share option scheme was approved by shareholders on 6 August 2007 which will remain in force for a period of 10 years commencing on 6 August 2007.

Under the share option scheme, the Company may grant to Directors and employees of the Group and any other persons who, in the sole discretion of the Board, have contributed or will contribute to the Group which options granted shall be immediately vested. The maximum of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the new share option scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the share option scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the shares in issue, the General Scheme Limit, at the date of the passing of the relevant ordinary resolution. If any options is to be granted to connected person(s), it must be approved by independent non-executive directors or independent shareholders as the case may be.

The maximum number of shares in respect of which share options may be granted to a specifically identified single grantee under the new share option scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

25. 購股權

(a) 購股權計劃

購股權計劃於二零零七年八月六日獲股東批准，自二零零七年八月六日起生效，有效期10年。

根據購股權計劃，本公司可授予董事、本集團僱員及董事會全權酌情認為曾經或將會對本集團作出貢獻之任何其他人士即時歸屬之購股權。因行使根據新購股權計劃及本公司任何其他購股權計劃授出但未行使之全部發行在外購股權而發行之股份上限合共不得超過不時已發行股份總數之30%。因行使根據購股權計劃及本公司任何其他購股權計劃授出之全部購股權而可發行之股份總數合共不得超過於通過相關普通決議案當日已發行股份之10%（整體計劃限額）。授予關連人士任何購股權須先經獨立非執行董事或獨立股東（視情況而定）批准。

於任何十二個月期間根據新購股權計劃可向特別選定單一承授人授出之購股權（包括已行使、已註銷及未行使購股權）涉及之股份最高數目不得超過已發行股份總數之1%。

Notes to the Financial Statements

財務報表附註

25. SHARE OPTIONS

(a) Share option scheme (Continued)

Under the new share option scheme, the options granted may be accepted by a participant within 14 days from the date of such offer. A consideration of HK\$1 is payable on acceptance of the offer of grant of an option. Options may be exercised at any time no later than 10 years from the date of grant. The subscription price for shares payable on exercise of share options granted under the new share option scheme shall be a price determined by the Directors, but shall in any event be not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of share.

(b) Movement in share option scheme during the year:

On 26 January 2010, 43,938,000 (2009: 168,990,000) share options were granted under the Share Option Scheme to qualified participants who are not directors nor employees of the Group. The share price at the date of grant is HK\$0.31 (2009: HK\$0.133). The share price at the date of grant is the Stock Exchange closing price on the trading date immediately prior to the date of the grant of the options. The options were fully exercised on 26 January 2010 and the Company received proceeds of HK\$14 million.

(c) Fair value of share options and assumptions

The fair value of share option granted at the grant date was HK\$0.00002 per share, which are calculated using the Black-Sholes model with the following inputs:

Average share price	HK\$0.31
Weighted average exercise price	HK\$0.32
Expected volatility	18.54%
Expected life	2 days
Risk free rate	0.003%

25. 購股權

(a) 購股權計劃 (續)

根據新購股權計劃，授出之購股權可由參與者於要約日期起計14日內接納。接納授出購股權之要約時須支付1港元代價。購股權可由授出日期起10年內隨時行使。根據新購股權計劃授出之購股權獲行使時應付之股份認購價由董事釐定，惟在任何情況下不得低於下列之最高者：(i)股份於授出要約日期（必須為交易日）在聯交所每日報價表所報之收市價；(ii)股份於緊接授出要約日期前五個交易日在聯交所每日報價表所報之平均收市價；及(iii)股份面值。

(b) 年內購股權計劃之變動：

於二零一零年一月二十六日，本公司根據購股權計劃授予並非為本集團董事或僱員之合資格參與者43,938,000份（二零零九年：168,990,000份）購股權。授出當日之股價為0.31港元（二零零九年：0.133港元）。授出當日之股價乃股份緊接購股權授出日期前交易日之聯交所收市價。購股權已於二零一零年一月二十六日獲全數行使，本公司因而獲取所得款項14,000,000港元。

(c) 購股權公平值及假設

已授出購股權於授出日期之公平值為每股0.00002港元，乃根據下列數據以布萊克－斯克爾斯模型計算：

平均股價	0.31港元
加權平均行使價	0.32港元
預期波幅	18.54%
預期有效期	2天
無風險利率	0.003%

Notes to the Financial Statements

財務報表附註

25. SHARE OPTIONS (Continued)

(c) Fair value of share options and assumptions (Continued)

The exercise price of the share option is HK\$0.32 (2009: HK\$0.133) which is the average five days closing prices immediately prior to the date of the grant of the option.

The expected volatility is determined with reference to the historical volatilities of the Company over the expected option period.

In respect of the share options exercised during the year, the share price at the date of exercise is HK\$0.31 (2009: HK\$0.133).

25. 購股權 (續)

(c) 購股權公平值及假設 (續)

購股權之行使價為0.32港元(二零零九年:0.133港元),乃股份於緊接購股權授出日期前五天平均收市價。

預期波幅經參考預期購股權期間內本公司之歷史波幅釐定。

就年內獲行使之購股權而言,於行使當日之股價為0.31港元(二零零九年:0.133港元)。

26. RESERVES

The Company

		Share Premium	Zero coupon convertible notes 零息票	Share option reserve 購股權儲備	Capital Contributed Surplus 資本 繳入盈餘	Capital Reserve 資本儲備	Capital Redemption Reserve 資本 贖回儲備	Accumulated Deficit 累計虧絀	Total 總計
		股份溢價	可換股票據	購股權儲備	繳入盈餘	資本儲備	贖回儲備	累計虧絀	總計
		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
At 1 January 2009	於二零零九年一月一日	709,566	-	-	16,692	4,492	1,173	(614,980)	116,943
Transaction with equity holders of the Company recognised directly in equity	直接於股權確認之與本公司股權持有人進行之交易								
Issue of new shares, net of expenses	發行新股(已扣除開支)	35,000	-	-	-	-	-	-	35,000
Share options granted	授出購股權	-	-	7,210	-	-	-	-	7,210
Exercise of share options	行使購股權	12,788	-	(7,210)	-	-	-	-	5,578
Convertible bonds issued and converted	發行及轉換可換股債券	47,690	23,230	-	-	-	-	-	70,920
Capital reorganisation	股本重組	-	-	-	-	-	-	175,754	175,754
Loss for the year	年內虧損	-	-	-	-	-	-	(176,691)	(176,691)
At 31 December 2009	於二零零九年十二月三十一日	805,044	23,230	-	16,692	4,492	1,173	(615,917)	234,714
At 1 January 2010	於二零一零年一月一日	805,044	23,230	-	16,692	4,492	1,173	(615,917)	234,714
Loss for the year	年內虧損	-	-	-	-	-	-	(130,947)	(130,947)
Transaction with equity holders of the Company recognised directly in equity	直接於股權確認之與本公司股權持有人進行之交易								
Issue of shares, net of expenses	發行新股(已扣除開支)	70,295	-	-	-	-	-	-	70,295
Issue of shares on rights issues, net of expenses	供股時發行股份(已扣除開支)	188,977	-	-	-	-	-	-	188,977
Share options granted	授出購股權	-	-	1	-	-	-	-	1
Issue of shares under share option scheme	根據購股權計劃發行股份	9,667	-	(1)	-	-	-	-	9,666
Shares issued on conversion of convertible bonds, net of expenses	轉換可換股債券時發行股份(已扣除開支)	76,528	(23,230)	-	-	-	-	-	53,298
Issuance of optional bonds (note 21)	發行選擇性債券(附註21)	-	10,472	-	-	-	-	-	10,472
Shares issued on conversion of optional bonds	轉換選擇性債券時發行股份	27,143	(10,472)	-	-	-	-	-	16,671
At 31 December 2010	於二零一零年十二月三十一日	1,177,654	-	-	16,692	4,492	1,173	(746,864)	453,147

26. 儲備

本公司

Notes to the Financial Statements

財務報表附註

27. CASH USED IN OPERATIONS

27. 經營所用現金

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(229,463)	(61,612)
Interest on bank and other borrowings	銀行及其他借貸之利息	38	229
Interest income	利息收入	(114)	(351)
Share of results of associates	應佔聯營公司業績	(1,393)	(2,676)
Impairment loss on intangible assets	無形資產之減值虧損	12,258	-
Impairment loss on interest in an associate	於一間聯營公司之權益之減值虧損	-	158,500
Amortisation of liability component of convertible bonds	可換股債券負債部分攤銷	1,286	763
Net gain on acquisition and disposal of a subsidiary	收購及出售一間附屬公司之盈利淨額	(25,000)	-
Depreciation and amortisation expenses	折舊及攤銷開支	2,109	986
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	2	-
Share-based payment in respect of share option (note 25)	有關購股權(附註25)之以股份支付之款項	-	7,210
Recognition of bargain purchase on acquisition of a subsidiary (note 28)	於收購一間附屬公司(附註28)時確認購買優惠	(3,262)	-
Provision for bad and doubtful debts	呆壞帳撥備	89,370	-
Written back of provision for bad and doubtful debts	呆壞帳撥備撥回	(24)	(42,769)
Changes in working capital:	營運資金之變動:		
Financial assets at fair value through profit or loss	於損益帳按公平值處理之財務資產	(177,405)	(175,171)
Inventories	存貨	-	6,782
Other receivables	其他應收款項	(5,626)	2,871
Other payables	其他應付款項	1,181	(13,352)
Loans receivable	應收貸款	(179,835)	18,416
Cash used in operations	經營所用現金	(515,878)	(100,174)

Notes to the Financial Statements

財務報表附註

28. ACQUISITION OF SUBSIDIARIES

During the year, the Group acquired the entire equity interests in the following companies.

28. 收購附屬公司

年內，本集團收購下列公司之全部股本權益。

Acquisition date 收購日期	Name of acquired companies 已收購公司名稱	Place of incorporation 註冊成立地點	Principal activities 主要業務	Consideration 代價 HK\$'000 千港元
26 April 2010 二零一零年 四月二十六日	Richful Zone International Limited ("Richful Zone") 豐域國際有限公司 (「豐域」)	British Virgin Islands 英屬處女群島	Investment holding 投資控股	79,200
19 May 2010 二零一零年五月十九日	Perfect Time Investments Limited ("Perfect Time") (note 29) 時美投資有限公司 (「時美」) (附註29)	British Virgin Islands 英屬處女群島	Investment holding 投資控股	60,000

Notes to the Financial Statements

財務報表附註

28. ACQUISITION OF SUBSIDIARIES (Continued)

In respect of the acquisition of Richful Zone, the following summarises the purchase consideration and the amounts of the assets acquired and liabilities assumed. No non-controlling interest was recognised at the date of acquisition:

28. 收購附屬公司 (續)

就收購豐域而言，下文概述購買代價及已收購資產及已承擔負債之金額。於收購日期概無確認任何非控股權益：

		HK\$'000 千港元
<hr/>		
Consideration:	代價：	
Share issued, at fair value	已發行股份，按公平值	79,200
Total consideration transferred	已轉讓代價總額	<u>79,200</u>
		HK\$'000 千港元
<hr/>		
Recognised amounts of identifiable assets acquired and liabilities assumed:	可識別已收購資產及已承擔負債之已確認金額：	
Intangible assets	無形資產	82,500
Other payables and accruals	其他應付款項及應計費用	<u>(38)</u>
Total identifiable net assets	可識別淨資產總額	82,462
Bargain purchase arising on acquisition	收購時產生之購買優惠	<u>(3,262)</u>
		<u>79,200</u>

The Company issued 330,000,000 ordinary shares as consideration for the acquisition of Richful Zone. Richful Zone holds 100% equity interests in Allied Loyal International Investments Limited, which holds concession rights of the 50% interest in the forestry land and 50% of the distributable profits of the forest lands located in the PRC. The fair value of the shares issued for the acquisition was determined by applying a market approach.

本公司已發行330,000,000股普通股作為收購豐域之代價。豐域持有Allied Loyal International Investments Limited全部股權，而該公司持有中國一塊林地50%權益之特許權利及多塊林地50%之可分派溢利。就收購發行股份之公平值乃應用市場法釐定。

Notes to the Financial Statements

財務報表附註

28. ACQUISITION OF SUBSIDIARIES (Continued)

The transaction costs have been included in administrative expenses in the consolidated statement of comprehensive income. No cost was attributable to the issuance of the equity instrument.

From the acquisition of Richful Zone, the Group recognised a negative goodwill of HK\$3,262,000 representing the excess of the Group's interests in the fair value of the subsidiary at acquisition date over the consideration of HK\$79,200,000. The bargain purchase is included in the consolidated statement of comprehensive income for the year. Other than the bargain purchase, since the acquisition, the acquired subsidiaries made no significant contribution to the revenue and results of the Group.

29. DISPOSAL OF A SUBSIDIARY

On 19 May 2010, the Company issued 400,000,000 ordinary shares as consideration for the acquisition of Perfect Time. Perfect Time holds 100% equity interest in Jet Star Industries Limited, which holds a property in Guangzhou, PRC. The property is a 20-stores composite building known as Jifu Plaza.

On 26 May 2010, the Group disposed of its entire interest in Perfect Time to an independent third party at a consideration of HK\$85,000,000. A net gain on disposal of approximately HK\$25,000,000 was recognised during the year.

28. 收購附屬公司 (續)

交易成本已計入綜合全面收入報表之行政開支內。發行股本工具概無任何應佔成本。

就收購豐域而言，本集團已確認負商譽3,262,000港元，指本集團應佔附屬公司於收購當日之公平值之權益超出代價79,200,000港元之差額。購買優惠已於年內計入綜合全面收入報表內。除購買優惠外，自收購以來，已收購附屬公司並無為本集團之收益及業績帶來重大貢獻。

29. 出售一間附屬公司

於二零一零年五月十九日，本公司已發行400,000,000股普通股，作為收購時美之代價。時美持有捷勝實業有限公司全部股權，而該公司持有中國廣州一項物業。該物業為一幢二十層綜合樓宇，名為集富大廈。

於二零一零年五月二十六日，本集團向一名獨立第三方出售其於時美之全部權益，代價為85,000,000港元。年內已確認出售盈利淨額約25,000,000港元。

		HK\$'000 千港元
Fair value of net assets acquired and carrying amount of net assets disposed of:	已收購淨資產之公平值及 已出售淨資產之帳面值：	
Investment property	投資物業	115,060
Property, plant and equipment	物業、廠房及設備	35
Trade and other receivables	應收貿易帳款及其他應收款項	437
Cash and bank balances	現金及銀行結存	636
Accrual and other payables	應計費用及其他應付款項	(863)
Profit tax payables	應繳利得稅	(582)
Deferred tax liabilities	遞延稅項負債	(6,926)
		<u>107,797</u>

Notes to the Financial Statements 財務報表附註

29. DISPOSAL OF A SUBSIDIARY (Continued)

29. 出售一間附屬公司 (續)

		HK\$'000 千港元
On acquisition	於收購時	
Fair value of net assets acquired	已收購淨資產之公平值	107,797
Shares consideration issued, at fair value	已發行股份代價，按公平值	<u>(60,000)</u>
Bargain purchase recognised	已確認購買優惠	<u>47,797</u>
On disposal	於出售時	
Net assets dispose of	已出售淨資產	(107,797)
Cash consideration received	已收取現金代價	<u>85,000</u>
Loss recognised on disposal	出售時確認之虧損	<u>(22,797)</u>
Net gain on acquisition and disposal	收購及出售之盈利淨額	<u>25,000</u>

30. MAJOR NON-CASH TRANSACTIONS

As more fully explained in note 29, the Group acquired the entire equity interest in Perfect Time at a consideration of HK\$60,000,000 which was satisfied by the issuance of 400,000,000 new shares of the Company at HK\$0.15 per share.

In addition, as more fully explained in note 28, the Group acquired the entire interest in Richful Zone at a consideration of HK\$79,200,000 which was satisfied by the issuance of 330,000,000 new shares of the Company at HK\$0.24 per share.

30. 主要非現金交易

如附註29所詳細說明，本集團按代價60,000,000港元收購時美全部股本權益，有關代價透過由本公司按每股0.15港元發行400,000,000股新股支付。

此外，如附註28所詳細說明，本集團按代價79,200,000港元收購豐域全部權益，有關代價透過由本公司按每股0.24港元發行330,000,000股新股支付。

Notes to the Financial Statements

財務報表附註

31. MARGIN FACILITIES

As at 31 December 2010, margin facilities of HK\$195,757,000 (2009: HK\$136,337,000) from regulated securities brokers were granted to the Group under which financial assets at fair value through profit or loss of HK\$451,324,000 (2009: HK\$273,919,000) were treated as collateral for the facilities granted. The Group has not utilised any of these facilities as at 31 December 2010 (2009: HK\$Nil).

32. CONTINGENT LIABILITIES

Alleged agreement on investment in a customer

Mr. Lo Chia Yu ("Mr. Lo") has allegedly claimed that a verbal agreement was entered into on 12 March 2002 by his wholly owned company, Global Travel Holdings Limited ("Global Travel") and Forefront Automotive Services Company Limited ("FAS"), a wholly owned subsidiary of the Company, relating to an equity investment by FAS in Global Travel amounting to HK\$7,800,000. FAS's position is that the agreement was subject to it conducting due diligence on Global Travel to its satisfaction. As requested, FAS paid a deposit of HK\$2,000,000 to Mr. Lo. Subsequently, the accounting firm employed by FAS reported unsatisfactory due diligence, therefore FAS did not elect to proceed with the alleged agreement. Mr. Lo has filed proceedings claiming HK\$7,800,000 together with alternative damage and FAS has lodged a counter claim to Mr. Lo for the return of the HK\$2,000,000 paid as deposit. A contingent liability netting off the counter claims as set out above amounting to HK\$5,800,000 are alleged to be due from FAS to Global Travel. The matter has not progressed after an initial hearing and was adjourned to a further date to be determined by the court subject to its receipt of sufficient documents from the two parties. The Company has not received any notice in relation to any specific dates for any further hearing.

31. 孖展融資

於二零一零年十二月三十一日，本集團獲受規管證券經紀授出孖展融資195,757,000港元（二零零九年：136,337,000港元），據此，於損益帳按公平值處理之財務資產451,324,000港元（二零零九年：273,919,000港元）被視為獲授融資之抵押品。於二零一零年十二月三十一日，本集團並無動用任何該等融資（二零零九年：無）。

32. 或然負債

於一名客戶之投資的指稱協議

駱家雨先生（「駱先生」）指稱其全資擁有之公司Global Travel Holdings Limited（「Global Travel」）曾與本公司之全資附屬公司福方汽車服務有限公司（「福方汽車服務」）於二零零二年三月十二日訂立口頭協議，當中涉及福方汽車服務於Global Travel之股權投資7,800,000港元。福方汽車服務之立場為該協議僅於其滿意對Global Travel進行之盡職審查後方可作實。福方汽車服務已應要求向駱先生支付一筆按金2,000,000港元。其後，鑑於福方汽車服務委聘之會計師行報告並不滿意該盡職審查結果，福方汽車服務因而選擇不繼續進行該指稱協議。駱先生已入稟索償7,800,000港元連同替代損害賠償，而福方汽車服務已向駱先生提出反索償，要求退回已付按金2,000,000港元。因此，於抵銷上述反索償款項後指稱福方汽車服務欠負Global Travel之或然負債為5,800,000港元。上述事宜於初步聆訊後並無任何進展，有關聆訊已押後至法院於接獲雙方足夠文件後決定之其他日子再行審理。本公司並無接獲有關於任何指定日期進行任何進一步聆訊之通知。

Notes to the Financial Statements

財務報表附註

33. COMMITMENTS

Capital commitments

As more fully explained in note 14(a), during the year, the Group entered into a partnership agreement to invest in a unlisted limited partnership with commitment of capital injection of US\$10 million (equivalent to approximately HK\$78 million). As at 31 December 2010, approximately US\$7,800,000 (equivalent to approximately HK\$60,512,000) was called and paid up. The remaining approximately US\$2,200,000 (equivalent to approximately HK\$17,289,000) would be payable upon receiving instructions from the Lead Investor.

Commitments under operating leases

The Group leases a number of properties under operating leases, which typically run for an initial period of 1-3 years. None of these lessors includes contingent rentals. At the end of the reporting period, the Group had future lease payments under non-cancellable operating leases, which are payable as follows:

33. 承擔

資本承擔

如附註14(a)所詳述，年內，本集團訂立合夥協議，以投資於一間非上市有限責任合夥公司，注資承擔額為10,000,000美元（相等於約78,000,000港元）。於二零一零年十二月三十一日，已催繳及繳足款額為約7,800,000美元（相等於約60,512,000港元）。餘下約2,200,000美元（相等於約17,289,000港元）將於接收牽頭投資者指示後支付。

經營租賃承擔

本集團以一般初步為期一至三年之經營租賃租用多項物業。有關租賃並不包括或然租金。於報告期結束日，本集團於不可註銷經營租賃之未來租賃付款應按以下年期支付：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	1,033	269
In the second to fifth years inclusive	第二至第五年（包括首尾兩年）	91	591
		<u>1,124</u>	<u>860</u>

Notes to the Financial Statements

財務報表附註

34. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, during the year the Group had the following significant related party transactions:

(a) Remunerations of key management personnel:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Employee benefits expenses	僱員福利開支	1,987	2,516
Contributions to defined contribution schemes	界定供款計劃供款	36	36
		2,023	2,552

Further details of directors' emoluments are disclosed in note 5.

- (b) Mr. Zhuang You Dao, the director of the Company, has given personal guarantee to the Group for a loan of HK\$5,000,000 granted to a subsidiary to finance its loans to Tianjin Kai Sheng. The loan has been fully repaid on 10 March 2010.

In addition, during the year, Tianjin Kai Sheng advanced RMB10,000,000 (equivalent to HK\$11,416,000) to Mr. Zhuang which amount has been pledged as a security to facilitate the associate to obtain banking facilities from a bank. At the end of the reporting period, the amount due from Mr. Zhuang was nil upon full settlement of the banking facilities utilised.

34. 關連人士交易

除財務報表其他部分所披露者外，本集團於年內進行之重大關連人士交易如下：

(a) 主要管理人員之酬金

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Employee benefits expenses	1,987	2,516
Contributions to defined contribution schemes	36	36
	2,023	2,552

董事薪酬之進一步詳情於附註5披露。

- (b) 本公司董事莊友道先生就授予一間附屬公司之5,000,000港元貸款向本集團作出個人擔保。該筆貸款乃用以撥付該附屬公司提供予天津市凱聲之貸款。貸款已於二零一零年三月十日悉數償還。

此外，天津市凱聲於年內向莊先生墊付人民幣10,000,000元（相等於11,416,000港元），該筆款項已經抵押，作為該聯營公司取得銀行之銀行融資之擔保。於報告期末，應收莊先生之款項於悉數償還已動用之銀行融資後為零。

Notes to the Financial Statements

財務報表附註

34. RELATED PARTY TRANSACTIONS (Continued)

(c) On 22 December 2009, additional loan facilities of HK\$12.5 million had been granted to the Tianjin associate. The facilities are also guaranteed by Mr. Zhuang, for use in financing the associate's automobile distribution business. Following the passing of resolution at the extraordinary general meeting on 19 January 2010 for approving loan, the Group entered into a supplemental agreement with the borrower and Mr. Zhuang on 29 January 2010, pursuant to which all parties agreed to extend the repayment term of the loan from six months to one year. On 5 February 2010, the three parties entered into a termination agreement and mutually agreed to terminate the loan agreement and the supplemental agreement and release the deed of personal guarantee. No cash outflow was incurred in respect of the loan.

(d) During the year, Mr. Zhuang has given personal guarantee to a supplier in favour of Tianjin Kai Sheng for provision of financing facilities in aggregate of RMB41,000,000 (equivalent to HK\$48,406,000) granted to Tianjin Kai Sheng. In addition, Mr. Zhuang has given personal guarantee to a bank for granting of a bank loan of RMB20,000,000 (equivalent to HK\$23,613,000) to Tianjin Kai Sheng. These personal guarantees were still effective as at the end of the reporting period.

35. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments are available-for-sales financial assets, financial assets at fair value through profit or loss, loans receivable, bank balances and cash. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as other receivables and other payables, which arise directly from its business activities.

34. 關連人士交易 (續)

(c) 於二零零九年十二月二十二日，天津聯營公司獲授額外貸款融資12,500,000港元。該等融資亦已獲莊先生提供擔保，用以為該聯營公司之汽車分銷業務提供資金。於二零一零年一月十九日之股東特別大會上通過決議案批准貸款後，本集團與借款人及莊先生於二零一零年一月二十九日訂立補充協議，據此，訂約各方同意將貸款之還款期由六個月延長至一年。於二零一零年二月五日，訂約三方訂立終止協議，並相互協定終止貸款協議及補充協議以及解除個人擔保契據。該筆貸款並無造成現金流出。

(d) 年內，莊先生已就天津市凱聲獲提供之融資信貸額合共人民幣41,000,000元（相等於48,406,000港元）以天津市凱聲為受益人向一名供應商提供個人擔保。此外，莊先生已就授予天津市凱聲之銀行貸款人民幣20,000,000元（相等於23,613,000港元）向一間銀行提供個人擔保。此等個人擔保於報告期結束日仍然有效。

35. 財務風險管理

本集團之主要財務工具為可供出售財務資產、於損益帳按公平值處理之財務資產、應收貸款、銀行結存及現金。此等財務工具之主要用途乃為本集團之業務籌集及維持融資。本集團有若干其他財務工具，如直接自其業務活動產生之其他應收款項及其他應付款項。

Notes to the Financial Statements

財務報表附註

35. FINANCIAL RISK MANAGEMENT (Continued)

The main risks arising from the Group's financial instruments are equity price risk, credit risk, foreign currency risk and liquidity risk. The Board of Directors generally adopts conservative strategies on its risk management and limits the Group's exposure to these risks to a minimum. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group also monitors the market price risk arising from all financial instruments.

Equity price risk

The Group is exposed to equity price risk arising from trading of listed securities classified as investments held for trading in the consolidated statement of financial position. The sensitivity analysis has been determined based on the exposure to equity price risk.

At the end of the reporting period, if the quoted market prices had been 5% higher or lower while all other variables were held constant, the Group's net loss would decrease or increase by HK\$19,650,000 (2009: HK\$13,696,000) as a result of changes in fair value of investments. The Group's sensitivity to equity price has changed significantly from the prior year.

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, that none of the Group's securities investments would be considered impaired as a result of a reasonably possible decrease in the relevant stock market index or other relevant risk variables, and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index or the relevant risk variables over the period until the next annual end of the reporting period. The analysis is performed on the same basis for 2009.

35. 財務風險管理 (續)

本集團財務工具所產生之主要風險為股價風險、信貸風險、外幣風險及流動資金風險。董事會一般對風險管理採納審慎策略，並將本集團承擔之風險減至最低。董事會為管理以上各種風險檢討及協定有關政策，各種風險已概列於下文。本集團亦會監察所有財務工具所產生之市場價格風險。

股價風險

本集團之股價風險來自於綜合財務狀況表分類為持作買賣投資之上市證券買賣。敏感度分析乃根據股價風險釐定。

於報告期結束日，倘若市場報價上調或下滑5%，在所有其他變數不變之情況下，本集團之虧損淨額將因為投資公平值變動而減少或增加19,650,000港元（二零零九年：13,696,000港元）。本集團對股價之敏感程度較往年有大幅轉變。

敏感度分析乃假設股票市場指數或其他相關風險變數於報告期結束日出現合理可能變動而釐定，並適用於當日之股價風險。敏感度分析亦假設本集團投資之公平值隨相關股票市場指數或相關風險變數之歷史關係而變動，本集團之證券投資不會因相關股票市場指數或其他相關風險變數之合理可能下調而被視作減值，以及所有其他變數不變。上述變動指管理層對相關股票市場指數或相關風險變數於下年度報告期結束日前期間之合理可能變動之評估。分析之基準與二零零九年相同。

Notes to the Financial Statements

財務報表附註

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts due to the Group, resulting in a loss to the Group. The Group has adopted procedures in extending credit terms to loan borrowers and in monitoring its credit risk. The credit policy on extending credit terms to loan borrowers includes assessing and valuing of loan borrowers' creditworthiness and financial standing. Management also closely monitors all outstanding debts and reviews the collectability of loans receivable periodically. At the end of the reporting period, the Group has a concentration of credit risk as 32% (2009: 12%) and 66% (2009: 61%) of the total loans receivable was due from the Group's largest borrower and the five largest borrowers respectively.

The Group has limited credit risk with its money deposited in financial institutions and brokers, which are leading and reputable and are assessed as having low credit risk. The Group has not had any significant loss arising from non-performance by these parties in the past and management does not expect so in the future.

Interest rate risk

The Group has exposures to interest rate risk as its loans receivable are subject to floating interest rates. However, cash flow interest rate risk is considered minimal as the loans receivable have short maturity dates.

The interest rate risk for bank balance exposed is considered minimal as such amounts are placed in banks with maturing less than three months.

Foreign exchange risk

The Group is not subject to foreign currency risk exposure since its operations are mainly denominated in Hong Kong dollars.

35. 財務風險管理 (續)

信貸風險

信貸風險指債務人未能履行其償還應付本集團款項之責任，致令本集團蒙受虧損之風險。本集團已採納若干程序延長貸款借入人之信貸期，並監察有關信貸風險。延長貸款借入人信貸期之信貸政策包括評定及估計貸款借入人之信用度及財務狀況。管理層亦會密切監察所有應收未收債項及定期審閱應收貸款之收回情況。於報告期結束日，本集團之信貸風險集中，應收貸款總額中有32%（二零零九年：12%）及66%（二零零九年：61%）分別源自本集團之最大借入人及五大借入人。

本集團於金融機構及經紀之存款面對之信貸風險有限，原因是該等金融機構及經紀均具領導地位及聲譽，獲評定為低信貸風險。本集團過往並無因有關人士不履行責任而產生之重大虧損，而管理層預期日後亦不會出現該等情況。

利率風險

本集團因其應收貸款按浮動利率計息而承受利率風險。然而，由於應收貸款均於短期內到期，故現金流量利率風險不大。

由於銀行存款之到期日少於三個月，故就銀行結餘承擔之利率風險甚微。

外幣風險

由於本集團業務主要以港元計值，因而並無承受外幣風險。

Notes to the Financial Statements

財務報表附註

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk refers to the risk in which the Group is unable to meet its short-term obligations. Liquidity risk is minimal and is managed by matching the payments and receipts cycles. The Group's operations are financed mainly through its business activities.

The maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period on contractual undiscounted payments are summarised below:

The Group

		At 31 December 2010 於二零一零年十二月三十一日				
		On Demand	Less than 12 months	1-5 years	Over 5 years	Total
		按要求	以內	一至五年	五年以上	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Other payables	其他應付款項	29,820	-	-	-	29,820
		At 31 December 2009 於二零零九年十二月三十一日				
		On Demand	Less than 12 months	1-5 years	Over 5 years	Total
		按要求	以內	一至五年	五年以上	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Other payables	其他應付款項	28,603	-	-	-	28,603
Zero coupon convertible bonds	零息票可換股債券	-	-	84,461	-	84,461
		28,603	-	84,461	-	113,064

35. 財務風險管理 (續)

流動資金風險

流動資金風險指本集團無力履行其短期責任之風險。流動資金風險微不足道，乃透過配合還款及收款週期加以管理。本集團之營運主要透過商業活動提供資金。

本集團及本公司財務負債於報告期結束日根據合約未貼現款項之到期情況概列如下：

本集團

Notes to the Financial Statements

財務報表附註

35. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk (Continued)

The Company

		At 31 December 2010				
		於二零一零年十二月三十一日				
		On Demand	Less than 12 months	1-5 years	Over 5 years	Total
		按要求	以內	一至五年	五年以上	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Other payables	其他應付款項	2,963	-	-	-	2,963
Amounts due to subsidiaries	應付附屬公司款項	86,905	-	-	-	86,905
Other payables	其他應付款項	89,868	-	-	-	89,868

		At 31 December 2009				
		於二零零九年十二月三十一日				
		On Demand	Less than 12 months	1-5 years	Over 5 years	Total
		按要求	以內	一至五年	五年以上	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Other payables	其他應付款項	1,390	-	-	-	1,390
Amounts due to subsidiaries	應付附屬公司款項	47,078	-	-	-	47,078
Zero coupon convertible bonds	零息票可換股債券	-	-	84,461	-	84,461
		48,468	-	84,461	-	132,929

Notes to the Financial Statements

財務報表附註

35. FINANCIAL RISK MANAGEMENT (Continued)

Capital management

The objectives of the Group's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for shareholders. The Group manages its capital structure and makes adjustments, including payment of dividend to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 2009.

The Group monitors capital on the basis of debt-to-adjusted capital ratio, which is net debt divided by adjusted capital. The debt-to-adjusted capital ratios at the balance sheet date were as follow:

35. 財務風險管理 (續)

資本管理

本集團管理資本之目的為保障該實體能持續經營，並為股東帶來回報。本集團管理其資本架構並作出調整，包括向股東派付股息、向股東退還資本或發行新股或出售資產以減少債項。截至二零一零年及二零零九年十二月三十一日止年度並無更改有關目標、政策或程序。

本集團根據債務與經調整股本比率（以債務淨額除以經調整股本計算）監察資本。於結算日之債務與經調整股本比率如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Other payables	其他應付款項	29,820	28,603
Zero coupon convertible bonds	零息票可換股債券	-	84,461
Less: Bank balances and cash	減：銀行結存及現金	(131,342)	(134,610)
Net debt	債務淨額	(101,522)	(21,546)
Total equity	股權總值	890,245	408,397
Debt-to-equity capital ratio	債務與股本比率	N/A不適用	N/A不適用

Notes to the Financial Statements

財務報表附註

35. FINANCIAL RISK MANAGEMENT (Continued)

Fair value

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2010 and 2009.

The fair value of financial instruments traded in active markets (such as held for trading) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value of loan and other receivables and other payables are assumed to approximate their fair values.

Fair value disclosures

The following presents the carrying value of financial instruments measured at fair value at 31 December 2010 across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments;
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data;
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

35. 財務風險管理 (續)

公平值

所有財務工具按與其於二零一零年及二零零九年十二月三十一日之公平值差異不大之金額列帳。

於活躍市場買賣之財務工具(例如持作買賣)之公平值乃根據於報告期結束日所報之市價計算。本集團所持財務資產使用之市場報價為當前之買入價。

貸款及其他應收款項及其他應付款項之帳面值被假定為與其公平值相若。

公平值披露

下文呈列按公平值計量之財務工具於二零一零年十二月三十一日之帳面值，並按照香港財務報告準則第7號「財務工具：披露事項」所界定三個級別公平值等級制分類，當中每項財務工具之公平值乃按對有關公平值計量有重大影響之最低輸入級別將整項公平值分類。有關級別界定如下：

- 級別一(最高級別)：使用活躍市場中相同財務工具之報價(未經調整)計量之公平值；
- 級別二：使用活躍市場中類似財務工具之報價，或所有重大輸入項目均直接或間接基於可觀察市場數據之估值方法計量之公平值；
- 級別三(最低級別)：使用重大輸入項目均並非基於可觀察市場數據之估值方法計量之公平值。

Notes to the Financial Statements

財務報表附註

35. FINANCIAL RISK MANAGEMENT (Continued)

Fair value disclosures (Continued)

Assets measured at fair value

		31 December 2010 二零一零年 十二月三十一日 HK\$'000 千港元	Level 1 級別一 HK\$'000 千港元	Level 2 級別二 HK\$'000 千港元	Level 3 級別三 HK\$'000 千港元
Financial assets at fair value through profit or loss	於損益帳按公平值處理之財務資產				
– Equity securities	– 股本證券	393,003	393,003	–	–
– Unlisted convertible notes	– 非上市可換股票據	58,321	–	58,321	–
		451,324	393,003	58,321	–

		31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元	Level 1 級別一 HK\$'000 千港元	Level 2 級別二 HK\$'000 千港元	Level 3 級別三 HK\$'000 千港元
Financial assets at fair value through profit or loss	於損益帳按公平值處理之財務資產				
– Equity securities	– 股本證券	273,919	273,919	–	–

During the years ended 31 December 2010 and 2009, there was no transfer between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

35. 財務風險管理 (續)

公平值披露 (續)

按公平值計量之資產

		31 December 2010 二零一零年 十二月三十一日 HK\$'000 千港元	Level 1 級別一 HK\$'000 千港元	Level 2 級別二 HK\$'000 千港元	Level 3 級別三 HK\$'000 千港元
Financial assets at fair value through profit or loss	於損益帳按公平值處理之財務資產				
– Equity securities	– 股本證券	393,003	393,003	–	–
– Unlisted convertible notes	– 非上市可換股票據	58,321	–	58,321	–
		451,324	393,003	58,321	–

		31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元	Level 1 級別一 HK\$'000 千港元	Level 2 級別二 HK\$'000 千港元	Level 3 級別三 HK\$'000 千港元
Financial assets at fair value through profit or loss	於損益帳按公平值處理之財務資產				
– Equity securities	– 股本證券	273,919	273,919	–	–

於截至二零一零年及二零零九年十二月三十一日止年度，並無於公平值計量級別一及級別二之間進行轉撥，亦無轉至及轉自公平值計量級別三之項目。

Notes to the Financial Statements

財務報表附註

36. SEGMENTAL INFORMATION

The chief decision maker has evaluated the performance of operating segments and to allocate resources to those segments based on the Group's internal reporting in respect of these segments. The executive directors consider investing, securities trading and provision of financing services are the Group's major operating segments which securities trading and other investing activities were regarded as a single segment in the financial statements. Segment results represent the result from each segment without allocation of finance costs, share of results of associates, net gain on acquisition and disposal of a subsidiary, impairment loss in intangible assets and central administration costs. The following analysis is the measure reported to chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

36. 分類資料

主要決策人已根據本集團各經營分類之內部報告，評估該等分類之表現以及將資源分配至各分類。執行董事認為投資、證券買賣及提供融資服務為本集團之主要經營分類，而證券買賣及其他投資活動於財務報表中被視為單一分類。分類業績指各分類之業績，當中並未分配融資成本、應佔聯營公司業績、收購及出售附屬公司之盈利淨額、無形資產之減值虧損及中央行政成本。以下分析為向主要營運決策人作出報告之方法，以供進行資源分配及評估分類表現。

		Year ended 31 December 2010 截至二零一零年十二月三十一日止年度			
		Investing	Financing	Unallocated	Total
		投資	融資	未經分配	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Turnover	營業額				
Net loss on disposal of financial assets at fair value through profit or loss	出售於損益帳按公平值處理之財務資產之虧損淨額	(30,913)	-	-	(30,913)
Dividend income	股息收入	2,446	-	-	2,446
Interest income from provision of financial services	提供金融服務之利息收入	-	6,764	-	6,764
Total turnover	總營業額	<u>(28,467)</u>	<u>6,764</u>	<u>-</u>	<u>(21,703)</u>
Operating results	經營業績				
Segment results	分類業績	<u>(132,987)</u>	<u>(83,080)</u>	<u>(14,787)</u>	<u>(230,854)</u>
Share of result of associates	應佔聯營公司之業績				1,393
Loss on disposal of fixed assets	出售固定資產之虧損				<u>(2)</u>
Loss attributable to shareholders	股東應佔虧損				<u>(229,463)</u>

Notes to the Financial Statements

財務報表附註

36. SEGMENTAL INFORMATION (Continued)

By business segments

Other information

Assets

– Interest in associates

Liabilities

Capital expenditure

Depreciation and other non-cash expenditures

其他資料

資產

– 於聯營公司之權益

負債

資本開支

折舊及其他非現金開支

36. 分類資料 (續)

按業務分類

Year ended 31 December 2010 截至二零一零年十二月三十一日止年度			
Investing 投資 HK\$'000 千港元	Financing 融資 HK\$'000 千港元	Unallocated 未經分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
597,257	150,731	135,590	883,578
			36,487
			920,065
–	–	29,820	29,820
–	–	74	74
130,051	89,371	867	220,289

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segment other than interest in associates.

就監察分類表現及於各分類間分配資源而言，所有資產均獲分配至可報告分類，惟於聯營公司之權益除外。

Notes to the Financial Statements 財務報表附註

36. SEGMENTAL INFORMATION (Continued)

36. 分類資料 (續)

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度			
		Investing 投資 HK\$'000 千港元	Financing 融資 HK\$'000 千港元	Unallocated 未經分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Turnover					
	營業額				
Net gain on disposal of financial assets at fair value through profit or loss	出售於損益帳按公平值處理之財務資產之盈利淨額	42,025	-	-	42,025
Dividend income	股息收入	302	-	-	302
Interest income from provision of financial services	提供金融服務之利息收入	-	4,191	-	4,191
		<u>42,327</u>	<u>4,191</u>	<u>-</u>	<u>46,518</u>
Total turnover	總營業額				
Operating results					
	經營業績				
Segment results	分類業績	<u>68,819</u>	<u>35,763</u>	<u>(8,572)</u>	96,010
Share of result of associates	應佔聯營公司之業績				2,676
Impairment loss on interest in an associate	於聯營公司之權益之減值虧損				<u>(158,500)</u>
Loss from continuing operations	來自持續經營業務之虧損				(59,814)
Loss from discontinued operations	來自已終止經營業務之虧損				<u>(1,798)</u>
Loss attributable to shareholders	股東應佔虧損				<u>(61,612)</u>

Notes to the Financial Statements

財務報表附註

36. SEGMENTAL INFORMATION (Continued)

By business segments

36. 分類資料 (續)

按業務分類

		Year ended 31 December 2009 截至二零零九年十二月三十一日止年度			
		Investing 投資 HK\$'000 千港元	Financing 融資 HK\$'000 千港元	Unallocated 未經分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Other information	其他資料				
Assets – Continuing operations	資產 – 持續經營業務	273,919	104,511	100,651	479,081
– Discontinued operations	– 已終止經營業務				5,286
– Interest in associates	– 於聯營公司之權益				37,094
					521,461
Liabilities – Continuing operations	負債 – 持續經營業務	–	1,390	109,042	110,432
– Discontinued operations	– 已終止經營業務				2,632
					113,064
Capital expenditure – Continuing operations	資本開支 – 持續經營業務	–	–	–	–
– Discontinued operations	– 已終止經營業務				5
					5
Depreciation and other non-cash expenditures – Continuing operations	折舊及其他非現金開支 – 持續經營業務	–	(42,769)	7,679	(35,090)
– Discontinued operations	– 已終止經營業務				590
– Impairment loss on interest in an associate	– 於聯營公司之權益之減值虧損				158,500
					124,000

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segment other than interest in associates.

就監察分類表現及於各分類間分配資源而言，所有資產均獲分配至可報告分類，惟於聯營公司之權益除外。

Notes to the Financial Statements

財務報表附註

36. SEGMENTAL INFORMATION (Continued)

Geographical information

The following is an analysis of the carrying amount of non-current assets other than available-for-sale financial assets, analysed by the geographical areas in which the assets are located:

		31 December 2010 二零一零年十二月三十一日		
		Hong Kong 香港	Other regions in the PRC 中國其他地區	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產	33,421	72,475	105,896

		31 December 2009 二零零九年十二月三十一日		
		Hong Kong 香港	Other regions in the PRC 中國其他地區	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產	35,614	2,684	38,298

About 100% of revenue of the Group during the year ended 31 December 2010 and 2009 are derived in Hong Kong, the place of domicile of the Group's operating entities.

36. 分類資料 (續)

地區資料

以下為非流動資產(可供出售財務資產除外)按其所在地區劃分之帳面值分析:

		31 December 2010 二零一零年十二月三十一日		
		Hong Kong 香港	Other regions in the PRC 中國其他地區	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產	33,421	72,475	105,896

		31 December 2009 二零零九年十二月三十一日		
		Hong Kong 香港	Other regions in the PRC 中國其他地區	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產	35,614	2,684	38,298

本集團於截至二零一零年及二零零九年十二月三十一日止年度之全部收入均源自香港(即本集團經營實體之註冊地點)。

37. COMPARATIVE FIGURES

Comparative figures of other income have been reclassified for account presentation purpose. Conforming to current year's presentation, written back of provision for bad and doubtful debts of HK\$42,769,000 that was included in other income has been reclassified under (Provision) Written back of provision for bad and doubtful debts. The revised presentation reflects more appropriately the nature of these items. These reclassifications have no effect on the reported financial position, results or cash flows of the Group.

37. 比較數字

其他收入之比較數字已就帳目呈報而重新分類。為符合本年度之呈報方式，過往計入其他收入之呆壞帳撥備撥回42,769,000港元已重新分類至呆壞帳(撥備)撥備撥回。此等經修訂呈報更能適當地反映該等項目之性質。此等重新分類並無影響本集團之已報告財務狀況、業績或現金流量。

Notes to the Financial Statements

財務報表附註

38. EVENTS AFTER THE REPORTING PERIOD

Other than disclosed elsewhere in these financial statements, a summary of events after reporting period is set out below:

On 8 January 2011, the shareholders approved a capital reorganisation pursuant to which every 10 issued shares of par value of HK\$0.10 each will be consolidated into 1 consolidated share of par value of HK\$1.00 each. The nominal value of all the issued consolidated shares would be reduced from HK\$1.00 each to HK\$0.01 each by cancelling a sum of HK\$0.99 from the paid-up capital on each issued share by way of a reduction of capital. The number of issued share capital would be reduced from 4,060,825,000 to 406,082,500 ("Adjusted Share"). On the same date, shareholders' approval was obtained to implement the rights issue in the proportion of eight rights shares for every one Adjusted Share held at the Subscription Price of HK\$0.125 per rights share.

The capital reorganisation was approved by the Grand Court of the Cayman Islands on 4 March 2011 and the rights issue will proceed in accordance with the expected timetable as set out in the announcement made by the Company on 7 March 2011.

As the capital reorganisation has been effected before the date of the issuance of the financial statements, the number of shares in arriving at the loss per share has been adjusted accordingly. However, since the rights issue will be effected after the date of the issuance of these financial statements, no adjustment to the number of shares is made in respect of the rights issue.

38. 報告期後事項

除此等財務報表其他部分所披露者外，報告期結束後事項概述如下：

於二零一一年一月八日，股東批准股本重組，據此，每十股每股面值0.10港元之已發行股份將合併為一股每股面值1.00港元之合併股份。所有已發行合併股份之面值以股本削減之方式藉註銷每股已發行股份之繳足股本0.99港元，由每股面值1.00港元減至每股面值0.01港元。已發行股本數目將由4,060,825,000股減少至406,082,500股（「經調整股份」）。同日，股東批准按每持有一股經調整股份供八股供股股份之比例進行供股，認購價為每股供股股份0.125港元。

開曼群島大法院於二零一一年三月四日批准股本重組，而供股將按照本公司於二零一一年三月七日作出之公佈所載之預期時間表進行。

由於股本重組乃於財務報表刊發日期前進行，故計算每股虧損之股份數目已因而作出調整。然而，由於供股將於此等財務報表刊發日期後進行，故並無就供股對股份數目作出調整。

Financial Summary 財務概要

The following is a summary of the published consolidated statement of comprehensive income and consolidated statement of financial position of Forefront Group Limited (the "Company") and its subsidiaries (together the "Group") for the past five years.

以下為福方集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）過去五年之已刊發綜合全面收入報表及綜合財務狀況表概要。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收入報表

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Turnover	營業額	(21,703)	46,518	(71,564)	(51,774)	3,786
Other income	其他收入	29,239	513	15,567	18,518	337
(Provision) Written back of provision for bad and doubtful debts	呆壞帳(撥備)撥備撥回	(89,346)	42,769	(44,240)	-	-
Distribution and selling expenses	分銷及銷售開支	-	-	-	(331)	(286)
General and administrative expenses	一般及行政開支	(18,913)	(19,637)	(25,947)	(128,386)	(15,919)
Changes in fair value of financial assets at fair value though profit or loss	於損益帳按公平值處理之財務資產之公平值變動	(116,551)	26,839	(142,310)	(139,420)	-
Finance costs	融資成本	(1,324)	(992)	(1,630)	(24,250)	(290)
Share of profit of an associate	應佔一間聯營公司溢利	1,393	2,676	4,464	1,860	-
Impairment loss on interest in an associate	於一間聯營公司之權益之減值虧損	-	(158,500)	-	-	-
Impairment loss on intangible assets	無形資產之減值虧損	(12,258)	-	-	-	-
Loss before taxation	除稅前虧損	(229,463)	(59,814)	(265,660)	(323,783)	(12,372)
Taxation	稅項	-	-	-	-	-
Loss from continuing operations	來自持續經營業務之虧損	(229,463)	(59,814)	(265,660)	(323,783)	(12,372)
Loss from discontinued operations	來自終止經營業務之虧損	-	(1,798)	(8,642)	(9,404)	(12,380)
		(229,463)	(61,612)	(274,302)	(333,187)	(24,752)
Attributable to:	以下人士應佔:					
Equity holders of the parent	母公司股權持有人	(229,463)	(61,612)	(274,302)	(333,187)	(24,752)
Non-controlling interests	非控股權益	-	-	-	-	-
Loss attributable to shareholders	股東應佔虧損	(229,463)	(61,612)	(274,302)	(333,187)	(24,752)

Financial Summary

財務概要

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-current assets	非流動資產	166,408	38,298	39,534	72,006	3,524
Current assets	流動資產	753,657	483,163	230,821	434,155	103,763
Current liabilities	流動負債	(29,820)	(28,603)	(45,080)	(259,277)	(82,628)
Net current assets	流動資產淨值	723,837	454,560	185,741	174,878	21,135
Total assets less current liabilities	資產總值減流動負債	890,245	492,858	225,275	246,884	24,659
Non-current liabilities	非流動負債	—	84,461	—	—	—
Net assets	資產淨值	890,245	408,397	225,275	246,884	24,659



FOREFRONT GROUP LIMITED
福方集團有限公司*

* For identification purposes only 僅供識別