



21 Holdings Limited 21 控股有限公司

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

Stock Code 股份代號：1003



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BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Ng Kai Man (*Chairman*)

Cheng Yuk Wo

Ha Kee Choy, Eugene

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chui Chi Yun, Robert

Lam Kwok Cheong

Lui Siu Tsuen, Richard

AUDIT COMMITTEE

Chui Chi Yun, Robert (*Chairman*)

Lam Kwok Cheong

Lui Siu Tsuen, Richard

AUDITORS

Deloitte Touche Tohmatsu

Certified Public Accountants

REGISTERED OFFICE

Canon's Court, 22 Victoria Street

Hamilton HM12, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1303, 13/F, Tower 2, Lippo Centre,

89 Queensway, Admiralty, Hong Kong

PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Bermuda) Limited

Rosebank Centre

11 Bermudiana Road

Pembroke HM8, Bermuda

BRANCH SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited 1003

WEBSITE

www.irasia.com/listco/hk/21holdings

董事會

執行董事

吳啟民 (*主席*)

鄭毓和

夏其才

獨立非執行董事

崔志仁

林國昌

呂兆泉

審核委員會

崔志仁 (*主席*)

林國昌

呂兆泉

核數師

德勤 • 關黃陳方會計師行

執業會計師

註冊辦事處

Canon's Court, 22 Victoria Street

Hamilton HM 12, Bermuda

總辦事處及香港主要營業地點

香港金鐘金鐘道89號

力寶中心二期13樓1303室

主要股份過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited

Rosebank Centre

11 Bermudiana Road

Pembroke HM8, Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司

香港灣仔

皇后大道東183號

合和中心

17樓1712至1716室

股份代號

香港聯合交易所有限公司1003

網址

www.irasia.com/listco/hk/21holdings



CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board"), I am pleased to present the annual report of 21 Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2010.

Given the rebounding economy and the low interest rate environment, the property market is well supported. The property agency business of the Group shows a stable performance in terms of both revenue and gross profit in year 2010. During the year, the Group has re-activated the securities trading and investments business and was benefited from the prosperity of the securities market.

In 2010, the Company has also effected capital reorganization and several capital raising activities, including placings of new shares for the sake of strengthening the financial backing and capital base of the Group. Subsequent to year end of 2010, a rights issue has

主席報告

本人謹代表董事會(「董事會」)欣然呈報21控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一零年十二月三十一日止年度之年報。

物業市場得到經濟反彈及低息環境之支持。本集團之物業代理業務在收益及毛利方面於二零一零年均有平穩表現。年內，本集團再次啟動證券買賣及投資業務，並因證券市場暢旺而受惠。

在二零一零年，本公司亦進行股本重組及多次集資活動，包括配售新股份，從而增強本集團財務後盾及資金基礎。於二零一零年年底後亦已完成供股，此舉帶來充裕資金以(i)完成收購於中國從事提供一

Chairman's Statement

主席報告

also been effected which provided sufficient fund for (i) completion of acquisition of subsidiaries engaged in provision of primary property agency and related consultancy services in the PRC (the "PRC Property Agency Business") and (ii) redemption of convertible note.

In the years to come, it is expected that the PRC Property Agency Business will bring new sources of revenue to the Group and reduce risk of over-reliance on property agency market in the Hong Kong. We shall continue to ride on the Century 21 name to attract high caliber talents to our ranks, expand the franchising network, adding branches in prime location and promote the customers royalty. Despite rising competition in the property market, we are confident that the Group will able to respond promptly to the market changes.

We shall also endeavor to maintain a balance and best mix business of the Group and continue to search for good and promising investments which will enhance the performance and value of the Group.

Finally, I would like to take this opportunity to express my appreciation to our board members, shareholders, business partners and bankers for their support throughout the years and staff for their dedication and efforts to the continuous success of the Group.

Ng Kai Man

Chairman

Hong Kong, 30 March 2011



手物業代理及相關顧問服務之附屬公司(「中國物業代理業務」)及(ii)贖回可換股票據。

展望來年，預期中國物業代理業務將成為本集團新收益來源，舒緩過度依賴香港物業代理市場之風險。我們將繼續以「世紀21」之名牌吸引優秀人才加入、擴大特許經營網絡、在首選區域增加分行，以及提升客戶忠誠程度。雖然物業市場競爭日漸激烈，惟我們相信本集團將可即時回應市場變化。

吾等亦將努力維持本集團業務之平衡及搭配，並將繼續物色優質及前景被看好之投資，以提升本集團之表現及價值。

最後，本人謹藉此機會衷心感謝董事會成員、股東、業務夥伴及往來銀行一直以來之支持以及員工之全心貢獻及努力，造就本集團長遠之成功。

主席

吳啟民

香港，二零一一年三月三十日

BUSINESS AND OPERATION REVIEW

PROPERTY AGENCY

Benefited from the low borrowing rate, influx of buyers from the Mainland China and relaxed monetary policy, the property market in Hong Kong put on a strong performance as both prices and transaction volume. Revenue from property agency segment for the year ended 31 December 2010 was HK\$93.4 million whilst the revenue from this segment for year 2009 was HK\$91.6 million only. Operating profits from the property agency segment for the year under review amounted to HK\$5.8 million (excluding any provision for impairment loss on goodwill of HK\$164 million) whilst the operating profit for the year 2009 was HK\$6.8 million. Slight decrease in operating profit is contributed by an increase in overall costs of the Group the improvement in economy.

TOY PRODUCTS TRADING

Unlike the property market, the business environment of consumer industry remains challenging. Despite revenue generated from toy trading segment increase this year and amounted to HK\$126.6 million, being a surge of HK\$38.6 million or 44.0% when compared with last year, the gross margin of the segment decreases by HK\$1.0 million or 22.4% was mainly due to (i) price cut in order to counteract the fierce competition from other manufacturers and attract new customers and (ii) growing cost charged by the Group's suppliers. In addition, the distribution costs and administrative expenses hanged at a high level. As a result, toy trading segment recorded operating loss of HK\$11.9 million in year 2010.

SECURITIES TRADING AND INVESTMENTS

The business of securities trading and investment has been reactivated since January 2010 with primary objective of gaining capital growth. As at 31 December 2010, the Group has investments held for trading and convertible notes designated as at fair value through profit or loss of HK\$56.0 million and HK\$16.2 million, respectively. The segment records operating profit of HK\$13.2 million mainly arising from the net profit on investments held for trading and gain on convertible notes designated as at fair value through profit or loss of HK\$2.5 million and HK\$8.6 million, respectively.

業務及營運回顧

物業代理

受惠於低借款利率、中國大陸買家湧入及寬鬆貨幣政策，香港物業市場在樓價及成交量方面均表現強勁。截至二零一零年十二月三十一日止年度，來自物業代理分部之收益為港幣93,400,000元，而於二零零九年來自該分部之收益僅為港幣91,600,000元。回顧年度內，來自物業代理分部之經營溢利為港幣5,800,000元（不包括任何商譽減值虧損之撥備港幣164,000,000元），而二零零九年之經營溢利則為港幣6,800,000元。經營溢利輕微下跌乃由於經濟改善，本集團整體成本上升所致。

玩具產品買賣

與物業市場不同，消費行業之經營環境仍受挑戰。儘管玩具買賣分部產生之收益在年內上升，達港幣126,600,000元，較去年大幅增加港幣38,600,000元或44.0%，分部毛利下跌港幣1,000,000元或22.4%，主要由於(i)為應付其他製造商激烈之競爭及吸引新客戶而減價及(ii)本集團之供應商所收取費用上升。此外，分銷成本及行政開支處於高水平。因此，玩具買賣分部於二零一零年錄得經營虧損港幣11,900,000元。

證券買賣及投資

本公司已於二零一零年一月再度從事證券買賣及投資業務，首要目標是獲取資本增長。於二零一零年十二月三十一日，本集團擁有持作買賣之投資及指定按公平值列賬並計入損益之可換股票據分別為港幣56,000,000元及港幣16,200,000元。該分部錄得經營溢利為港幣13,200,000元，主要分別由於持作買賣之投資錄得純利港幣2,500,000元及指定按公平值列賬並計入損益之可換股票據錄得收益港幣8,600,000元所致。

PROPERTY AGENCY IN PRC-MATERIAL ACQUISITION OF SUBSIDIARIES SUBSEQUENT TO THE END OF REPORTING PERIOD

On 14 September 2010, the Company through its wholly-owned subsidiary entered into a sales and purchase agreement to acquire 100% equity interest in Vigour Well Limited at a consideration of HK\$180.0 million (the "Acquisition"). The transaction was approved by shareholders of the Company (the "Shareholders") on 6 December 2010 and completed on 18 January 2011. Vigour Well Limited and its subsidiaries are principally engaged in provision of services including primary property agency and related consultancy services to real estate developers on their primary residential, retail and commercial real estate projects in the PRC.

中國物業代理 — 於報告期末之後對附屬公司進行之重大收購

於二零一零年九月十四日，本公司透過其全資附屬公司訂立買賣協議，以代價港幣180,000,000港元收購康沛有限公司全部已發行股本（「收購事項」）。該交易於二零一零年十二月六日獲本公司股東（「股東」）批准並於二零一一年一月十八日完成。康沛有限公司及其附屬公司主要為房地產開發商就於中國之一手住宅、零售及商用房地產項目提供包括一手房地產代理及相關顧問之服務。



FINANCIAL REVIEW

REVIEW OF RESULTS

The Group reported revenue of HK\$220.0 million for the year ended 31 December 2010, being a surge of HK\$40.4 million or 22.5% when compared with that of last year. Gross profit slightly declined from HK\$31.0 million for the last year to HK\$29.1 million. Increases in revenue with mild decline in gross profit were principally due to more order received for the toy trading segment which has a lower gross margin.

Distribution costs and administrative expenses of the Group increased by HK\$1.4 million and HK\$1.9 million, respectively. When compared with year 2009, the finance cost in current year decreased by HK\$4.2 million with full repayment of the promissory note in December 2009 and the redemption of the convertible notes of aggregate principal amount of HK\$60.0 million in July 2010.

財務回顧

業績回顧

截至二零一零年十二月三十一日止年度，本集團錄得收益港幣220,000,000元，較去年大幅增加港幣40,400,000元或22.5%。毛利由去年之港幣31,000,000元輕微減少至港幣29,100,000元。收益增加但毛利輕微減少，主要由於毛利較低之玩具買賣分部獲取較多訂單所致。

本集團之分銷成本及行政開支分別增加港幣1,400,000元及港幣1,900,000元。由於二零零九年十二月已悉數償還承兌票據並於二零一零年七月贖回總本金額港幣60,000,000元之可換股票據，故本年度之財務費用與二零零九年相比減少港幣4,200,000元。

Loss for this reporting year was HK\$242.5 million, substantially attributable to the noteworthy provision for impairment loss on goodwill of HK\$164.0 million arising from the acquisition of the equity interest of Century 21 Hong Kong Limited and its associated companies in previous year and provision for losses on litigation of HK\$83.5 million. The provision for losses on litigation, after taking advice from solicitors acting for the Company, was estimated to include (a) the judgment sum of HK\$44.5 million and the interest thereon; and (b) plaintiff costs and interest thereon.

本報告年度之虧損為港幣242,500,000元，主要來自於上年度收購世紀21香港有限公司及其聯營公司股權而產生之商譽減值虧損撥備港幣164,000,000元及就訴訟損失作出港幣83,500,000元之撥備。經諮詢本公司之律師意見後，訴訟損失之撥備估計會包括(a)判決款項港幣44,500,000元及相關利息；及(b)原告人訟費及相關利息。



LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained sufficient working capital as at 31 December 2010 with bank balances and cash of HK\$43.0 million (31 December 2009: HK\$97.2 million).

As at 31 December 2010, the Group has obligations under a finance lease of HK\$0.5 million (31 December 2009: Nil). In addition, convertible note with principal amount of HK\$70.0 million (the "CN") remained outstanding as at 31 December 2010. The CN bear interest of 2% per annum, mature on 23 July 2011 and carry rights to convert the outstanding principal amount into shares of the Company. The CN has been early redeemed in January 2011.

Gearing ratio, express as the percentage of total borrowings over total capital, of the Group as at 31 December 2010 was 57.9% (31 December 2009: 33.7%). Total capital is calculated as total equity plus total borrowings. The upsurge in gearing ratio is caused by the substantial loss incurred by the Company which resulted in reduction in equity.

流動資金及財務資源

於二零一零年十二月三十一日，本集團保留足夠營運資金，銀行結餘及現金為港幣43,000,000元（二零零九年十二月三十一日：港幣97,200,000元）。

於二零一零年十二月三十一日，本集團之融資租賃責任金額為港幣500,000元（二零零九年十二月三十一日：無）。此外，本金額港幣70,000,000元之可換股票據（「可換股票據」）於二零一零年十二月三十一日尚未獲行使。可換股票據按年利率2厘計息，於二零一一年七月二十三日到期，並且有權就未行使之本金額兌換成本公司股份。可換股票據已於二零一一年一月獲提早贖回。

於二零一零年十二月三十一日，本集團之資本與負債比率，即借貸總額對總資本之百分比為57.9%（二零零九年十二月三十一日：33.7%）。總資本按總權益加總借貸計算。資本與負債比率大幅上升乃因本公司產生龐大虧損，導致權益減少所致。

CAPITAL STRUCTURE

As at 31 December 2010, the Company has 112,695,574 shares of HK\$0.01 each (the "Shares") in issue and the CN with principal amount of HK\$70 million are convertible into 8,373,205 Shares at a conversion price of HK\$8.36 per Share (subject to adjustments).

During the year, the share capital of the Company had the following changes:

- a. On 12 January 2010, pursuant to the general mandates granted by the Shareholders on 13 November 2009, the Company has allotted and issued a total of 72 million Shares at a placing price of HK\$0.15 per Share to not less than six independent institutional, professional and/or individual investors.

The placing price of HK\$0.15 per Share represented a discount of approximately 9.64% to the closing price of HK\$0.166 per Share as quoted on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 4 January 2010, being the date on which the terms of the placing were fixed. The net placing price, after deducting the relevant expenses, was approximately HK\$0.147 per Share and the aggregate nominal value of the Shares issued was HK\$720,000.

The net proceeds from the placing amounted to HK\$10.6 million have been utilised as general working capital of the Group.

- b. The Company has, pursuant to the general mandate granted by the Shareholders in the special general meeting held on 15 April 2010 and a placing agreement dated 26 April 2010, allotted and issued 375 million Shares at a placing price of HK\$0.133 per Share to not less than six independent institutional, professional and/or individual investors.

The placing price of HK\$0.133 per share represented a discount of approximately 11.33% to the closing price of HK\$0.15 per Share as quoted on the Stock Exchange on 26 April 2010, being the date on which the terms of the placing were fixed. The net placing price, after deducting the relevant expenses, was approximately HK\$0.13 per Share and the aggregate nominal value of the Shares issued was HK\$3,750,000.

The net proceeds from the placing was approximately HK\$48.8 million, out of which approximately HK\$39.3 million has been applied for redemption of the CN and approximately HK\$9.5 million have been utilised as the general working capital comprising (a) professional fee of approximately HK\$3.5 million; (b) administrative expenses of approximately HK\$4.6 million; and (c) interest payment of approximately HK\$1.4 million for CN with principal amount of HK\$70.0 million.

資本架構

於二零一零年十二月三十一日，本公司有112,695,574股每股面值港幣0.01元之已發行股份（「股份」），以及本金額為港幣70,000,000元之可換股票據，可按兌換價每股港幣8.36元（可予以調整）轉換為8,373,205股股份。

年內，本公司股本有下列變動：

- a. 根據股東於二零零九年十一月十三日授出之一般授權，本公司於二零一零年一月十二日以配售價每股港幣0.15元配發及發行合共72,000,000股股份予不少於六名獨立機構、專業及／或個人投資者。

每股港幣0.15元之配售價較於二零一零年一月四日訂定配售條款當日香港聯合交易所有限公司（「聯交所」）所報之收市價每股港幣0.166元折讓約9.64%。淨配股價（扣除相關開支）約為每股港幣0.147元，而所發行股份總面值則為港幣720,000元。

配售之所得款項淨額港幣10,600,000元已用於本集團一般營運資金用途。

- b. 本公司已根據股東於二零一零年四月十五日舉行之股東特別大會上授出之一般授權及日期為二零一零年四月二十六日之配售協議，以配售價每股港幣0.133元配發及發行375,000,000股股份予不少於六名獨立機構、專業及／或個人投資者。

每股港幣0.133元之配售價較於二零一零年四月二十六日訂定配售條款當日聯交所所報之收市價每股港幣0.15元折讓約11.33%。淨配售價（扣除有關開支）約為每股港幣0.13元，而所發行股份之總面值為港幣3,750,000元。

配售所得款項淨額約為港幣48,800,000元，其中約港幣39,300,000元已用於贖回可換股票據，而約港幣9,500,000元則已用作一般營運資金，包括(a)專業費用約港幣3,500,000元；(b)行政開支約港幣4,600,000元；及(c)支付本金額為港幣70,000,000元之可換股票據之利息約港幣1,400,000元。

- c. On 7 December 2010, pursuant to a special resolution passed by the Shareholders, the Company effected a capital reorganisation, which included (i) share consolidation of every twenty shares of par value HK\$0.01 each into one consolidated share of par value HK\$0.20 each; (ii) capital reduction of the par value of each issued consolidated share from HK\$0.20 to HK\$0.01 by cancellation of HK\$0.19 of the paid-up capital on each issued consolidated share; and (iii) cancellation of the entire amount standing to the credit of the share premium account of the Company.

A total of credit of approximately HK\$364.97 million was arisen from the capital reorganisation and HK\$105.24 million was applied to eliminate the accumulated losses of the Company.

Subsequent to the year ended date, a rights issue on the basis of ten rights Shares for every Share held on 17 December 2010 at a price of HK\$0.19 per Share approved by the Shareholders on 6 December 2010 was completed on 13 January 2011. Accordingly, 1,126,955,740 Shares were allotted and issued by the Company and net proceeds of HK\$208.6 million was raised of which approximately HK\$170.0 million has been utilised for payment of consideration for acquisition of entire equity interest of Vigour Well Limited, approximately HK\$10.0 million has been set aside for final payment of consideration after adjustments relating to the completion account and approximately HK\$28.6 million has been utilised for the partial payment of early redemption of the CN.

- c. 於二零一零年十二月七日，根據股東通過之一項特別決議案，本公司進行股本重組，包括(i)每二十股每股面值港幣0.01元之股份合併為一股每股面值港幣0.20元之合併股份之股份合併；(ii)註銷每股已發行合併股份之實繳資本港幣0.19元，將每股已發行合併股份之面值由港幣0.20元削減至港幣0.01元之股本削減；及(iii)註銷本公司股份溢價賬之全部結餘。

從股本重組合共產生之進賬額約港幣364,970,000元，而港幣105,240,000元已用作抵銷本公司累計虧損。

年結日後，經股東於二零一零年十二月六日批准，以每股港幣0.19元之價格按於二零一零年十二月十七日每持有一股股份可獲發十股供股股份之供股於二零一一年一月十三日完成。因此，本公司已配發及發行1,126,955,740股股份，籌得所得款項淨額港幣208,600,000元，當中港幣170,000,000元已用於支付收購康沛有限公司全數股權之代價，另約港幣10,000,000元已預留以便就完成賬目調整後支付代價之最後一筆款項，而約港幣28,600,000元則已用於提早贖回可換股票據之部份付款。



CHARGES ON ASSETS

As at 31 December 2010, certain property, plant and machinery with carrying values of approximately HK\$0.5 million represented assets held under finance leases. None of the assets of the Group was under charge as at 31 December 2009.

EXPOSURE TO EXCHANGE RATES

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollars, United States dollars and Renminbi. The Group's exposure to United States dollars currency risk is minimal as Hong Kong dollars is pegged to United States dollars. Nevertheless, operations and performances of the Group might be affected by the fluctuation of Renminbi. Presently, the Group does not have any currency hedging policy but will closely monitor Renminbi exchange rate and take appropriate measures to minimise any adverse impact that may be caused by its fluctuation.

資產抵押

於二零一零年十二月三十一日，賬面值約港幣500,000元之若干物業、廠房及設備指根據融資租賃持有之資產。於二零零九年十二月三十一日，概無本集團資產被抵押。

匯率風險

本集團之業務交易、資產及負債主要以港幣、美元及人民幣計值。由於港幣與美元掛鈎，故本集團所面對美元之外匯風險極低。然而，人民幣波動可能對本集團之業務及表現造成影響。目前，本集團並無任何貨幣對沖政策，惟會密切注視人民幣匯率，並採取適當措施儘量減低匯率波動可能造成之任何不利影響。



LITIGATION

A writ of summons dated 8 October 2004 was filed by Mr. Kwok Chin Wing (“Mr. Kwok”), a former director of the Company, against the Company in respect of the loans due from two former subsidiaries of the Company namely, Rockapetta Industrial Company Limited and Grand Extend Investment Limited, for a sum of approximately HK\$44.5 million together with accrued interests thereof (the “Action”).

As at 31 December 2009, the Action was pending trial at the High Court of Hong Kong SAR with the trial date of the Action was fixed in January 2011. The solicitors and counsel acting for the Company had reviewed the pleadings and all evidence disclosed in the Action and they still hold good for their advice previously delivered to the Company. With the benefit of the advice of the solicitors and counsel acting for the Company, the directors of the Company formed the opinion that Mr. Kwok did not have a valid claim against the Company and therefore it was unlikely to have any material adverse financial impact on the Group. Therefore, no provision for any liabilities was made as at 31 December 2009.

On 2 March 2011, judgment was handed down by the Court of First Instance of the High Court and was awarded in favour of Mr. Kwok (the “Judgment”). It was adjudged that the Company shall pay Mr. Kwok the sum of HK\$44.5 million together with interest thereon and that there will be an order nisi for costs against the Company on a party and party basis.

On 10 March 2011, the Company has received a statutory demand for payment of judgment sum of HK\$44.5 million to Mr. Kwok within 21 days. It is stated in the statutory demand that if it is not complied, the Company will be deemed to be unable to pay its debts and Mr. Kwok will take actions against the Company to recover the judgment sum of HK\$44.5 million, the interest thereon and costs, including proceedings under the provisions of Hong Kong Companies Ordinance for the winding up of the Company. After seeking advice from its solicitors and counsel, the directors considered that the Company has good grounds for appeal, and has instructed its solicitors to launch an appeal against the Judgment. On 28 March 2011, a Notice of Appeal was filed with the Court of Appeal and served on the parties concerned. Pending the appeal, the Company has also instructed its solicitors to take appropriate actions in response to the Judgment and the statutory demand, including an application for a stay of execution of the Judgment pending appeal.

訴訟

於二零零四年十月八日，本公司前董事郭展榮先生（「郭先生」）就本公司兩間前附屬公司（樂家實業有限公司及展昌投資有限公司）所欠貸款約港幣44,500,000元連應計利息向本公司發出傳訊令狀（「該訴訟」）。

於二零零九年十二月三十一日，該訴訟仍待香港特別行政區高等法院裁決，裁決日期訂於二零一一年一月。代表本公司之律師及大律師已審閱就訴訟所披露之訴狀及全部證據，彼等堅守彼等先前給予本公司之意見。在徵詢本公司之律師及大律師之意見後，本公司董事認為，郭先生並無有效理據向本公司申索，故訴訟應不會對本集團造成任何重大不利之財務影響。因此，於二零零九年十二月三十一日，概無就任何負債作出撥備。

於二零一一年三月二日，高等法院原訟法庭宣判裁決並裁定郭先生勝訴（「裁決」）。根據裁決，本公司需向郭先生支付港幣44,500,000元連同應計利息，法庭亦會按訴訟各方基準向本公司發出訟費暫准命令。

於二零一一年三月十日，本公司收到法定要求償債書，需於二十一日內就該裁決支付總數港幣44,500,000元予郭先生。法定要求償債書指出倘未能遵照法定要求償債書支付款項，本公司將被視為未能支付其債務，而郭先生將向本公司採取行動要求償還經裁決之款項港幣44,500,000元，連同應計利息及訟費，包括按照香港公司條例之條文對本公司作出清盤程序。董事徵求律師及大律師意見後，認為本公司有充份理據提出上訴，及已委託其律師就上述之裁決展開上訴。於二零一一年三月二十八日，已提交上訴通知書予上訴庭並送達予訴訟各方。待上訴期間，本公司亦已委託其律師就裁決及法定要求償債書作出適當行動，包括申請緩期執行上述之裁決，以待進行上訴。

Management Discussion and Analysis

管理層討論及分析

Regarding the matter of costs and interest, the Company issued summons returnable before the trial judge on 11 April 2011 seeking variation of the costs order nisi and at the same time Mr. Kwok also issued summons returnable before the trial judge on the same day to deal with the matter of costs and interest.

Regarding the application for stay of execution of the Judgment pending appeal, with the advice from its solicitors, it is expected that such application will be finally disposed of within 1 to 2 months after the date these consolidated financial statements have been authorised for issue. The Court may order a stay of execution of a Judgment pending appeal on condition. However, the Court may require the payment into the Court of the judgment sum and interest or its provision of a bank guarantee for the same amount as condition of stay. Should the Company fail in the application for stay of execution to the trial judge, the Company may try to make the application to the Court of Appeal.

Regarding the appeal, it is expected that such appeal would be heard and disposed of by the Court of Appeal within 6 to 12 months from the date the consolidated financial statements have been authorised for issue. The solicitors and counsel acting for to the Company hold good of the likelihood of success of such appeal. Should the appeal succeed, the Company is not liable to pay the judgment sum together with interest thereon to Mr. Kwok and the Company is entitled to recover the costs from Mr. Kwok.

就訟費及利息而言，本公司已發出傳票，並將於二零一一年四月十一日在主審法官面前尋求修改訟費暫准命令，同時，郭先生亦已發出傳票，於同日在主審法官面前處理訟費及利息事宜。

對於申請緩期執行裁決以待進行上訴，徵詢律師意見後，預期有關申請最終將於該等綜合財務報表獲准刊發日期起計一至兩個月內處理。法庭可能按條件考慮緩期執行該裁決以待進行上訴。然而，法庭可要求本公司向法院支付裁決款項及利息，或提供相同金額之銀行擔保作為緩期執行條件。倘本公司未能向主審法官申請緩期執行，本公司可能嘗試向上訴法院作出申請。

有關上訴一事，預期上訴法院將自綜合財務報表獲准刊發日期起六至十二月個月內就上訴進行聆訊及處理。代表本公司之律師及大律師認為上訴之勝訴機會極大。若上訴得直，本公司不需向郭先生支付該裁決款項連同應計利息，而本公司亦有權向郭先生取回訟費。

EMPLOYEES

As at 31 December 2010, the Group had 33 employees and 218 agents. To attract, retain and motivate its employees, the Group has developed effective remuneration policies that are subject to review on regular basis. The Group's employees are remunerated with competitive packages which are in line with prevailing industry practice and individual performance. Furthermore, share option and performance-based bonus scheme are also in place to recognise the outstanding employees.



僱員

於二零一零年十二月三十一日，本集團僱用33名僱員及218名代理。為吸引、挽留及激勵僱員，本集團已訂出有效之薪酬政策並予以定期檢討。本集團僱員之薪津方案極具吸引力，與當前業內慣例看齊且與個人表現掛鈎。此外，本集團亦設有購股權計劃及績效花紅計劃以獎勵傑出僱員。

EXECUTIVE DIRECTORS

Mr. Ng Kai Man, aged 56, joined the Company as an executive director in July 2008 and has been designated as the Chairman with effect from 1 July 2009. He is also appointed as the director of certain subsidiaries of the Company. Mr. Ng holds a master degree from the London School of Economics & Political Sciences, University of London in the United Kingdom. Mr. Ng had held senior positions in Mandarin Property Consultants Limited, The Chase Manhattan Bank, N.A., World Trade Group and The Bank of Canton. He possesses extensive experience in real estate industry and is the founder of Century 21 Hong Kong Limited.

Mr. Cheng Yuk Wo, aged 50, joined the Company as an independent non-executive director in October 2007 and has been re-designated as an executive Director with effect from 1 May 2010. He is also appointed as the director of certain subsidiaries of the Company. Mr. Cheng is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada. He is the managing director of a certified public accounting practice limited and the proprietor of a certified public accountant practice in Hong Kong. Mr. Cheng holds a Master of Science (Economics) degree in Accounting and Finance and a Bachelor of Arts (Honours) degree in Accounting.

Mr. Ha Kee Choy, Eugene, aged 54, joined the Company as an executive director in July 2004 and is also appointed as the director of certain subsidiaries of the Company. Mr. Ha is the director of a certified public accounting practice limited and the director of an advisory services limited in Hong Kong. Mr. Ha holds a Master's degree in business administration and is a fellow member of the Association of Chartered Certified Accountants. Mr. Ha possesses over 20 years of experience in the finance and banking industry and acts as director of a number of private and listed companies in Hong Kong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chui Chi Yun, Robert, aged 54, joined the Company as an independent non-executive director in July 2004. Mr. Chui holds a Bachelor's degree in Commerce (major in Accounting) and is a practicing Certified Public Accountant in Hong Kong. Mr. Chui is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom.

執行董事

吳啟民先生，現年五十六歲，於二零零八年七月加入本公司，擔任執行董事並於二零零九年七月一日獲委任為主席。彼另獲委任為本公司若干附屬公司之董事。吳先生持有英國倫敦大學倫敦經濟及政治學院之碩士學位。吳先生曾於文華行地產顧問有限公司、美國大通銀行、世貿中心集團及廣東銀行擔任高級職位。彼於房地產行業擁有豐富經驗，並為世紀21香港有限公司之創辦人。

鄭毓和先生，現年五十歲，於二零零七年十月加入本公司，擔任獨立非執行董事，並已於二零一零年五月一日起調任為執行董事。彼亦獲委任為本公司若干附屬公司之董事。鄭先生乃英國及威爾斯特許會計師公會、香港會計師公會資深會員及加拿大安大略省特許會計師公會會員。鄭先生為一間執業會計師有限公司之董事總經理，以及一間香港執業會計師行之擁有人。鄭先生持有會計及財務經濟科學碩士學位及文學士榮譽學位(會計)。

夏其才先生，現年五十四歲，於二零零四年七月加入本公司，擔任執行董事，另獲委任為本公司若干附屬公司之董事。夏先生為香港一間執業會計師有限公司之董事，以及香港一間諮詢服務有限公司之董事。夏先生持工商管理碩士學位，乃英國特許公認會計師公會資深會員。夏先生積累逾二十年之金融及銀行業經驗，並於香港若干私人及上市公司擔任董事。

獨立非執行董事

崔志仁先生，現年五十四歲，於二零零四年七月加入本公司，擔任獨立非執行董事。崔先生持有商學士學位(主修會計)，並為香港執業會計師。崔先生乃香港會計師公會及英國特許公認會計師公會之資深會員。

Senior Management Profile

高級管理層簡歷

Mr. Lam Kwok Cheong, aged 57, joined the Company as an independent non-executive Director in September 2010. Mr. Lam holds Bachelor of Laws degree from the University of Hong Kong and has been a practicing solicitor in Hong Kong for over 30 years' experience. Mr. Lam is a Justice of the Peace with Bronze Bauhinia Star (BBS) and a solicitor of the High Court of the Hong Kong Special Administrative Region. He is currently a fellow of the Hong Kong Institute of Directors, Ex-Officio Member of Heung Yee Kuk New Territories, member of Buildings Ordinance Appeal Tribunal Panel, a member of Panel of Adjudicators, Obscene Articles Tribunal and a Civil Celebrant of Marriages.

Mr. Lui Siu Tsuen, Richard, aged 55, joined the Company as an independent non-executive director in June 2009. Mr. Lui is a fellow member of each of the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants in the United Kingdom and an associate of the Institute of Chartered Accountants in England and Wales. He holds a Master of Business Administration degree from the University of Adelaide in Australia. He has over 25 years of experience in property investment, corporate finance and media and entertainment business.

林國昌先生，現年五十七歲，於二零一零年九月加入本公司，擔任獨立非執行董事。林先生持有香港大學法學學士學位，於香港擁有超過三十年執業律師之經驗。林先生為太平紳士，並獲授銅紫荊星章，且為香港特別行政區高等法院律師。彼現為香港董事學會資深會員、新界區鄉議局當然議員、建築物條例上訴審裁團成員、淫褻物品審裁處審裁委員小組成員及婚姻監禮人。

呂兆泉先生，現年五十五歲，於二零零九年六月加入本公司，擔任獨立非執行董事。彼為香港會計師公會、英國特許管理會計師公會資深會員，以及英格蘭及威爾斯特許會計師公會會員。彼持有澳洲阿德雷德大學工商管理碩士學位。呂先生擁有逾二十五年物業投資、企業融資以及媒體及娛樂業務經驗。

CORPORATE GOVERNANCE PRACTICE

The board of directors of the Company (the “Board”) considers that good corporate governance is essential for enhancing accountability and transparency of a company to the investing public and other stakeholders. Therefore, the Company is committed to maintain high standard corporate governance practices and has complied with the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2010 except for the deviations described in this Corporate Governance Report.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as its own code of conduct regarding the directors’ securities transaction. Having made specific enquiry, all directors confirmed that they fully complied with the Model Code throughout the year.

BOARD OF DIRECTORS

The Board is vested with the key roles of formulating the Group’s corporate strategic directions and policies; monitoring the financial performance and internal control system of the Group and overseeing the performance of management, who is delegated with the responsibilities of executing the Board’s decision and in-charging day-to-day operation. In discharging its responsibilities, the Board meets regularly and acts in good faith, with due diligence and care.

The directors acknowledge their responsibility for preparing the financial statements of the Company.

On 30 April 2010, Ms. Ma Wai Man, Catherine, has resigned as an executive director of the Company and on 1 May 2011, Mr. Cheng Yuk Wo has been re-designed as an executive director of the Company. On 9 September 2010, Mr. Lam Kwok Cheong has been appointed as an independent non-executive director of the Company.

企業管治常規

本公司董事會（「董事會」）認為良好企業管治能提升公司對投資大眾及其他利益相關者之間責性及透明度。故此，本公司致力維持高水準之企業管治常規，並於截至二零一零年十二月三十一日止年度內一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四中企業管治常規守則（「企管守則」）所載之守則條文，惟此企業管治報告內討論之偏離事宜除外。

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為本公司董事進行證券交易之行為守則。經特定查詢後，全體董事確認於本年度已充分遵守標準守則。

董事會

董事會之主要角色為策劃本集團之企業策略方向及政策，監察本集團之財務表現及內部監控系統，並監察管理人員在執行董事會之決策及處理日常營運時之表現。執行其責任時，董事會會定期舉行會議，並秉誠行事、審慎盡責。

董事確認其編製本公司財務報表之責任。

於二零一零年四月三十日，馬慧敏女士辭任本公司執行董事一職。而於二零一零年五月一日，鄭毓和先生獲調任為本公司執行董事。於二零一零年九月九日，林國昌先生獲委任為本公司獨立非執行董事。

Corporate Governance Report

企業管治報告

The Board currently comprises three executive directors and three independent non-executive directors, the biographies of whose are set out on pages 13 to 14 of this annual report. All the directors are high caliber executives with diversified industry expertise and bring a wide range of skills and experience to the Group. The composition of the Board and their respective attendance in the Board meetings and other committee meetings during the year ended 31 December 2010 are as follows:

董事會現由三名執行董事及三名獨立非執行董事組成，其簡歷載於本年報第13頁至14頁。全體董事均為能幹之行政人員，具有不同行業專長並為本集團帶來各種技術與經驗。截至二零一零年十二月三十一日止年度，董事會之組成及各董事於董事會會議及其他委員會會議之相關出席率如下：

		No. of meetings attended/held 出席／舉行會議次數		
		Regular full board meetings 董事會全體 成員例會	Audit Committee meetings 審核委員會 會議	Remuneration Committee meetings 薪酬委員會 會議
<i>Executive directors</i> 執行董事				
Ng Kai Man (Chairman)	吳啟民 (主席)	4/4	—	—
Ha Kee Choy, Eugene	夏其才	4/4	—	1/1
Cheng Yuk Wo (re-designated as executive director on 1 May 2010)	鄭毓和 (由二零一零年 五月一日起調任為執行董事)	2/2	—	—
Ma Wai Man, Catherine (resigned on 30 April 2010)	馬慧敏 (於二零一零年 四月三十日辭任)	2/2	—	—
<i>Independent non-executive directors</i> 獨立非執行董事				
Chui Chi Yun, Robert	崔志仁	4/4	2/2	1/1
Lui Siu Tsuen, Richard	呂兆泉	4/4	2/2	—
Lam Kwok Cheong (appointed on 9 September 2010)	林國昌 (於二零一零年 九月九日獲委任)	1/1	—	—
Cheng Yuk Wo (re-designated as executive director on 1 May 2010)	鄭毓和 (由二零一零年 五月一日起調任為執行董事)	2/2	1/1	1/1

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

主席及行政總裁

根據企管守則第A.2.1條，主席及行政總裁之角色應為獨立並且不應由同一人兼任。

Mr. Ng Kai Man ("Mr. Ng") has been designated as the Chairman of the Company with effect from 1 July 2009 and takes up the leadership role to ensure that the Board works effectively in discharging its responsibilities and that all key and appropriate issues are discussed by the Board in a timely manner. Mr. Ng, who is the founder of the property agency business of the Group and has considerable experience in real estate industry, also carries out the function of chief executive officer of the Group. Taken into account that there is a strong and independent non-executive element on the Board and a clear division of responsibility in running the business of the Group, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group.

NON-EXECUTIVE DIRECTORS

None of the non-executive directors of the Company is appointed for specific term which is deviated from Code A.4.1 of the CG Code. However, as the directors are subject to the retirement by rotation provisions under the bye-laws of the Company, the Board considers that sufficient measures have been in place to ensure that the Company's corporate governance practices are no less exacting than the CG Code.

During 1 May 2010 to 8 September 2010, the Company was not in compliance with Rule 3.10(1) and 3.21 of the Listing Rules regarding the minimum number of independent non-executive Directors and audit committee members. Following the appointment of Mr. Lam Kwok Cheong as an independent non-executive director as well as a member of the audit committee, the Company has complied with the requirement of a minimum number of independent non-executive directors and audit committee members under Rules 3.10(1) and 3.21 of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. Chui Chi Yun, Robert (Committee Chairman), Mr. Lam Kwok Cheong (appointed on 9 September 2010) and Mr. Lui Siu Tsuen, Richard. The main role and functions of the Audit Committee are to review the financial information of the Company, to oversee the Company's financial reporting system and internal control procedure and maintain relations with the auditors of the Company.

吳啟民先生(「吳先生」)自二零零九年七月一日起獲委任為本公司之主席並承擔起領導角色，確保董事會能有效履行職責，而董事會能及時討論一切關鍵及適當事宜。吳先生乃本集團物業代理業務之創辦人，於房地產行業具備豐富經驗，彼同時擔當本集團行政總裁之職務。由於已考慮到董事會具有強而獨立之非執行董事成員，並且在本集團業務之運作上已有清晰之責任分工，故此董事會認為，此架構不會損害董事會與本集團管理層兩者間在權力及授權方面之平衡。

非執行董事

本公司之非執行董事並非按指定任期委任，與企管守則第A.4.1條有所偏離。然而，董事須根據本公司之公司細則輪席退任。因此，董事會認為已採取足夠措施以確保本公司企業管治之常規與企管守則同樣嚴謹。

於二零一零年五月一日至二零一零年九月八日，本公司並無遵守上市規則第3.10(1)及3.21條關於最低獨立非執行董事及審核委員會成員人數之要求。委任林國昌先生為獨立非執行董事及審核委員會成員後，本公司已符合上市規則第3.10(1)及3.21條之最低獨立非執行董事及審核委員會成員人數之要求。

審核委員會

審核委員會由三位本公司獨立非執行董事組成，分別為崔志仁先生(委員會主席)、林國昌先生(於二零一零年九月九日獲委任)及呂兆泉先生。審核委員會之主要角色及職能為審閱本公司之財務資料、監察本公司之財務匯報系統及內部監控程序，並與本公司核數師維持良好關係。

In year 2010, the Audit Committee held two meetings. The first one was attended by Mr. Chui Chi Yun, Robert, Mr. Cheng Yuk Wo and Mr. Lui Siu Tsuen, Richard. During the meeting, the annual results of the Group for the year ended 31 December 2009 was reviewed with the auditors of the Company and the report on the internal control system for year 2009 was evaluated. The second meeting was attended by Mr. Chui Chi Yun, Robert and Mr. Lui Siu Tsuen, Richard and the interim results of the Group for the six months ended 30 June 2010 was discussed in the meeting.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company was set up with key responsibilities of recommending the policy and structure for remuneration of directors and senior management and determining the remuneration package of executive directors and senior management.

The Remuneration Committee is composed of Mr. Ha Kee Choy, Eugene (Committee Chairman), Mr. Cheng Yuk Wo and Mr. Chui Chi Yun, Robert. The committee member met once in the year ended 31 December 2010 for reviewing the emolument of the directors and senior management.

NOMINATION OF DIRECTORS

The Company has not established a nomination committee. The Board as a whole is responsible for considering and approving the appointment of its members and will meet to discuss when nomination of new director(s) is received or when circumstances require. In considering the suitability of a candidate for directorship, the Board will take into account the candidate's qualification, experience, expertise and knowledge as well as the prevailing composition, structure and size of the Board and the requirements under the Listing Rules.

INTERNAL CONTROLS

The Board acknowledges that an effective internal control system which is designed to monitor and respond appropriately to significant risk, to safeguard assets, to provide reasonable assurance from fraud and errors and to ensure compliance of applicable law and regulations is essential for effective and efficient operations of a company. Furthermore, the internal control system is designed to manage rather than eliminate the risk of failure and can only provide reasonable and not absolute assurance against material misstatement or loss.

於二零一零年度，審核委員會舉行兩次會議。第一次會議獲崔志仁先生、鄭毓和先生及呂兆泉先生出席。於該會議上，審核委員會與本公司核數師審閱本集團截至二零零九年十二月三十一日止年度之年度業績以及評價二零零九年度之內部監控系統報告。第二次會議則獲崔志仁先生及呂兆泉先生出席，並討論本集團截至二零一零年六月三十日止六個月之中期業績。

薪酬委員會

本公司薪酬委員會成立之主要職責為就董事及高級管理層之薪酬政策及架構提供建議，並釐定執行董事及高級管理層之薪酬組合。

薪酬委員會由夏其才先生(委員會主席)、鄭毓和先生及崔志仁先生組成。委員會成員於截至二零一零年十二月三十一日止年度舉行一次會議，為審閱董事及高級管理層之酬金。

董事提名

本公司並無成立提名委員會。於接獲新董事提名或於合適時機時，董事會全體成員負責並舉行會議商討及批准董事委任事項。於考慮董事候選人是否合適時，董事會會考慮其資格、經驗、專業技能、知識以及現行董事會之組合、架構與人數以及上市規則之規定。

內部監控

董事會確認，高效之內部監控系統乃公司能有效及高效率營運之關鍵。該系統之設計能監察並適切回應重大風險、保障資產、合理地保證避免欺詐及錯誤以及能確保遵守適用法律法規。此外，內部監控系統只能管理而非杜絕失誤風險，只能提供合理保證而非絕對能防範重大失實陳述或損失。

The Group has in place an effective internal control system which encompasses sound control environment, appropriate segregation of duties, well-defined policies and procedures, close monitoring and is reviewed and enhanced by the management at regular intervals.

The Board, with the assistance of the management, has conducted a review on the effectiveness of the internal control system and, in particulars, the internal control system and procedures under COSO Framework and a key business cycle of the property agency business segment were reviewed for the year ended 31 December 2010. Based on the report on the findings which include recommendations for further improvement, the directors were satisfied that the Group has operated an effective internal control system during the year under review.

AUDITORS' REMUNERATION

During the year ended 31 December 2010, remuneration in respect of audit and non-audit services provided by the auditors of the Company to the Group are approximately HK\$708,000 (2009: HK\$760,000) and HK\$355,000 (2009: HK\$169,000) respectively.

本集團已設立有效內部監控系統，包含健全監控環境、適當職務分工、清楚界定的政策和程序、嚴密監察，並且由管理層定期檢討及提升。

董事會在管理層協助下，對內部監控系統於截至二零一零年十二月三十一日止年度之效能進行檢討，尤其針對物業代理業務分部於COSO框架下之內部監控系統和程序及一重要業務周期。根據包含進一步改進之建議之調查報告，董事信納本集團於回顧年度內設有高效內部監控系統。

核數師酬金

截至二零一零年十二月三十一日止年度，本公司核數師提供審核及非審核服務予本集團之酬金分別約為港幣708,000元(二零零九年：港幣760,000元)及港幣355,000元(二零零九年：港幣169,000元)。

The directors present their annual report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in provision of property agency and related services, trading of toy, gift and premium products and securities trading and investments.

Details of the activities of the subsidiaries are set out in note 36 to the consolidated financial statements. An analysis of revenue and results by principal activities and geographical locations of the Group are set out in note 9 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on page 31.

The directors do not recommend the payment of a dividend for the year ended 31 December 2010.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 27 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 34.

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

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

董事謹此提呈彼等之年度報告連同本公司及其附屬公司(「本集團」)截至二零一零年十二月三十一日止年度之經審核財務報表。

主要業務

本公司乃一間投資控股公司，其附屬公司主要從事提供物業代理及相關服務、玩具、贈品及精品買賣以及證券買賣及投資。

各附屬公司之業務詳情載於綜合財務報表附註36。按本集團主要業務及地區劃分之收益及業績分析載於綜合財務報表附註9。

業績及分配

本集團截至二零一零年十二月三十一日止年度之業績載於第31頁之綜合全面收益表。

董事不建議派付截至二零一零年十二月三十一日止年度之股息。

物業、廠房及設備

本集團之物業、廠房及設備於年內變動之詳情載於綜合財務報表附註17。

股本

本公司股本於年內變動之詳情載於綜合財務報表附註27。

儲備

本集團年內儲備之變動載於第34頁之綜合權益變動表。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於年內並無購買、出售或贖回本公司任何上市證券。

PRE-EMPTIVE RIGHTS

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

DIRECTORS

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

EXECUTIVE DIRECTORS

Mr. Ng Kai Man (*Chairman*)

Mr. Ha Kee Choy, Eugene

Mr. Cheng Yuk Wo

(re-designated as an executive director on 1 May 2010)

Ms. Ma Wai Man, Catherine (resigned on 30 April 2010)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chui Chi Yun, Robert

Mr. Lui Siu Tsuen, Richard

Mr. Lam Kwok Cheong (appointed on 9 September 2010)

Mr. Cheng Yuk Wo

(re-designated as an executive director on 1 May 2010)

The Directors retiring by rotation in accordance with Bye-law 99 of the Bye-laws are Mr. Chui Chi Yun, Robert and Mr. Lui Siu Tsuen, Richard, both of them will, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

No directors proposed for re-election at the forthcoming annual general meeting has any service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

The non-executive directors are subject to retirement by rotation in accordance with the Bye-laws.

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

優先購買權

本公司細則(「公司細則」)或百慕達法例均無有關優先購買權之條款，規定本公司須按比例向現有股東發售新股份。

董事

本公司年內及至本報告日期止之董事如下：

執行董事

吳啟民先生(主席)

夏其才先生

鄭毓和先生(由二零一零年五月一日起調任為執行董事)

馬慧敏女士(已於二零一零年四月三十日辭任)

獨立非執行董事

崔志仁先生

呂兆泉先生

林國昌先生(於二零一零年九月九日獲委任)

鄭毓和先生(由二零一零年五月一日起調任為執行董事)

按照公司細則第99條，輪值退任之董事為崔志仁先生及呂兆泉先生，兩人均符合資格並將於應屆股東週年大會上膺選連任。

概無擬於應屆股東週年大會膺選連任之董事訂有本公司於一年內不作賠償(法定賠償除外)即不可終止之任何服務合約。

根據公司細則，各非執行董事須輪值告退。

本公司已收到各獨立非執行董事根據香港聯合交易所有限公司證券上市規則(「上市規則」)第3.13條發出之週年獨立性確認函，並認為各獨立非執行董事皆屬獨立人士。

DIRECTORS' INTEREST IN SECURITIES

As at 31 December 2010, the interests and short positions of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) were as follows:

Long positions in the ordinary shares of HK\$0.01 each of the Company (the "Shares")

Name of Director 董事姓名	Capacity 身份	Number of underlying Shares 相關股份數目	Approximate percentage of shareholding 概約股權百分比
Ng Kai Man ("Mr. Ng") 吳啟民(「吳先生」)	Beneficial owner 實益擁有人	8,373,205 (note) (附註)	7.43%

note:

Being the number of Shares issuable to Mr. Ng pursuant to a convertible note issued by the Company. Details of the convertible note are disclosed in note 25(A) to the consolidated financial statements.

Save as disclosed above, as at 31 December 2010, none of the directors or chief executive of the Company or any of their associates had any interests or short positions in the shares, underlying share and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 to the Listing Rules.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the convertible note held by Mr. Ng as disclosed in the section "Directors' Interest in Securities" of this Directors' Report, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate.

董事之證券權益

於二零一零年十二月三十一日，本公司董事、行政總裁及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中之權益及淡倉如下：

於本公司每股面值港幣0.01元之普通股(「股份」)之好倉

Name of Director 董事姓名	Capacity 身份	Number of underlying Shares 相關股份數目	Approximate percentage of shareholding 概約股權百分比
Ng Kai Man ("Mr. Ng") 吳啟民(「吳先生」)	Beneficial owner 實益擁有人	8,373,205 (note) (附註)	7.43%

附註：

指根據本公司發行之可換股票據，可發行予吳先生之股份數目。可換股票據之詳情披露於綜合財務報表附註25(A)。

除上文披露者外，於二零一零年十二月三十一日，本公司董事、行政總裁或彼等各自之聯繫人士於本公司或其任何相聯法團之股份、相關股份及債權證中，概無擁有須記錄在本公司根據證券及期貨條例第352條所置存之登記冊或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)而另行知會本公司及香港聯合交易所有限公司(「聯交所」)之任何權益或淡倉。

購買股份或債權證之安排

除本董事報告「董事之證券權益」一節所披露之吳先生持有之可換股票據外，於本年度任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債權證而獲益。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 32 to the consolidated financial statements and the section "Directors' Interest in Securities" of this Directors' Report, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Interests of the directors in competing businesses to the Group as at 31 December 2010 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were set out as below:—

Name of Director 董事姓名	Name of entity 實體名稱	Nature of competing business 競爭業務之性質	Nature of interest 權益性質
Ng Kai Man 吳啟民	Century 21 Best Mortgage Limited 世紀21按揭專門店有限公司	provision of agency services for mortgage financing 為按揭融資提供代理服務	director and shareholder 董事及股東
	Century 21 Singapore Holdings Pte Limited	provision of franchise and property agency services in Singapore 於新加坡提供特許經營及物業代理服務	director and shareholder 董事及股東
	Century 21 Real Estate of Taiwan Ltd. 泛太不動產仲介經紀股份有限公司	provision of franchise and property agency services in Taiwan 於台灣提供特許經營及物業代理服務	director and shareholder 董事及股東

Save as disclosed above, none of the directors was interested in any business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

董事之重大合約權益

除綜合財務報表附註32及本董事報告「董事之證券權益」一節所披露者外，本公司或其任何附屬公司概無訂立任何於年內或年終仍然有效，且本公司董事直接或間接擁有重大利益之重大合約。

董事於競爭業務之權益

於二零一零年十二月三十一日，董事於本集團之競爭業務中，須根據上市規則第8.10條披露之權益載列如下：

除上文披露者外，概無董事於與本集團業務構成或可能構成直接或間接競爭之任何業務（除本集團之業務外）中擁有權益。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2010, the interest and short positions of those positions of any person (other than the directors and chief executive of the Company) in the shares or underlying shares of the Company representing five percent or more in the issued share capital of the Company and recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long position in the Shares

主要股東

於二零一零年十二月三十一日，以下人士(本公司董事及行政總裁除外)於本公司股份或相關股份中擁有相當於本公司已發行股本5%或以上之權益或淡倉而記錄於本公司根據證券及期貨條例第336條須存置之登記冊：

股份之好倉

Name of shareholders 股東名稱	Capacity 身份	Number of Shares held 持有股份數目	Approximate percentage of shareholding 概約股權百分比
Get Nice Holdings Limited 結好控股有限公司	Interest of controlled corporations 受控制法團之權益	600,000,000 (Note 1) (附註1)	48.40% (Note 3) (附註3)
Get Nice Incorporated	Interest of controlled corporations 受控制法團之權益	600,000,000 (Note 1) (附註1)	48.40% (Note 3) (附註3)
Get Nice Securities Limited 結好證券有限公司	Beneficial owner 實益擁有人	600,000,000 (Note 1) (附註1)	48.40% (Note 3) (附註3)
Yeung Sau Shing, Albert 楊受成	Founder of a trust 一項信託之創立人	526,955,740 (Note 2) (附註2)	42.51% (Note 3) (附註3)
STC International Limited	Trustee 信託人	526,955,740 (Note 2) (附註2)	42.51% (Note 3) (附註3)
Million Way Holdings Limited	Interest of controlled corporations 受控制法團之權益	526,955,740 (Note 2) (附註2)	42.51% (Note 3) (附註3)
Win Move Group Limited	Interest of controlled corporations 受控制法團之權益	526,955,740 (Note 2) (附註2)	42.51% (Note 3) (附註3)
Emperor Capital Group Limited 英皇證券集團有限公司	Interest of controlled corporations 受控制法團之權益	526,955,740 (Note 2) (附註2)	42.51% (Note 3) (附註3)

SUBSTANTIAL SHAREHOLDERS

(Continued)

Long position in the Shares (Continued)

主要股東 (續)

股份之好倉 (續)

Name of Shareholders 股東名稱	Capacity 身份	Number of Shares held 持有股份數目	Approximate percentage of shareholding 概約股權百分比
Emperor Securities Limited 英皇證券(香港)有限公司	Beneficial owner 實益擁有人	526,955,740 (Note 2) (附註2)	42.51% (Note 3) (附註3)
Luk Siu Man, Semon 陸小曼	Interest of spouse 配偶權益	526,955,740 (Note 2) (附註2)	42.51% (Note 3) (附註3)
Sanfull Securities Limited 新富證券有限公司	Beneficial owner 實益擁有人	157,900,000 (Note 4) (附註4)	12.74% (Note 3) (附註3)
Kwong Chi Fai, Gorman 鄭志輝	Beneficial owner 實益擁有人	157,900,000 (Note 4) (附註4)	12.74% (Note 3) (附註3)
Lo Ming Chi Charles 勞明智	Beneficial owner 實益擁有人	78,900,000 (Note 4) (附註4)	6.36% (Note 3) (附註3)

Notes:

- These are the rights Shares which Get Nice Securities Limited has underwritten pursuant the underwriting agreement dated 14 September 2010 in relation to the rights issue entered into between the Company, and Get Nice Securities Limited and Emperor Securities Limited as the underwriters (the "Underwriting Agreement"). Get Nice Securities Limited is wholly-owned by Get Nice Incorporated which in turn is wholly-owned by Get Nice Holdings Limited.
- These are the rights Shares which Emperor Securities Limited has underwritten pursuant the Underwriting Agreement. Emperor Securities Limited is an indirect wholly-owned subsidiary of Emperor Capital Group Limited, the shares of which are listed on the Stock Exchange. 47.90% of the shares of Emperor Capital Group Limited are held by Win Move Group Limited. The entire issued share capital of Win Move Group Limited is held by Million Way Holdings Limited, which in turn is held by STC International Limited on trust for The Albert Yeung Discretionary Trust ("AY Trust"). Dr. Yeung Sau Shing, Albert, as founder of the AY Trust, and Ms. Luk Siu Man, Semon, as the spouse of Dr. Yeung Sau Shing, Albert, are deemed to be interested in the 526,955,740 rights Shares by virtue of the underwriting commitment of Emperor Securities Limited.
- The percentage of shareholding in the Company is calculated with reference to the number of Shares to be in issue immediately after completion of the rights issue.
- These are the rights Shares under sub-underwriting.

附註：

- 該等為結好證券有限公司已根據本公司與結好證券有限公司及英皇證券(香港)有限公司(作為包銷商)於二零一零年九月十四日就供股所訂立之包銷協議(「包銷協議」)包銷之供股股份。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。
- 該等為英皇已根據包銷協議包銷之供股股份。英皇為英皇證券集團有限公司之間接全資附屬公司，其股份於聯交所上市。英皇證券集團有限公司之47.90%股份由Win Move Group Limited持有。Win Move Group Limited全部已發行股本由Million Way Holdings Limited持有，而Million Way Holdings Limited則由STC International Limited以信託方式為The Albert Yeung Discretionary Trust(「AY Trust」)持有。楊受成博士(AY Trust之創立人)及陸小曼女士(楊受成博士之配偶)因英皇之包銷承擔而被視為持有526,955,740股供股股份。
- 於本公司之股權百分比乃參考緊隨供股完成後已發行之股份數目計算。
- 該等為獲分包銷之供股股份。

SHARE OPTIONS

Particulars of the share option scheme of the Company are set out in note 30 to the consolidated financial statements. There were no outstanding share options at 1 January 2010 and 31 December 2010 and no share options were granted, exercised, cancelled or lapsed during the year ended 31 December 2010.

DISTRIBUTABLE RESERVES OF THE COMPANY

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

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

In the opinion of the directors, the Company's reserves did not have any reserves for distribution (2009: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases of the Group attributable to the largest supplier and the five largest suppliers combined are 62.7% and 74.8% respectively.

The percentage of turnover of the Group attributable to the largest customer and the five largest customers combined are 9.4% and 40.2% respectively.

None of the directors, their associates or shareholders (which to the knowledge of the directors own more than five percent of the Company's share capital) had any interest in the five largest suppliers or customers of the Group.

購股權

本公司之購股權計劃詳情載於綜合財務報表附註30。於二零一零年一月一日及二零一零年十二月三十一日，並無尚未行使之購股權，於截至二零一零年十二月三十一日止年度亦無購股權已獲授出、行使、註銷或失效。

本公司之可供分派儲備

根據百慕達一九八一年公司法(經修訂)，本公司之實繳盈餘賬可供分派。然而，本公司於下列情況下不得自實繳盈餘中撥款宣佈派發或支付股息或作出分派：

- (a) 本公司現時或於作出分派後無法償還到期負債；或
- (b) 本公司資產之可變現價值會因而低於其負債及已發行股本和股份溢價之總值。

董事認為，本公司並無任何儲備可供分派(二零零九年：無)。

主要客戶及供應商

本集團最大供應商及五大供應商分別共佔本集團採購額62.7%及74.8%。

本集團最大客戶及五大客戶分別共佔本集團營業額9.4%及40.2%。

各董事、彼等之聯繫人士或就董事所知擁有本公司股本5%以上之股東，概無在本集團五大供應商或五大客戶中擁有任何權益。

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this report the Company has maintained sufficient public float as required under the Listing Rules.

EVENT AFTER THE END OF REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 35 to the consolidated financial statements.

AUDITORS

Deloitte Touche Tohmatsu was appointed as auditor of the Company in 9 February 2011 to fill in the casual vacancy arising from the resignation of JBPB & Co. (formerly known as Grant Thornton).

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

On behalf of the Board

Ng Kai Man

Chairman

Hong Kong, 30 March 2011

充足公眾持股量

根據於本報告日期本公司獲得之公開資料及董事所知，本公司一直維持上市規則所規定保持充足公眾持股量。

報告期末後事項

報告期末後發生之重大事項詳情載於綜合財務報表附註35。

核數師

德勤•關黃陳方會計師行於二零一一年二月九日獲委任為本公司核數師，以填補莊栢會計師行(前稱均富會計師行)辭任後所產生之臨時空缺。

於本公司應屆股東週年大會上將提呈一項決議案，續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

主席

吳啟民

香港，二零一一年三月三十日

Deloitte.

德勤

TO THE SHAREHOLDERS OF 21 HOLDINGS LIMITED

(incorporated in the Bermuda with limited liability)

We have audited the consolidated financial statements of 21 Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 111, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

致21控股有限公司

(於百慕達註冊成立之有限公司)

全體股東

本核數師已完成審核載於第31頁至第111頁之21控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表，包括於二零一零年十二月三十一日之綜合財務狀況表，以及截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他解釋資料。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製作出真實而公平意見之綜合財務報表，並負責實施董事認為必要之內部監控，以使編製該等綜合財務報表不存在由於欺詐或錯誤導致之重大不實陳述。

核數師之責任

本核數師之責任是根據審核工作之結果對該等綜合財務報表發表意見，並按照百慕達公司法第90條僅向整體股東報告本核數師之意見，而不作其他用途。本核數師概不會就本報告內容對任何其他人士負責或承擔任何責任。本核數師已根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求本核數師遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否存有任何重大錯誤陳述。

AUDITOR'S RESPONSIBILITY (Continued)

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the 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.

Without qualifying our opinion, we draw attention to note 2 to the financial statements which indicates that the Group incurred a net loss of HK\$242,505,000 for the year ended 31 December 2010 and, as of that date, the Group's current liabilities exceeded its current assets by HK\$42,761,000. The directors have been implementing various measures as disclosed in note 2 to consolidated financial statements to improve the Group's financial position. The directors of the Company consider that after taking into account these steps, the Group will have sufficient working capital to finance its operations and its financial obligations as and when they fall due. However, certain of these measures have not yet been successfully completed and accordingly, these conditions, along with other matters set forth in note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

核數師之責任 (續)

審核涉及執程序以取得與綜合財務報表所載金額及披露事項有關之審核憑證。所選用程序須視乎本核數師之判斷，包括評估綜合財務報表因欺詐或錯誤引起重大錯誤陳述之風險。在評估該等風險時，本核數師將考慮與公司編製及真實而公平呈列能作出真實及公平意見之綜合財務報表有關之內部監控，以因應情況設計適當審核程序，但並非為就公司內部監控是否有效表達意見。審核亦包括評價董事所採用之會計政策之恰當性及所作會計估算之合理性，並就綜合財務報表之整體呈列方式作出評估。

本核數師相信，本核數師所獲得之審核憑證，是充分和恰當地為本核數師之審核意見提供基礎。

意見

本核數師認為，綜合財務報表根據香港財務報告準則足以真實兼公平地顯示 貴集團於二零一零年十二月三十一日之業務狀況及截至該日止年度之虧損及現金流量，並按照香港公司條例之披露規定妥為編製。

在不保留意見之情況下，本核數師謹請 閣下注意財務報表附註2，當中指出 貴集團在截至二零一零年十二月三十一日止年度錄得虧損淨額港幣242,505,000元，截至該日， 貴集團之流動負債較流動資產多出港幣42,761,000元。誠如綜合財務報表附註2所披露，董事一直積極執行各項措施，以改善 貴集團之財務狀況。 貴公司董事認為，考慮到該等措施後， 貴集團將擁有充足營運資金以應付其業務，並於財務責任到期時履行有關責任。然而，若干項該等措施尚未成功完成，因此，該等情況連同於綜合財務報表附註2所載之其他事項，顯示 貴集團對於是否有能力持續經營方面存在重大不明朗因素。

OTHER MATTERS

The consolidated financial statements of the Group for the year ended 31 December 2009 were audited by other auditors, who expressed an unmodified opinion on these statements on 20 April 2010.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 March 2011

其他事項

貴集團截至二零零九年十二月三十一日止年度之綜合財務報表由其他核數師(其於二零一零年四月二十日就該等報表表達毋須修改之意見)審核。

德勤•關黃陳方會計師行
執業會計師
香港

二零一一年三月三十日

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		Notes 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Revenue	收益	8	219,960	179,550
Cost of sales	銷售成本		(190,890)	(148,600)
Gross profit	毛利		29,070	30,950
Other income	其他收入		2,962	1,223
Other gains	其他收益	10	19,184	—
Distribution costs	分銷成本		(7,200)	(5,832)
Administrative expenses	行政開支		(34,627)	(32,769)
Provision for losses on litigation	訴訟損失之撥備	24	(83,500)	—
Impairment loss on goodwill	商譽之減值虧損	18	(164,000)	—
Fair value loss on derivative component of convertible notes	可換股票據衍生工具部份 之公平值虧損	25	—	(127,262)
Gain on disposal of non-current assets classified as held for sale	出售列為持作出售之非流動 資產之收益	23	4,084	—
Finance costs	財務費用	11	(5,854)	(10,039)
Loss before tax	除稅前虧損		(239,881)	(143,729)
Income tax expense	所得稅開支	12	(2,624)	(559)
Loss and total comprehensive expense for the year	本年度虧損及全面開支總額	13	(242,505)	(144,288)
Loss per share — Basic and diluted	每股虧損 — 基本及攤薄	16	(HK\$2.3)	(HK\$5.5)

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 港幣千元	2009 二零零九年 HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	1,173	183
Goodwill	商譽	18	92,000	256,000
			93,173	256,183
CURRENT ASSETS	流動資產			
Trade and other receivables	應收賬款及其他應收款項	19	42,892	42,260
Investments held for trading	持作買賣之投資	20	56,009	—
Convertible notes designated as at fair value through profit or loss	指定按公平值列賬並計入損益之可換股票據	21	16,153	—
Bank balances and cash	銀行結餘及現金	22	43,041	97,154
			158,095	139,414
Non-current assets classified as held for sale	列為持作出售之非流動資產	23	—	14,106
			158,095	153,520
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付賬款及其他應付款項	24	130,627	47,469
Tax payable	應付稅項		1,639	531
Convertible notes	可換股票據	25	68,411	—
Obligations under a finance lease	融資租賃責任	26	179	—
			200,856	48,000
NET CURRENT (LIABILITIES)/ASSETS	流動(負債)/資產淨值		(42,761)	105,520
TOTAL ASSET LESS CURRENT LIABILITIES	資產總額減流動負債		50,412	361,703
NON-CURRENT LIABILITIES	非流動負債			
Convertible notes	可換股票據	25	—	122,054
Obligations under a finance lease	融資租賃責任	26	301	—
			301	122,054
			50,111	239,649

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	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
		附註		
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	27	1,127	18,069
Reserves	儲備		48,984	221,580
Equity attributable to owners of the Company	本公司擁有人應佔權益		50,111	239,649

The consolidated financial statements on pages 31 to 111 were approved and authorised for issue by the board of directors on 30 March 2011 and are signed on its behalf by:

於第31頁至第111頁之綜合財務報表於二零一一年三月三十日獲董事會批准並由下列董事代表董事會簽署：

Ng Kai Man

吳啟民

Director

董事

Ha Kee Choy, Eugene

夏其才

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Share capital	Share premium	Capital reserve	Contributed surplus	Convertible notes equity reserve	Accumulated losses	Total
		股本	股份溢價	資本儲備	實繳盈餘	可換股票據 權益儲備	累計虧損	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2009	於二零零九年一月一日	156,456	168,098	2,099	—	14,679	(284,879)	56,453
Loss for the year and total comprehensive expense for the year	本年度虧損及本年度全面開支總額	—	—	—	—	—	(144,288)	(144,288)
Elimination of accumulated losses of the Company upon capital reduction	因削減股本而撤銷本公司累計虧損	(155,830)	(168,098)	—	—	—	323,928	—
Issue of shares upon placing of shares	因股份配售而發行股份	1,988	39,577	—	—	—	—	41,565
Issue of shares upon conversion of the May 2011 Convertible Notes	因兌換二零一一年五月可換股票據而發行股份	1,000	144,686	—	—	—	—	145,686
Shares issued under rights issue	因供股而發行股份	14,455	130,097	—	—	—	—	144,552
Share issue expense	股份發行費用	—	(4,319)	—	—	—	—	(4,319)
At 31 December 2009	於二零零九年十二月三十一日	18,069	310,041	2,099	—	14,679	(105,239)	239,649
Loss for the year and total comprehensive expense for the year	本年度虧損及本年度全面開支總額	—	—	—	—	—	(242,505)	(242,505)
Issue of shares upon placing of shares	因股份配售而發行股份	4,470	56,205	—	—	—	—	60,675
Share issue expense	股份發行費用	—	(1,272)	—	—	—	—	(1,272)
Capital reduction	削減股本	(21,412)	—	—	21,412	—	—	—
Share premium reduction	削減股份溢價	—	(364,974)	—	364,974	—	—	—
Partial redemption of convertible notes	贖回部分可換股票據	—	—	—	—	(6,775)	339	(6,436)
Transfer	轉撥	—	—	—	(105,239)	—	105,239	—
At 31 December 2010	於二零一零年十二月三十一日	1,127	—	2,099	281,147	7,904	(242,166)	50,111

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
OPERATING ACTIVITIES	經營活動		
Loss before tax	除稅前虧損	(239,881)	(143,729)
Adjustments for:	就下列各項調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	127	97
Depreciation of investment properties	投資物業折舊	—	376
Impairment loss on goodwill	商譽之減值虧損	164,000	—
Provision for losses on litigation	訴訟損失之撥備	83,500	—
Gain on disposal of non-current assets classified as held for sale	出售列為持作出售之非流動資產收益	(4,084)	—
Impairment loss on trade receivables	應收賬款之減值虧損	77	399
Reversal of impairment loss on trade receivables	應收賬款之減值虧損撥回	(820)	(676)
Finance costs	財務費用	5,854	10,039
Fair value loss on derivative component of convertible notes	可換股票據衍生工具部分之公平值虧損	—	127,262
Fair value gains of convertible notes designated as at fair value through profit or loss	指定按公平值計入損益之可換股票據之公平值收益	(8,619)	—
Fair value gains of investments held for trading	持作買賣投資之公平值收益	(2,506)	—
Dividend income from equity securities	股本證券之股息收入	(1,535)	—
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(23)	294
Gain on partial redemption of convertible notes	贖回部分可換股票據之收益	(8,059)	—
Interest income	利息收入	(11)	(1)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(11,980)	(5,939)
Decrease/(increase) in trade and other receivables	應收賬款及其他應收款項減少/(增加)	111	(14,975)
Increase in investments held for trading	持作買賣投資增加	(53,503)	—
Decrease in amount due to a director	應付一名董事款項減少	—	(862)
Increase in trade and other payables	應付賬款及其他應收款增加	2,613	15,831
Cash used in operations	經營業務所動用現金	(62,759)	(5,945)
Income taxes paid	已付所得稅	(1,516)	(4,123)
Interest paid	已付利息	(2,009)	(6,244)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所動用之現金淨額	(66,284)	(16,312)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
INVESTING ACTIVITIES	投資活動		
Proceeds from disposal of non-current assets classified as held for sale	出售列為持作出售非流動資產所得款項	16,370	—
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	47	41
Proceeds on disposal of convertible notes designated as at fair value through profit or loss	出售指定按公平值計入損益之可換股票據所得款項	16,680	—
Interest received	已收利息	11	1
Dividend income received	已收股息收入	1,535	—
Purchase of convertible notes designated as at fair value through profit or loss	購買指定按公平值計入損益之可換股票據	(24,214)	—
Purchase of property, plant and equipment	購買物業、廠房及設備	(661)	(82)
Deposits received for disposal of investment properties	出售投資物業已收訂金	—	1,820
NET CASH FROM INVESTING ACTIVITIES	投資活動所產生之現金淨額	9,768	1,780
FINANCING ACTIVITIES	融資活動		
Gross proceeds on issue of shares under share placing	因股份配售而發行股份所得款項總額	60,675	41,565
Consideration for partial redemption of convertible notes	贖回部分可換股票據之代價	(57,000)	—
Share issue expenses	發行股份開支	(1,272)	(4,319)
Proceeds from issue of convertible notes	發行可換股票據所得款項	—	18,000
Net proceeds on issue of shares under rights issue	因供股而發行股份所得款項淨額	—	144,552
Repayment of promissory note	償還承兌票據	—	(100,000)
NET CASH FROM FINANCING ACTIVITIES	融資活動所產生之現金流量淨額	2,403	99,798
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值之(減少)/增加淨額	(54,113)	85,266
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值	97,154	11,888
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH	年終之現金及現金等值 相當於銀行結餘及現金	43,041	97,154

1. GENERAL

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

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 36.

2. BASIS OF PREPARATION

In preparing the consolidated financial statements of the Group, the directors of the Company have given careful consideration to the liquidity position of the Group in light of the fact that the Group incurred a net loss of HK\$242,505,000 for the year ended 31 December 2010 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$42,761,000. The following circumstances may affect the Group's financial position:

- (a) A statutory demand under Section 178(1)(a) of the Hong Kong Companies Ordinance was served on the Company on 10 March 2011 demanding for the payment of HK\$44.5 million (the "Debt") to Kwok Chin Wing ("Mr. Kwok") pursuant to the judgment by the Court of First Instance of the High Court on 2 March 2011 awarded in favor of Mr. Kwok regarding a writ of summons dated 8 October 2004 filed by Mr. Kwok against the Company in respect of the loans due from two former subsidiaries of the Company for a sum of approximately HK\$44.5 million together with accrued interest thereof ("Judgment"), details of which are set out in note 33 and the details of the liability are set out in note 24 to the consolidated financial statements. Under the statutory demand, the Company is required to settle the Debt before 31 March 2011 and should the Company fail to make the settlement, Mr. Kwok shall take out actions against the Company to recover the Debt (including interest and costs);

1. 一般資料

本公司為一家於百慕達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。本公司之註冊辦事處位及主要營業地點乃載於年報題為「集團資料」部分內。

綜合財務報表以港幣呈列，而港幣亦為本公司之功能貨幣。

本公司為投資控股公司。其附屬公司之業務乃於附註36載列。

2. 編製基準

在編製本集團之綜合財務報表時，本公司董事已就本集團於截至二零一零年十二月三十一日止年度之虧損淨額港幣242,505,000元及截至該日，本集團之流動負債較其流動資產多出港幣42,761,000元，而對本集團之流動資金狀況作出審慎考慮。以下情況可能會影響本集團之財務狀況：

- (a) 根據香港公司條例178(1)(a)條所發出之法定要求償債書已於二零一一年三月十日送達本公司，要求支付港幣44,500,000元（「債務」）予郭展榮先生（「郭先生」），按高等法院原訟法庭已於二零一一年三月二日對郭先生於二零零四年十月八日向本公司發出傳訊令狀就本公司兩間前附屬公司所欠貸款約港幣44,500,000元連應計利息，作出裁決並裁定郭先生勝訴（「該裁決」），詳情載於附註33，有關債務之詳情載於附註24。根據法定要求償債書，本公司需於二零一一年三月三十一日清償債務，倘本公司未能償還，郭先生可向本公司採取行動要求償還債務（包括利息及訟費）；

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. BASIS OF PREPARATION (Continued)

- (b) Consideration of HK\$180,000,000 in connection with the acquisition of entire equity interest of Vigour Well Limited has to be paid upon the completion of this acquisition on 18 January 2011, further details of which are set out in note 35 to the consolidated financial statements; and
- (c) July 2011 Convertible Notes (as defined in note 25) payable with an aggregate carrying amount of approximately HK\$68,411,000 as at 31 December 2010 will mature on 23 July 2011. The Group is required to redeem the July 2011 Convertible Notes at their principal amount of approximately HK\$70,000,000 upon maturity. The July 2011 Convertible Notes have been early redeemed in January 2011, further details of which are set out in note 35 to the consolidated financial statements;

In order to improve the Group's operating and financial position, the directors have been implementing various measures as follows:

- (a) As described in note 35 to the consolidated financial statements, on 13 January 2011, a rights issue on the basis of ten rights share for every one share held on the record date was effected at a subscription price of HK\$0.19 per rights share. A total of 1,126,955,740 rights shares were issued resulting in gross proceeds of approximately HK\$214,000,000. The net proceeds amounted to HK\$208,600,000, of which HK\$170,000,000 has been used for the payment of the consideration for acquisition of the entire equity interest of Vigour Well Limited and approximately HK\$10,000,000 has been set aside for final payment of consideration, and the remaining balance of approximately HK\$28,600,000 for the partial payment of early redemption of July 2011 Convertible Notes;

2. 編製基準 (續)

- (b) 收購康沛有限公司全部權益之代價港幣180,000,000元須於二零一一年一月十八日完成收購事項時支付(詳情列明於綜合財務報表附註35); 及
- (c) 於二零一零年十二月三十一日, 應付二零一一年七月可換股票據(定義見附註25)之總賬面值約為港幣68,411,000元, 並將於二零一一年七月二十三日到期。本集團需於到期時按本金額約港幣70,000,000元贖回二零一一年七月可換股票據。二零一一年七月可換股票據已於二零一一年一月獲提早贖回(詳情列明於綜合財務報表附註35)。

為改善本集團之營運及財務狀況, 董事一直積極進行以下各項措施:

- (a) 如綜合財務報表附註35所述, 於二零一一年一月十三日, 按認購價每股港幣0.19元於記錄日期每持有一股股份可獲配發十股供股股份之基準進行供股。已發行合共1,126,955,740股供股股份, 帶來所得款項總額約港幣214,000,000元。供股所得款項淨額約港幣208,600,000元, 其中港幣170,000,000元已用於支付收購康沛有限公司全部股權之代價, 另約港幣10,000,000元已預留以便支付代價之最後一筆款項, 而約港幣28,600,000元結餘則已用於支付提早贖回二零一一年七月可換股票據之部份款項;

2. BASIS OF PREPARATION (Continued)**2. 編製基準** (續)

- (b) On 25 March 2011, the Company entered into a placing agreement with a placing agent whereby the placing agent agreed to procure on a best effort basis subscription for maximum of 247,900,000 shares at the price of HK\$0.11 per placing share with estimated gross proceeds of HK\$27,270,000.

The proceeds are expected to be received after the date of the consolidated financial statements after approval from the Stock Exchange is granted. The net proceeds of HK\$26,700,000 will be used to finance the payment of the Debt and the accrued interest thereof;

- (c) The Group negotiated and obtained an offer letter for facility line of HK\$40,000,000 from a financier to finance the settlement of the Debt and the accrued interest thereof as well as operation of the Group. As at the date of approval for issuance of the consolidated financial statements, the Group is still considering options including accepting the offer from the financier or to explore other financing options; and
- (d) The Group launched an appeal against the Judgment, details of which are set out in note 33, and decided to apply for stay of execution of the Judgment pending appeal. As at the date of approval for issuance of the consolidated financial statements, such application has not yet been dealt with by the trial judge.

The directors are of the opinion that, taking into account the measures as above, the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from the date of the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

- (b) 於二零一一年三月二十五日，本公司與配售代理訂立配售協議，據此，配售代理同意按盡力基準促使按每股配售股份港幣0.11元認購最多247,900,000股股份，估計所得款項總額約為港幣27,270,000元。

待聯交所授出批准，預計所得款項將於綜合財務報表日期後取得。所得款項淨額港幣26,700,000元將用於撥資償還債務及應計利息；

- (c) 本集團與一名融資商進行磋商並取得要約函件，獲批港幣40,000,000元以撥資結償債務及應計利息以及本集團之營運。截至獲准刊發綜合財務報告日期，本集團仍考慮不同選擇，包括接受融資商之要約或尋求其他融資選擇；及
- (d) 本集團就該裁決提出上訴，有關詳情載於附註33，並決定申請緩期執行該裁決，以待進行上訴。截至獲准刊發綜合財務報告日期，主審法官尚未處理有關申請。

董事認為，考慮到上述措施後，本集團於綜合財務報表日期後未來十二個月內，將擁有充足營運資金於到期時履行其財務責任。因此，綜合財務報表乃按持續經營基準編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

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

The application of the new and revised Standards and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

本年度，本集團應用下列由香港會計師公會（「香港會計師公會」）所頒佈之新訂及經修訂準則及詮釋。

香港財務報告準則第2號（修訂本）	集團以現金結算股份為基礎之付款交易
香港財務報告準則第3號（二零零八年經修訂）	業務合併
香港會計準則第27號（二零零八年經修訂）	綜合及獨立財務報表
香港會計準則第39號（修訂本）	合資格對沖項目
香港財務報告準則（修訂本）	二零零九年所頒佈香港財務報告準則之改進
香港財務報告準則（修訂本）	對香港財務報告準則第5號之修訂本，作為二零零八年所頒佈香港財務報告準則改進之一部份
香港（國際財務報告詮釋委員會）— 詮釋第17號	向擁有人分派非現金資產
香港 — 詮釋第5號	財務報表之呈列 — 借款人對包含可 按要償還條款 之定期貸款之分類

於本年度運用新訂及經修訂準則及詮釋並無對該等綜合財務報表所呈報金額及／或該等綜合財務報表所載披露造成重大影響。

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

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

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010, except for the amendments to HKFRS 3 (as revised in 2008), HKAS 1 and HKAS28 ¹
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets ³
HKFRS 9	Financial Instruments ⁴
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁵
HKAS 24 (as revised in 2009)	Related Party Disclosures ⁶
HKAS 32 (Amendments)	Classification of Rights Issues ⁷
HK(IFRIC) — Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁶
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

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

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

³ Effective for annual periods beginning on or after 1 July 2011.

⁴ Effective for annual periods beginning on or after 1 January 2013.

⁵ Effective for annual periods beginning on or after 1 January 2012.

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

⁷ Effective for annual periods beginning on or after 1 February 2010.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並無提前應用下列已頒佈但尚未生效之新訂及經修訂準則及詮釋：

香港財務報告準則（修訂本）	於二零一零年頒佈之香港財務報告準則之改進，惟對香港財務報告準則第3號（二零零八年經修訂）、香港會計準則第1號及香港會計準則第28號之修訂除外 ¹
香港財務報告準則第7號（修訂本）	披露 — 轉讓財務資產 ³
香港財務報告準則第9號	金融工具 ⁴
香港會計準則第12號（修訂本）	遞延稅項：收回相關資產 ⁵
香港會計準則第24號（二零零九年經修訂）	關連人士披露 ⁶
香港會計準則第32號（修訂本）	供股分類 ⁷
香港（國際財務報告詮釋委員會）詮釋第14號（修訂本）	最低資金要求之預付款項 ⁶
香港（國際財務報告詮釋委員會）詮釋第19號	以權益工具抵銷財務負債 ²

¹ 自二零一零年七月一日或二零一一年一月一日（如適用）或以後開始之年度期間生效。

² 自二零一零年七月一日或以後開始之年度期間生效。

³ 自二零一一年七月一日或以後開始之年度期間生效。

⁴ 自二零一三年一月一日或以後開始之年度期間生效。

⁵ 自二零一二年一月一日或以後開始之年度期間生效。

⁶ 自二零一一年一月一日或以後開始之年度期間生效。

⁷ 自二零一零年二月一日或以後開始之年度期間生效。

香港財務報告準則第9號金融工具（二零零九年十一月頒佈）引進有關財務資產分類和計量之新要求。香港財務報告準則第9號金融工具（二零一零年十一月經修訂）加入有關財務負債及解除確認之規定。

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

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

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

The directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for financial year ending 31 December 2013. The directors do not anticipate that these amendments to HKFRS 9 will have a significant effect on the classification and measurement of the Group's financial assets and financial liabilities.

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

- 根據香港財務報告準則第9號，所有屬香港會計準則第39號金融工具：確認及計量範疇內之已確認財務資產，其後均按攤銷成本或公平值計量。尤其是，按商業模式持有而目之為收取合約現金流量之債務投資，以及僅為支付本金及未償還本金利息之合約現金流量之債務投資，一般均於其後會計期間結束時按攤銷成本計量。所有其他債務投資及股本投資均於其後會計期間結束時按公平值計量。
- 就財務負債而言，主要變動乃與指定為按公平值計入損益之財務負債有關。尤其是，根據香港財務報告準則第9號，就指定為按公平值計入損益之財務負債而言，因財務負債信貸風險有變而導致其公平值變動之款額乃於其他全面收益呈列，除非於其他全面收益呈報該負債信貸風險變動之影響會產生或增加損益之會計錯配，則作別論。因財務負債信貸風險而導致其公平值變動其後不會重新分類至損益。過往，根據香港會計準則第39號，指定為按公平值計入損益之財務負債之全部公平值變動款額均於損益中呈列。

香港財務報告準則第9號於二零一三年一月一日或之後開始之年度期間生效，並可予提早應用。

董事預期，本公司將於截至二零一三年十二月三十一日止財政年度於綜合財務報表採納香港財務報告準則第9號。董事預期香港財務報告準則第9號之該等修訂將不會對本集團財務資產及財務負債之分類及計量造成重大影響。

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

BASIS OF CONSOLIDATION

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

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

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

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

4. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則而編製。此外，綜合財務報表亦包括聯交所證券上市規則（「上市規則」）及香港公司條例所規定之適用披露規定。

除按公平值計入損益之財務資產按公平值列賬外，綜合財務報表乃根據歷史成本法編製，計量基準於下列會計政策內說明。歷史成本一般乃根據交易貨品時所付出代價之公平值計量。

綜合基準

綜合財務報表包括本公司及其控制實體（即附屬公司）之財務報表。當本公司有權規管某個實體之財務及營運政策以便自其業務中獲得利益時，即代表本公司取得其控制權。

已於本年度收購或出售之附屬公司之業績乃自收購生效日期直至出售生效日期（如適用）計入綜合全面收益表。

必要時，會對附屬公司之財務報表作出調整，以使彼等之會計政策與本集團其他成員公司所採用者相一致。

本集團內公司間之所有交易、結餘、收益及開支已於綜合賬目時悉數對銷。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS

Business combinations that took place on or after 1 January 2010

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

4. 主要會計政策 (續)

業務合併

於二零一零年一月一日或之後發生之業務合併

業務收購採用收購法入賬。於業務合併轉撥之代價乃按公平值計量，並以本集團轉撥之資產、本集團對被收購方前擁有人產生之負債及本集團就交換被收購方之控制權所發行之股本權益於收購日期公平值之總和計算。與收購相關之成本在產生時於損益確認。

於收購日期，已收購可辨認資產及須承擔之負債乃於收購日期按公平值確認。惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之負債或資產分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與被收購方之以股份為基礎付款交易有關或以本集團之以股份為基礎付款交易取代被收購方之以股份為基礎付款交易有關之負債及權益工具，乃於收購日期按香港財務報告準則第2號以股份為基礎之付款計量；及
- 根據香港財務報告準則第5號持作出售之非流動資產及終止經營業務分類為持作出售資產(或出售組別)根據該項準則計量。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

BUSINESS COMBINATIONS *(Continued)*

Business combinations that took place on or after 1 January 2010 (Continued)

Goodwill is measured as the excess of 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 equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds 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), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another Standard.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

4. 主要會計政策 (續)

業務合併 (續)

於二零一零年一月一日或之後發生之業務合併 (續)

商譽是以所轉讓之代價、於被收購方中非控股權益所佔金額及本集團以往持有之被收購方股權之公平值(如有)之總和，扣除收購之可辨認資產及承擔之負債於收購日期之淨值後，所超出之差額計量。倘經過重新評估後，所收購之可辨認淨資產與所承擔之負債於收購日期之淨額高於轉讓之代價、非控股權益於被收購方中所佔金額以及本集團以往持有之被收購方股權之公平值(如有)之總和，則差額即時於損益賬內確認為議價購買收益。

屬現時所有者權益且於清盤時賦予其持有人按比例分佔實體淨資產之非控股權益，可初步按公平值或非控股權益應佔被收購方可辨認資產淨值之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他種類之非控股權益乃按其公平值或其他準則規定之其他計量基準計量。

倘本集團於業務合併時所轉移之代價包括或然代價安排所產生之資產或負債，則或然代價乃按收購日之公平值計算，並視為於業務合併時所轉移之代價之一部分。合資格作為期間調整之或然代價公平值變動乃追溯調整，並就商譽或議價購買收益作出相應調整。計算期之調整是於計量期間因取得截至收購日出現之事件及環境之額外資訊而所作之調整。計算期於收購日起計不可超過一年。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS (Continued)

Business combinations that took place on or after 1 January 2010 (Continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

4. 主要會計政策 (續)

業務合併 (續)

於二零一零年一月一日或之後發生之業務合併 (續)

其後並不乎符合計量期間調整資格之或然代價公平值變動，其會計賬目於計算期須視乎或然代價之分類而釐定。或然代價被分類為權益時，於其後呈報日期不會被重新計量，而其後之結算則於權益內入賬。或然代價被分類為資產或負債時於其後之呈報日期須根據香港會計準則第39號或香港會計準則第37號撥備、或然負債及或然資產(視適用情況而定)作重新計量，相關收益或虧損乃於損益確認。

倘業務合併乃分階段進行，本集團過往於被收購公司持有之股本權益乃於收購日期(即本集團取得控制權之日)重新計量至公平值，而就此得出之收益或虧損(如有)則於損益確認。於收購日期前，以往在其他綜合收益表中確認之於被收購方之權益而產生之金額，乃重新分類至損益賬，而倘出售權益，重新分類至損益乃為合適計量方法。

於其他全面收益確認並於收購日期前累計至權益之以往所持股權之價值變動，於本集團取得該被收購公司控制權時重新分類至損益。

倘於呈報期間結束前出現之業務合併而業務合併之初步入賬尚未完成，則本集團須報告尚未入賬項目之暫定款額。該等暫定款額須於計量期間(見上文)內調整，或須確認額外資產或負債，以反映所取得有關於收購日期存在之事實及狀況(如知悉)之新資料對該日已確認金額之影響。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

BUSINESS COMBINATIONS *(Continued)*

Business combinations that took place prior to 1 January 2010

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

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

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

Contingent consideration was recognised, if and only if, the contingent consideration was probable and could be measured reliably. Subsequent adjustments to contingent consideration were recognised against the cost of the acquisition.

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

4. 主要會計政策 (續)

業務合併 (續)

於二零一零年一月一日或之前發生之業務合併

收購業務採用收購法入賬。收購成本按於交換日期本集團就換取被收購方控制權所給予資產、所產生或承擔負債以及所發行權益工具之公平值總額，加上直接計入業務合併之成本計算。符合有關條件之被收購方之可辨認資產、負債及或然負債，通常以收購日期之公平值確認。

收購產生之商譽乃作為資產確認，且初步按成本值計量，成本值即收購成本超過本集團於可辨認資產之已確認金額以及已確認負債及或然負債之權益之差額。倘重新評估後，本集團於被收購方之可辨認資產、負債及或然負債之已確認金額超過收購成本，則超出數額立即於損益確認。

被收購方之非控股權益初步按非控股權益於被收購方之資產、負債及或然代價之已確認金額之應佔比例計算。

倘及僅倘或然代價乃可能出現及能夠被可靠計量時，方可予以確認。或然代價之隨後調整乃按收購成本確認。

分階段達成之業務合併乃以獨立階段入賬。商譽於各階段被釐定。任何額外收購並不會影響過往已被確認之商譽。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOODWILL

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

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

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

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

NON-CURRENT ASSETS HELD FOR SALE

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

4. 主要會計政策 (續)

商譽

自收購業務所產生之商譽按成本減任何累計減值虧損列賬(如有)，及於綜合財務狀況表獨立呈列。

就減值測試而言，商譽乃分配予預期會受惠於合併所產生之協同效應之現金產生單位(或現金產生單位群組)。

經分配商譽之現金產生單位會每年或於有跡象顯示該單位可能出現減值時進行減值測試。就呈報期間進行收購所產生商譽而言，經分配商譽之現金產生單位會於呈報期間結束前進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則會分配減值虧損以減低任何分配至該單位之商譽之賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。商譽之減值虧損乃直接於綜合全面收益表之損益一項確認。就商譽確認之減值虧損並不會於往後期間撥回。

於出售有關現金產生單位時，已資本化商譽之應佔金額乃於出售時計入損益之釐定金額中。

持作出售之非流動資產

倘非流動資產及出售組別之賬面值主要通過銷售交易(而非通過持續使用)收回，則該項非流動資產將列為持作出售項目。僅於出售機會相當高及資產(或出售組別)可於現況下即時出售時，本條件方被視為達成。管理層必須致力促成銷售事項，而交易被預期自分類日期起計一年內合資格確認為完成銷售。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NON-CURRENT ASSETS HELD FOR SALE

(Continued)

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

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

REVENUE RECOGNITION

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

Revenue from the sale of goods is recognised when the goods are delivered and title has passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Agency commission and service income from property agency is recognised in the accounting period in which the services are rendered. This is usually taken as the time when the relevant agreement becomes unconditional or irrevocable.

4. 主要會計政策 (續)

持作出售之非流動資產 (續)

當本集團進行涉及失去一間附屬公司控制權之出售計劃時，該附屬公司之所有資產及負債應分類為持作出售，而不論本集團是否於出售後仍將保留於該附屬公司之非控股權益。

列為持作出售項目之非流動資產（及出售組別），乃按資產過往賬面值及公平價值（以較低者為準）扣減銷售成本計算。

收益確認

收益乃按已收或應收代價之公平值計量，是指正常業務過程中已售貨品及已提供服務之應收款項，扣除營業稅及其他稅項。

銷售貨品之收益乃於支付貨品及轉讓所有權，即符合以下條件時確認：

- 本集團已把貨品之重大風險及回報擁有權轉讓給買方；
- 本集團既沒有保留任何一般持續參與管理之擁有權，也沒有實際控制已售貨品；
- 收益金額能夠可靠地計量；
- 交易相關之經濟利益很可能流入本集團；及
- 因該項交易而產生或將要產生之成本能夠可靠地計量。

物業代理之佣金及服務收入於提供服務之期間確認，通常是相關協議成為無條件或不可撤回之時。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION (Continued)

Franchise income is recognised in accordance with the terms of the relevant franchise agreement and when the Group's entitlement to payment has been established.

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

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. 主要會計政策 (續)

收益確認 (續)

特許經營權收入按照相關特許協議之條款於本集團獲取款項之權利確立時確認。

在經濟利益可能流入本集團及銷售收入金額能夠可靠地計量之情況下，財務資產之利息收入會被確認。財務資產之利息收入乃參照未償還本金按適用之實際利率及時間比例計算（適用之實際利率即準確貼現財務資產預計年期內估計未來現金收入至資產於初始確認時之賬面淨值之利率）。

物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及累計減值虧損列賬（如有）。

物業、廠房及設備項目之折舊按直線法於其估計使用年期確認以撇銷成本（經扣除估計剩餘價值）。估計使用年期、剩餘價值及折舊方法於各呈報期末進行檢討，估計變動產生之影響按非追溯基準入賬。

按融資租約持有之資產，乃按其預計可使用年期或租賃年期（以較短者為準）計算折舊，計算基準與已擁有資產相同。

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時解取確認。出售或廢棄物業、廠房及設備項目所得之收益或虧損，按銷售所得款項與資產賬面值之差額釐定，並於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

LEASING

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as obligations under a finance lease.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

4. 主要會計政策 (續)

租賃

倘租賃條款使所有權之絕大部分風險和回報轉移至承租人，有關租賃乃分類為融資租賃。所有其他租賃則分類為經營租賃。

本集團作為承租人

持作融資租賃資產於租賃開始時按其公平值或以最低租賃款項之現有價值(以較低者為準)確認為資產。出租人之相應負債乃計入綜合財務狀況表內列為融資租約承擔。

租賃款項乃於融資開支與租賃責任扣減之間作出分配，致使負債之餘額維持固定之利率。融資開支即時於損益確認，惟有關開支與合資格資產直接相關則除外，於此情況下，有關開支按照本集團之借貸成本政策(見下文之會計政策)資本化。或然租金於產生期間確認為開支。

經營租賃款項於租期按直線法確認為開支，惟另有系統基準更能代表使用租賃資產產生經濟利益之時間模式則除外。經營租賃所產生之或然租金於產生期間確認為開支。

倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。優惠之累計利益乃以直線法沖減租金開支確認。然而如另有系統性基準較時間性模式更具代表性，租賃資產之經濟效益據此被消耗除外。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FOREIGN CURRENCIES

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value, are included in profit or loss for the period.

BORROWING COSTS

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

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

RETIREMENT BENEFIT COSTS

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "MPF Scheme") are charged as an expense when employees have rendered service entitling them to the contributions.

4. 主要會計政策 (續)

外幣

於編製集團各個別實體財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易，乃按於交易日之匯率換算為其功能貨幣(即該實體經營所在之主要經濟環境之貨幣)。於呈報期末，以外幣定值之貨幣項目乃按當日之匯率重新換算。按公平值列賬及以外幣定值之非貨幣項目乃按其公平值釐定當日之匯率重新換算。按外幣歷史成本計量之非貨幣項目毋須重新換算。

由貨幣項目結算及貨幣項目換算所產生之匯兌差額，乃於其產生之期間在損益內確認。由重新換算按公平值列賬之非貨幣項目所產生之匯兌差額乃於期內計入損益內。

借貸成本

收購、建設或生產合資格資產(指需要用上大量時間準備就緒以供擬定用途或銷售之資產)直接應佔之借貸成本乃計入該等資產之成本，直至該等資產差不多已準備就緒以供擬定用途或銷售為止。若未用作合資格資產開支之特定借貸暫時用於投資，所賺取之投資收入自合資格作資本化之借貸成本扣除。

所有其他借貸成本於產生期間確認為開支。

退休福利成本

就國家管理退休福利計劃及強制性公積金計劃(「強積金計劃」)作出之付款於僱員提供可獲取該等供款之服務時作為開支扣除。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

TAXATION

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

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

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

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

4. 主要會計政策 (續)

稅項

所得稅支出指本期應付稅項及遞延稅項。

本期應付稅項乃按年度應課稅溢利計算。應課稅溢利與綜合全面收益表所報溢利不同，此乃由於其不包括在其他年度應課稅或可扣減之收入或支出項目，亦不包括永不課稅或扣減之項目。本集團之本期稅項負債乃使用於呈報期末已制訂或實質上已制訂之稅率計算。

遞延稅項乃按於綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之臨時差額確認。遞延稅項負債通常會就所有應課稅暫時差異確認。遞延稅項資產則通常限於日後之應課稅溢利頗有可能足以抵銷可扣減之暫時差異時確認。若暫時差異因商譽或因於一項既不影響應課稅溢利亦不影響會計溢利之交易(不包括業務合併)中開始確認其他資產及負債而引致，則不會確認該等資產及負債。

遞延稅項負債就與附屬公司有關投資產生之應課稅臨時差額確認，惟倘集團能控制臨時差額撥回且臨時差額於可見未來不會撥回則作別論。與該等投資及權益相關之可抵扣暫時差額所產生之遞延稅項資產僅在動用暫時差額利益時有足夠之應課稅溢利且預期在可見將來其將被撥回時，方可確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

TAXATION (Continued)

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

FINANCIAL INSTRUMENTS

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值會於呈報期末作檢討，並在不大可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項資產及負債以負債被清償或資產被變現之期間預期適用之稅率衡量，並根據於呈報期末已制訂或實際上已制訂之稅率（和稅務法例）計算。

遞延稅項負債及資產之計量反映隨本集團預期於呈報期末收回或償還資產及負債賬面值所產生之稅務後果。遞延稅項於損益確認，惟當與其他全面收益或直接於權益確認之項目有關之情況下，遞延稅項則同樣分別於其他全面收益或直接於權益中確認。

金融工具

財務資產及財務負債乃於一間集團實體成為工具合約條文之一方時在綜合財務狀況表上確認。

財務資產及財務負債乃初步按公平值計量。收購或發行財務資產及財務負債（透過損益以公平值列賬之財務資產及財務負債除外）直接應佔之交易成本於初步確認時計入或扣除自財務資產或財務負債之公平值（以合適者為準）。收購透過損益以公平值列賬之財務資產或財務負債直接應佔之交易成本即時於損益中確認。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS *(Continued)*

Financial assets

The Group's financial assets are comprising of loans and receivables and financial assets at fair value through profit or loss ("FVTPL"). All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

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

Loans and receivables

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

4. 主要會計政策 (續)

金融工具 (續)

財務資產

本集團之財務資產包括貸款及應收款項及按公平值計入損益之財務資產。所有以正規途徑購買或銷售之財務資產乃按交易日期基準確認及撇除確認。正規途徑買賣或銷售乃要求於市場法規或慣例所確定之時間框架內交付資產之財務資產買賣或銷售。

實際利率法

實際利率法為計算一項財務資產之攤銷成本及按有關時間分配利息收入之方法。實際利率法為按財務資產之預期可使用年期或(倘合適)較短期間，實際折讓估計未來現金收入(包括構成實際利率之組成部分之所有已付或已收費用及款項、交易成本及其他溢價或折讓)之比率。

債務工具之利息收入乃按實際利息基準確認。

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款之非衍生財務資產，該等資產於活躍市場上並無報價。於初次確認後，貸款及應收款項(包括應收賬款及其他應收款項、銀行結餘及現金)乃使用實際利率法按攤銷成本，減任何已識別減值虧損列賬(見下文貸款及應收款項減值虧損之會計政策)。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Effective interest method (Continued)

Financial assets at fair value through profit or loss

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

4. 主要會計政策 (續)

金融工具 (續)

實際利率法 (續)

按公平值計入損益之財務資產

按公平值計入損益之財務資產包括兩個細類：包括持作買賣之財務資產及於初步確認時指定為按公平值計入損益之財務資產。

財務資產會被列為持作買賣，倘：

- 購入主要為於不久將來銷售；或
- 構成本集團合併管理之金融工具之可辨認組合之一部分及具有最近實際短期獲利模式；或
- 財務資產為未被指定之衍生工具及可有效作為對沖工具。

除持作買賣之財務資產外，財務資產於初步確認後會被指定為按公平值計入損益，倘：

- 有關指定能消除或大幅減少另外可能出現之不一致計量或確認；或
- 該財務資產構成其表現可根據本集團之書面風險管理或投資策略按公平值評估之一組財務資產或一組財務負債或兩者，並按該基準在公司內部提供有關如何分組之資料；或
- 其構成載有一種或以上內含衍生工具之合約，而香港會計準則第39號准許全份經合併合約(資產或負債)指定為按公平值計入損益之財務資產。

於按公平值計入損益之財務資產乃按公平值計算，而公平值之變動乃於產生期間直接確認於損益賬內。確認於損益賬之淨收益或虧損包括財務資產所賺取之任何利息。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS *(Continued)*

Impairment of loans and receivables

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

Objective evidence of impairment could include:

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

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

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

4. 主要會計政策 (續)

金融工具 (續)

貸款及應收款項之減值

貸款及應收款項於呈報期末評估是否出現減值跡象。倘有客觀證據顯示貸款及應收款項之估計未來現金流量因於初步確認後發生之一項或多項事件而受到影響，則貸款及應收款項乃出現減值。

減值之客觀證據可包括：

- 發行人或交易對手遭遇重大財務困難；或
- 拖欠或逾期交付利息或本金；或
- 借款人有可能面臨破產或進行財務重組。

就若干類別貸款及應收款項而言，單獨評估並無出現減值之資產會於其後彙集一併評估減值。應收款項組合出現減值之客觀證據包括本集團過往收款記錄、組合內延遲付款超過90天平均信貸期之數目增加以及導致逾期償還之全國或地方經濟狀況明顯變動。

當有客觀證據證明資產出現減值時，減值虧損於損益中確認，並按資產賬面值與按原實際利率折現之估計未來現金流量之現值間之差額計量。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Impairment of loans and receivables (Continued)

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

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

Financial liabilities and equity

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

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

4. 主要會計政策 (續)

金融工具 (續)

貸款及應收款項之減值 (續)

減值虧損會直接於所有貸款及應收款項之賬面值中扣減，惟應收賬款及其他應收款項除外，其賬面值會透過使用撥備賬扣減。撥備賬之賬面值變動會於損益確認。當應收賬款或其他應收款項被視為不可收回時，其將於撥備賬內撇銷。早前已撇銷款項如其後收回，將計入損益。

在其後期間，倘減值虧損金額減少，而有關減少客觀上與確認減值虧損之後發生之事項有聯繫，則以前確認之減值虧損會透過損益撥回，但該撥回不應導致該資產在減值撥回日期之賬面值超過不確認減值情況下之攤銷成本。

財務負債及權益

由集團實體所發行之財務負債及權益工具乃根據已訂立之合約安排之實質及財務負債及權益工具之定義作出分類。

權益工具乃證明公司資產於扣除其所有負債後之剩餘權益之任何合約。

實際利率法

實際利率法乃一種計算財務負債之攤銷成本以及將利息費用分配予有關期間之方法。實際利率將估計未來現金付款透過財務負債之預期年期或(倘適用)更短期間準確折讓之利率。

利息開支按實際利率基準確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial liabilities

Financial liabilities (including trade and other payables, and obligations under a finance lease) are subsequently measured at amortised cost, using the effective interest method.

Convertible notes issued by the Group

Convertible loan notes containing liability and equity components

Convertible notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

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

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

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

4. 主要會計政策 (續)

金融工具 (續)

財務負債

財務負債(包括應付賬款及其他應付款項及融資租賃責任)其後使用實際利率法按攤銷成本計量。

本集團發行之可換股票據

附有負債及權益部分之可換股貸款票據

本公司發行之可換股票據包括財務負債及權益部分兩個部分，並於初步確認時分別分類為負債及權益部分。兌換權將以固定現金金額或另一財務資產以換取本公司固定數量之本身權益工具，列為權益工具。

於初步確認時，負債部分之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股票據之所得款項總額與轉往負債部分之公平值之差額，即代表可讓持有人將貸款票據轉換為權益之兌換權，乃計入權益(可換股票據權益儲備)。

於往後期間，可換股票據之負債部分乃採用實際利率法以攤銷成本列賬。權益部分，即可將負債部分轉換為本公司普通股之期權，將保留於可換股票據權益儲備，直至附設之期權獲行使為止(在此情況下，可換股票據權益儲備之結餘將轉撥至股份溢價)。倘期權於到期日尚未獲行使，可換股票據權益儲備之結餘將撥至累計虧損。期權轉換或到期時將不會於損益中確認任何盈虧。

與發行可換股票據相關之交易成本乃按所得款項總額之劃分比例分配至負債及權益部分。與權益部分相關之交易成本乃直接計入權益內。與負債部分相關之交易成本乃計入負債部分之賬面值，並按可換股票據之期限採用實際利率法攤銷。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Convertible notes issued by the Group

(Continued)

Convertible loan notes containing liability component and conversion option derivative

Convertible loan notes issued by the Group that contain both liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative. At the date of issue, both the liability and conversion option components are recognised at fair value.

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

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

Equity instruments

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

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

4. 主要會計政策 (續)

金融工具 (續)

本集團發行之可換股票據 (續)

包含負債部分及換股權衍生工具之可換股票據

本公司發行之可換股票據包含負債及換股權部分，乃於初步確認時各自歸入相關項目。將不會以固定金額現金或另一項財務資產交換本公司固定數目之權益工具方式結清之換股權乃屬於換股權衍生工具。於發行日期，負債及換股權部分均按公平值確認。

於其後期間，可換股票據之負債部分乃以實際利率法按攤銷成本列賬。換股權衍生工具乃按公平值計量，而公平值變動於損益中確認。

發行可換股票據之交易成本，按相對公平值之比例分配至負債及換股權部分。換股權衍生工具之交易成本會即時於損益中扣除。負債部分之交易成本計入負債部分之賬面值，並以實際利率法於可換股票據期限內攤銷。

權益工具

本公司所發行之權益工具記錄為已收取之所得款項(扣除直接發行成本)。

概無就購買、出售、發行或註銷本公司本身權益工具之溢利或虧損確認於損益中。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share-based payment transactions

Share options granted to employees

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

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

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

4. 主要會計政策 (續)

金融工具 (續)

解除確認

當從資產收取現金流之權利屆滿時，或財務資產已轉讓而本集團已實質上轉移了與財務資產所有權有關之幾乎全部風險和報酬，則會解除確認該項財務資產。

於完全解除確認財務資產時，資產之賬面值與已收及應收之代價差額會在損益中確認。

當財務負債有關合約中規定之義務解除、註銷或到期時，會解除確認該項財務負債。解除確認之財務負債賬面值與已付及應付之代價之間之差額會於損益中確認。

以股份為基礎之付款交易

以權益結算並以股份為基礎之付款交易

授予僱員之購股權

所獲取服務之公平值乃參照所授出購股權於授出日期之公平值而釐定，按歸屬期以直線法支銷／於授出購股權歸屬時於授出日期即時全數確認為開支，權益(購股權儲備)亦相應增加。

本集團於呈報期末修訂對預期最終將歸屬之購股權數目之估計。歸屬期內修訂估計之影響(如有)乃於損益確認，並對購股權儲備作出相應調整。

於購股權獲行使時，過往在購股權儲備確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍未行使，過往在購股權儲備確認之金額將轉撥至累計虧損。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

IMPAIRMENT LOSSES ON ASSETS OTHER THAN GOODWILL (SEE THE ACCOUNTING POLICY IN RESPECT OF GOODWILL ABOVE)

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

4. 主要會計政策 (續)

商譽以外資產之減值虧損 (見上文有關商譽之會計政策)

本集團於各呈報期末均審閱其資產之賬面值，以釐定有否跡象顯示該等資產蒙受減值虧損。倘該等跡象存在，則會估計該資產之可收回金額以釐定減值虧損之程度。此外，具無限使用年期之無形資產以及尚未可使用之無形資產會於每年進行減值測試，並會於有跡象顯示該等資產可能減值時進行減值測試。倘若資產之估計可收回金額低於賬面值，則資產之賬面值將調低至其可收回金額。減值虧損乃即時確認為開支。

倘若減值虧損其後逆轉，則資產之賬面值會上調至其經修訂估計可收回金額，但所上調之賬面值不得超出倘若資產於以往年度並無確認減值虧損時原已確認之賬面值。減值虧損逆轉乃即時確認為收入。

5. 估計不確定性之主要來源

於應用本集團會計政策(於附註4載述)時，本公司董事須就資產和負債之賬面值作出判斷、估計及假設，其依據無法從其它渠道可靠獲得。該等估計及相關假設乃基於歷史經驗及其它被視為相關之因素而作出。實際結果或會有別於該等估計。

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

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

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

ESTIMATED IMPAIRMENT OF GOODWILL

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2010, the carrying amount of goodwill is HK\$92,000,000 (2009: HK\$256,000,000).

ESTIMATED IMPAIRMENT OF TRADE RECEIVABLE

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2010, the carrying amount of trade receivable is HK\$36,083,000 (net of allowance for doubtful debts of HK\$1,073,000) (2009: carrying amount of HK\$35,004,000, net of allowance for doubtful debts of HK\$1,816,000).

5. 估計不確定性之主要來源 (續)

估計及相關假設乃持續檢討。倘會計估計之修訂僅影響作出修訂之期間，則有關修訂會在該期間確認，或倘修訂對現時及未來期間均有影響，則須在作出修訂之期間及未來期間確認。

以下載於呈報期末就未來和其他估計之不明朗因素之主要來源所作出之主要假設，而彼等足以致使下一個財政年度之資產和負債賬面值發生重大調整之重大風險。

估計商譽減值

釐定商譽是否減值須估計獲分配有關商譽之現金產生單位之使用價值。計算使用價值須本集團對預期可自現金產生單位獲得之未來現金流量以及適合計算所得現值之折現率作出估計。倘實際未來現金流量較預期為少，則可能產生重大減值虧損。於二零一零年十二月三十一日，本集團商譽之賬面值約港幣92,000,000元（二零零九年：港幣256,000,000元）。

應收賬款之估計減值

倘有減值之客觀憑證時，本公司考慮估計將來之現金流量。減值虧損之金額以資產之賬面金額及估計將來現金流量現值（不包括並未生產之將來信貸虧損）之差額，按財務資產之原實際利率（即按初始確認時計算之實際利率）折現後計算。倘實際將來現金流量低於預期，則可能出現重大減值虧損。於二零一零年十二月三十一日，應收賬款之賬面值為港幣36,083,000元（扣除呆賬撥備港幣1,073,000元）（二零零九年：賬面值港幣35,004,000元，扣除呆賬撥備港幣1,816,000元）。

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

VALUATION OF CONVERTIBLE NOTES

The directors use their judgment in selecting an appropriate valuation technique for the Group's convertible notes designated as at fair value through profit or loss which are not quoted in the active market. The fair value of convertible notes designated as at fair value through profit or loss is estimated by independent professional valuer based on Binomial Tree Model and details of the key inputs into the model are disclosed in note 21. The fair value of convertible notes designated at fair value through profit or loss varies with different variables of certain subjective assumptions. Any change in these variables so adopted may materially affect the estimation of the fair value of convertible notes designated as at fair value through profit or loss.

6. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes the convertible notes disclosed in note 25 net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, and various reserves.

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

5. 估計不確定性之主要來源 (續)

可換股票據之估值

董事於挑選合適估值技術替並無活躍市場報價之本集團指定按公平值列賬並計入損益之可換股票據估值時作出判斷。獨立專業估值師根據二杈樹定價模型估計指定按公平值列賬並計入損益可換股票據之公平值，而該模型之主要輸入數據詳情於附註21披露。指定按公平值列賬並計入損益可換股票據之公平值因涉及若干主觀假設之變數而不同。所採用之變數如有變化，可能對指定按公平值列賬並計入損益可換股票據之估計公平值產生重大影響。

6. 資本風險管理

本集團管理其資本，以確保本集團之實體將能夠繼續持續經營，同時透過將債務及權益結餘優化而將給予股東之回報最大化。本集團之整體策略維持與往年相同。

本集團之資本架構包括債務淨額(其包括附註25所披露之可換股票據)、扣除現金及現金等值項目及本公司擁有人應佔權益(包括已發行股本)及各項儲備。

本公司董事定期審閱資本架構。作為此審閱工作之一部分，董事考慮資本成本及各資本類別之相關風險。本集團將根據董事提出之建議，透過分派股息、發行新股份及發行新債項或贖回現有債項，平衡其整體資本架構。

7. FINANCIAL INSTRUMENTS

7. 金融工具

7A. CATEGORIES OF FINANCIAL INSTRUMENTS

7A. 金融工具類別

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Financial assets	財務資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值項目)	79,551	132,364
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產		
— Held for trading	— 持作買賣	56,009	—
— Designated as at fair value through profit or loss	— 指定按公平值計入損益	16,153	—
		151,713	132,364
Financial liabilities	財務負債		
Amortised cost	攤銷成本	115,397	169,523

7B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

7B. 財務風險管理目標及政策

The Group's major financial instruments include trade and other receivables, investments held for trading, convertible notes designated as at fair value through profit or loss, bank balances and cash, trade and other payables, convertible notes, and obligations under a finance lease. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk) credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

本集團之主要金融工具包括應收賬款及其他應收款項、持作買賣投資、指定按公平值列賬並計入損益之可換股票據、銀行結餘及現金、應付賬款及其他應付款項、可換股票據及融資租賃責任。該等金融工具之詳情於各自附註內披露。與該等金融工具有關之風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。如何減輕該等風險之政策載列如下。管理層管理及監察該等風險，以確保及時及有效地實施適當措施。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS

(Continued)

7B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Currency risk

The Group operates in Hong Kong with most of the transactions denominated and settled in Hong Kong dollars, the functional currency of relevant group entities.

The Group is mainly exposed to the RMB and USD, arising from foreign currency trade and other receivables, bank balances and cash, and trade and other payables.

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

		Liabilities		Assets	
		資產		負債	
		2010	2009	2010	2009
		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
		港幣千元	港幣千元	港幣千元	港幣千元
RMB	人民幣	(117)	—	2,379	1,411
USD	美元	(4,121)	(591)	6,568	431

7. 金融工具 (續)

7B. 財務風險管理目標及政策 (續)

外匯風險

本集團在香港經營業務，其大部份交易均以相關集團實體之功能貨幣港幣列值和結算。

本集團主要承受自外幣應收賬款及其他應收款項、銀行結餘及現金、及應付賬款及其他應付款項所產生之人民幣及美元之風險。

本集團於呈報日期以外幣列值之資產及負債之賬面值如下：

7. FINANCIAL INSTRUMENTS*(Continued)***7B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(Continued)***Currency risk** *(Continued)**Sensitivity analysis*

Sensitivity analyses for currency risk

The following table details the Group's sensitivity to a 5% (2009: 10%) increase and decrease in the functional currency of each group entity against the above foreign currencies. 5% (2009: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. In view of the less volatile current market condition, the management decreased the percentage of 5% in preparing the sensitivity analysis in the current year. The sensitivity analysis includes only outstanding foreign currency denominated monetary items other than the items denominated in USD as the directors consider that the Group's exposure to USD is insignificant on the ground that HKD is pegged to USD, and adjusts their translation at the year end for a 5% (2009: 10%) change in foreign currency rate. A positive number below indicates a decrease in losses where the above foreign currencies strengthen 5% (2009: 10%) against the functional currency of each group entity. For a 5% (2009: 10%) weakening of the above foreign currencies against the functional currency of each group entity, there would be an equal and opposite impact on the losses and the balance below would be opposite. In the view of the less volatile current market condition, the management decreased the percentage 5% in preparing the sensitivity analysis in the current year.

7. 金融工具 (續)**7B. 財務風險管理目標及政策 (續)****外匯風險 (續)***敏感度分析*

外匯風險之敏感度分析

下表詳列本集團就各集團實體之功能貨幣兌上述外幣匯率上升及下降5% (二零零九年：10%) 之影響。5% (二零零九年：10%) 乃向主要管理人員就外匯風險作內部報告時採用之敏感度，代表管理層就外匯匯率可能產生之合理變動而作出之評估。鑑於現時之市場狀況波動較小，管理層於編製敏感度分析時將本年度之敏感度減低5%。由於港幣與美元掛鈎，而董事認為本集團有關美元之風險不大，因此敏感度分析僅包括以美元以外貨幣列值之未償還外幣貨幣項目，並於年終以外幣匯率5% (二零零九年：10%) 之變動進行換算調整。下表中正數表示當上述外幣兌各集團實體之功能貨幣升值5% (二零零九年：10%) 時虧損之減少。倘上述外幣兌各集團實體之功能貨幣貶值5% (二零零九年：10%)，則會對虧損構成同等幅度之相反效果，而對下文之結餘構成相反效果。鑑於現時之市場狀況波動較小，管理層於編製敏感度分析時將本年度之敏感度減低5%。

		HK\$ Impact 港幣影響	
		2010 二零一零年	2009 二零零九年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Loss for the year	本年度虧損	94	118

7. FINANCIAL INSTRUMENTS

(Continued)

7B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Group's fair value interest rate risk primarily relate to convertible notes designated at fair value through profit or loss, convertible notes, and obligations under a finance lease, as set out in notes 21, 25 and 26 respectively.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank deposits because these balances carry interest at prevailing rates and they are of short maturity.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis

Regarding the cash flow interest rate risk, the sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate bank deposits, the analysis is prepared assuming the amount of the relevant asset outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2010 would decrease/increase by HK\$149,000 (2009: HK\$398,000).

7. 金融工具 (續)

7B. 財務風險管理目標及政策 (續)

利率風險

本集團之公平值利率風險主要與按公平值列賬並計入損益之可換股票據、可換股票據及融資租賃責任有關，彼等乃分別載於附註21、25及26。

本集團亦承受有關浮息短期銀行存款之現金流量利率風險，因為該等結餘以現行利率計息及於短期內到期。

本集團承受之財務負債利率風險詳情見本附註流動資金風險管理一節。

敏感度分析

就現金流量利率風險而言，下文敏感度分析乃根據於呈報期末所承受之非衍生工具利率風險而釐定。就浮息銀行存款而言，分析乃假設於呈報期末之相關結餘資產金額為於整個年度內仍未提現而作出。增加或減少50個基點代表管理層對利率之合理潛在變動而作出之評估。

倘利率增加／減少50個基點，而所有其他變數維持不變，本集團集團截至二零一零年十二月三十一日止年度之虧損將分別增加／減少港幣149,000元(二零零九年：港幣398,000元)。

7. FINANCIAL INSTRUMENTS*(Continued)***7B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(Continued)****Price risk on listed securities under investments held for trading***

The Group is exposed to equity price risk through its investments in listed equity securities included in investments held for trading. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks of listed securities included in investments held for trading at the reporting date.

If the share prices of the respective equity investments had been 5% higher/lower and all other variables were held constant, the Group's post-tax loss for the year would decrease/increase by HK\$1,987,000 (2009: nil) as a result of the changes in fair value of investments held for trading.

Price risk on convertible notes designated as at fair value through profit or loss

Regarding the price risk in relation to convertible notes designated as at fair value through profit or loss, the fair value of the notes at the end of reporting period represents mainly the fair value of the debt component as the exercise price of the conversion option was much higher than the share price of the convertible notes. The fair value of the conversion option component was insignificant and will not be subject to change unless there is significant increment in the share price. Accordingly, no sensitivity analysis is provided.

Credit risk

As at 31 December 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

7. 金融工具 (續)**7B. 財務風險管理目標及政策 (續)*****持作買賣之上市證券價格風險***

本集團就其持作買賣投資之上市股本證券面對股價風險。管理層透過維持包含不同風險投資之投資組合控制風險。本集團之股價風險主要集中於聯交所報價之權益工具。

敏感度分析

下文敏感度分析乃根據於呈報日期計入持作買賣投資之上市證券面對之股本價格風險而釐定。

倘有關股本投資之價格上升／下跌5%，而所有其他變數維持不變，本集團之本年度除稅後虧損將增加／減少港幣1,987,000元(二零零九年：無)，由於持作買賣投資公平值變動所致。

指定按公平值列賬並計入損益之可換股票據之價格風險

有關按公平值列賬並計入損益之可換股票據之價格風險，由於兌換權之行使價遠遠高於可換股票據之股份價格，因此票據於呈報期末之公平值主要指債務部分之公平值。兌換權部分之公平值極小且不會變動，除非股價大幅上升。因此，並無提供敏感度分析。

信貸風險

於二零一零年十二月三十一日本集團所面臨之最高信貸風險(因交易對手違反履行責任，其將導致本集團財務虧損)來自綜合財務狀況表所列之各自已確認財務資產之賬面值。

7. FINANCIAL INSTRUMENTS

(Continued)

7B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Liquidity risk

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

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of reporting period.

7. 金融工具 (續)

7B. 財務風險管理目標及政策 (續)

信貸風險 (續)

為著將信貸風險降至最低，本集團管理層已委派一團隊負責釐定信貸限額、信貸批准及其他監察程序，以確保採取跟進行動以收回到期債務。此外，本集團於呈報期末檢討各個別應收賬款之可收回款額，以確保就無法收回之款額作出適當減值虧損撥備。就此，本公司董事認為本集團之信貸風險已大為削減。

流動資金風險

於管理流動資金風險方面，本集團監察及維持現金及現金等值於管理層認為適當之水平，以便為本集團之營運提供資金及減輕現金流量浮動之影響。

下表載列本集團根據協定償還條款之財務負債之餘下合約到期日。就非衍生財務負債而言，下表乃基於本集團於須償還財務負債之最早日期之未貼現現金流量編製而成。下表包括利息及本金之現金流量。倘利率為浮動利率，則未貼現金款額乃按呈報期末之利率計算。

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

7. FINANCIAL INSTRUMENTS

(Continued)

7. 金融工具 (續)

7B. FINANCIAL RISK MANAGEMENT

OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

Liquidity risk tables

7B. 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險表

		Weighted average interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Carrying amount at 31/12/2010 於二零一零年 十二月 三十一日 之賬面值
		加權 平均利率 %	須應要求 償還或 少於一個月 HK\$'000 港幣千元	一至三個月 HK\$'000 港幣千元	三個月至一年 HK\$'000 港幣千元	一年至五年 HK\$'000 港幣千元	未貼現現金 流量總額 HK\$'000 港幣千元	HK\$'000 港幣千元
2010	二零一零年							
Non-derivative financial liabilities	非衍生財務負債							
Trade and other payables	應付賬款及其他應付款項	—	46,506	—	—	—	46,506	46,506
Obligations under a finance lease	融資租賃責任	1.8	16	33	148	311	508	480
Convertible notes	可換股票據	2.0	—	—	71,400	—	71,400	68,411
			46,522	33	71,548	311	118,414	115,397
		Weighted average interest rate	On demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Carrying amount at 31/12/2009 於二零零九年 十二月 三十一日 之賬面值
		加權 平均利率 %	須應要求 償還或 少於一個月 HK\$'000 港幣千元	一至三個月 HK\$'000 港幣千元	三個月至一年 HK\$'000 港幣千元	一年至五年 HK\$'000 港幣千元	未貼現現金 流量總額 HK\$'000 港幣千元	HK\$'000 港幣千元
2009	二零零九年							
Non-derivative financial liabilities	非衍生財務負債							
Trade and other payables	應付賬款及其他應付款項	—	46,314	—	—	—	46,314	47,469
Convertible notes	可換股票據	2.0	—	—	2,600	132,600	135,200	122,054
			46,314	—	2,600	132,600	181,514	169,523

The amount included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

上文非衍生財務負債之浮動利率工具之金額，會因應有別於呈報期末所釐定利率估計之浮動利率變動而有所改變。

7. FINANCIAL INSTRUMENTS

(Continued)

7C. FAIR VALUE

The fair value of held for trading investments are determined with reference to quoted market bid prices. Fair values of the Group's investments held for trading are classified as level 1 measurements which all derived from quoted prices (unadjusted) in active market for identical assets and liabilities.

The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input. For option based derivative, the fair value is estimated using option pricing model.

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

7D. FAIR VALUE MEASUREMENTS RECOGNIZED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

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

7. 金融工具 (續)

7C. 公平值

持作買賣投資之公平值乃根據市場買入報價釐定。本集團持作買賣投資之公平值分類為第一等計量，全部均根據相等資產及負債於活躍市場之報價（未經調整）計算得出。

其他財務資產及財務負債之公平值乃按貼現現金流量分析之一般接納定價模式或使用現行市場交易之價格釐定。對於期權主導之衍生工具，公平值乃使用期權定價模式估計。

董事認為在綜合財務報表以攤銷成本入賬之財務資產及財務負債賬面值約為其公平值。

7D. 於綜合財務狀況表確認之公平值計量

下表提供初步按公平值確認後計量之金融工具分析，按照公平值觀察所得程度分為第一至第三級。

- 第一級公平值計量源自於活躍市場相同資產或負債之報價（未經調整）。
- 第二級公平值計量是該等除第一級之資產或負債以外之輸入報價，可直接（如：市場價格）或間接（如：源自價格）之可觀察報價。
- 第三級公平值計量指透過運用並非基於可觀察市場所得數據之資產或負債（非觀察輸入數據）之估值方法進行之計量。

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7. FINANCIAL INSTRUMENTS*(Continued)***7. 金融工具 (續)****7D. FAIR VALUE MEASUREMENTS
RECOGNIZED IN THE CONSOLIDATED
STATEMENT OF FINANCIAL POSITION***(Continued)***As at 31 December 2010****7D. 於綜合財務狀況表確認之公
平值計量 (續)**

於二零一零年十二月三十一日

		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Financial assets	財務資產				
Fair value through profit or loss	透過損益計量之公平值				
— Investments held for trading	— 持作買賣投資	47,595	8,414	—	56,009
— Convertible notes designated as at fair value through profit or loss	— 指定按公平值計入損益	—	—	16,153	16,153
		47,595	8,414	16,153	72,162

As at 31 December 2009

於二零零九年十二月三十一日

		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Financial liabilities	財務負債				
Financial derivative liabilities	財務衍生負債				
— Convertible notes	— 可換股票據	—	—	—	—
— derivative component	— 衍生工具部分	—	—	—	—

There were no transfers between Level 1 measurements and Level 2 measurements in the current year.

於本年度，第一級及第二級公平值計量之間並無轉撥。

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7. FINANCIAL INSTRUMENTS

(Continued)

7. 金融工具 (續)

7D. FAIR VALUE MEASUREMENTS RECOGNIZED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities

7D. 於綜合財務狀況表確認之公 平值計量 (續)

第三級公平值計量財務資產及財務負債
之對賬

		Convertible notes designated as at fair value through profit or loss 指定按公平值 列賬並計入損益 之可換股票據 HK\$'000 港幣千元	Convertible notes — derivative component 可換股票據 — 衍生工具部分 HK\$'000 港幣千元
At 1 January 2009	於二零零九年一月一日	—	—
Issues	發行	—	53,936
Change in fair value in profit or loss	於損益之公平值變動	—	77,801
Settlements	結算	—	(131,737)
At 31 December 2009	於二零零九年十二月三十一日	—	—
Purchases	購買	24,214	—
Change in fair value in profit or loss	於損益之公平值變動	8,619	—
Settlements	結算	(16,680)	—
At 31 December 2010	於二零一零年十二月三十一日	16,153	—

There is no transfer into/out of Level 3 in the current year.

For the year ended 31 December 2010, the fair value gains of convertible notes designated as at profit or loss of HK\$8,619,000 (2009: Nil) were related to the Level 3 unlisted convertible notes held at the end of the reporting period.

For the year ended 31 December 2009, the total fair value loss of derivative component of convertible notes recognised in profit or loss of HK\$127,262,000 (of which HK\$49,461,000 was related to loss on initial recognition) was related to the Level 3 unlisted convertible loan notes issued during the last reporting period.

本年度內，第三級公平值計量中並無任何撥入／撥出。

截至二零一零年十二月三十一日止年度，指定按公平值列賬並計入損益之可換股票據之收益為港幣8,619,000元（二零零九年：無）乃與於呈報期末持有之第三級非上市可換股票據有關。

截至二零零九年十二月三十一日止年度，於損益確認之可換股票據衍生工具部分之公平值虧損總額港幣127,262,000元（當中港幣49,461,000元與初步確認之虧損有關），乃與於上一呈報期間發行之第三級非上市可換股貸款票據有關。

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

8. REVENUE

An analysis of the Group's revenue for the year is as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Franchise income	特許經營權收入	5,317	4,533
Property agency commission and service income	物業代理佣金及服務收入	88,078	87,099
Sales of goods	銷售貨品	126,565	87,918
		219,960	179,550

8. 收益

本集團之本年度收益分析如下：

9. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided and goods sold.

The Group is organised into three business divisions including property agency, toy products trading and securities trading and investments which form the Group's three operating segments.

An analysis of the Group's revenue and results by operating segment is as follows:

9. 分部資料

以資源分派及評估分類表現為目的而向董事會呈報之資料以所提供服務類型及銷售之貨物為重點。

本集團分類為三個業務分部包括物業代理、玩具產品買賣，以及證券買賣及投資組成本集團之三個經營分部。

按經營分部劃分之本集團收益及業績分析如下：

		Property agency 物業代理		Toy products trading 玩具產品買賣		Securities trading and investments 證券買賣及投資		Consolidated 綜合	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Segment revenue	分部收益								
— External sales	— 外部銷售	93,395	91,632	126,565	87,918	—	—	219,960	179,550
Segment profit/(loss)	分部溢利/(虧損)	(158,200)	6,792	(11,888)	(5,131)	13,163	—	(156,925)	1,661
Other information (included in measure of segment profit/(loss))	其他資料(包括計入分部溢利/(虧損))								
Other income	其他收入	699	1,071	10	31	1,695	—	2,404	1,102
Depreciation of property, plant and equipment	物業、廠房及設備折舊	116	75	5	16	—	—	121	91
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)/虧損	(23)	294	—	—	—	—	(23)	294
Impairment loss on trade receivables	應收賬款之減值虧損	77	399	—	—	—	—	77	399
Reversal of impairment loss on trade receivables	應收賬款之減值虧損撥備之撥回	—	(12)	(820)	(664)	—	—	(820)	(676)
Additions to non-current segment assets during the year	年內添置非流動分部資產	1,137	74	4	8	—	—	1,141	82
Impairment loss on goodwill	商譽減值虧損	164,000	—	—	—	—	—	164,000	—

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綜合財務報表附註

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

9. SEGMENT INFORMATION (Continued)

9. 分部資料 (續)

The totals presented for the Group's operating segments reconcile to the loss before tax as presented in the financial statements as follows:

本集團經營分部已呈列之總計與本集團於本財務報表除稅前虧損之對賬如下：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Aggregate of segments' (loss) profit	分部(虧損)溢利總額	(156,925)	1,661
Unallocated corporate income	未分配之企業收入	12,169	121
Unallocated corporate expenses	未分配之企業開支	(5,771)	(8,210)
Provision for losses on litigation	訴訟損失之撥備	(83,500)	—
Fair value loss on derivative component of convertible notes	可換股票據衍生工具部份之公平值虧損	—	(127,262)
Finance costs	財務費用	(5,854)	(10,039)
Loss before tax	除稅前虧損	(239,881)	(143,729)

SEGMENT ASSETS AND LIABILITIES

分部資產及負債

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

按經營分部劃分之本集團資產及負債分析如下：

		Property agency 物業代理		Toy products trading 玩具產品買賣		Securities trading and investments 證券買賣及投資		Unallocated 未分配		Consolidated 綜合	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
ASSETS	資產										
Segment assets	分部資產	125,965	293,699	16,202	14,212	72,470	—	—	—	214,637	307,911
Unallocated corporate assets	未分配企業資產	—	—	—	—	—	—	36,631	101,792	36,631	101,792
Consolidated total assets	綜合資產總額									251,268	409,703
LIABILITIES	負債										
Segment liabilities	分部負債	25,499	27,265	19,157	15,219	—	—	—	—	44,656	42,484
Unallocated corporate liabilities	未分配企業負債	—	—	—	—	—	—	156,501	127,570	156,501	127,570
Consolidated total liabilities	綜合負債總額									201,157	170,054

9. SEGMENT INFORMATION (Continued)**9. 分部資料** (續)**SEGMENT ASSETS AND LIABILITIES**

(Continued)

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

- all assets are allocated to operating segments other than certain property, plant and equipment, other receivables and bank balances and cash; and
- all liabilities are allocated to operating segments other than other payables, convertible notes, tax payable and obligations under a finance lease

ENTITY-WIDE DISCLOSURES**Geographical information**

The Group's revenues from external customers and its non-current assets are divided into the following geographical areas:

分部資產及負債 (續)

為監察分部表現及分配分部之間之資源：

- 所有資源分配至經營分部，除若干物業、廠房及設備、其他應收款項及銀行結餘及現金外；及
- 所有負債分配至經營分部，除其他應付款項、可換股票據、應付稅項及融資租賃責任。

實體範圍內披露**地區資料**

本集團外部客戶之收益及其非流動資產劃分為以下地區：

		Revenue from external customers 外部客戶之收益		Non-current assets 非流動資產	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Hong Kong	香港	152,826	146,128	93,173	256,183
Japan	日本	39,659	29,741	—	—
The People's Republic of China	中華人民共和國	5,444	2,431	—	—
Others	其他	22,031	1,250	—	—
		219,960	179,550	93,173	256,183

The geographical location of customers is based on the location of customers, irrespective of the origin of the goods and services. The geographical location of the non-current assets is based on the physical location of the assets.

客戶之地理位置是根據客戶所在地區（不考慮貨品和服務之來源地）而劃分。非流動資產之地理位置是根據資產實際所在地而劃分。

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

9. SEGMENT INFORMATION (Continued)

INFORMATION ABOUT MAJOR CUSTOMER

For the year ended 31 December 2010, there was no customer accounted for over 10% of total revenue.

For the year ended 31 December 2009, the Group's customer base is diversified but included two customers of the property agency segment and one customer of the toy products trading segment, with each of whom transactions have exceeded 10% of the Group's total revenue. Aggregate revenue from sales to these customers amounted to approximately HK\$22,784,000, and HK\$20,013,000 from each of the two customers in the property agency segment and HK\$22,112,000 from the one customer in the toy products trading segment.

10. OTHER GAINS

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Net profit on investments held for trading 持作買賣投資溢利淨額	2,506	—
Gain on convertible notes designated as 指定按公平值列賬並計入損益 at fair value through profit or loss 之可換股票據收益(附註21) (Note 21)	8,619	—
Gain on partial redemption of 贖回部分可換股票據之收益 convertible notes	8,059	—
	19,184	—

11. FINANCE COSTS

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Interest charges on: 利息支出於：		
Bank overdraft wholly repayable 五年內應悉數償還之銀行透支 within five years	2	7
Convertible notes 可換股票據	5,847	7,810
Finance lease 融資租賃	5	—
Promissory note 承兌票據	—	2,222
	5,854	10,039

9. 分部資料 (續)

主要客戶資料

截至二零一零年十二月三十一日止年度，概無客戶佔收益總額超過10%。

截至二零零九年十二月三十一日止年度內，本集團客戶基礎乃多元化，但其中兩名於物業代理分部及一名於玩具產品買賣分部之客戶佔本集團總收益超過10%。物業代理分部之兩名客戶之銷售收益累計約為港幣22,784,000元及港幣20,013,000元，而玩具產品買賣分部之一名客戶之銷售收益累計約為港幣22,112,000元。

10. 其他收益

11. 財務費用

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綜合財務報表附註

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

12. INCOME TAX EXPENSE

12. 所得稅開支

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
The charge comprises:	支出包括：		
Hong Kong Profits Tax	香港利得稅	2,608	547
Underprovision in respect of prior years	過往年度撥備不足	16	12
		2,624	559

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

香港利得稅撥備乃按兩個年度之估計應課稅溢利以稅率16.5%計算。

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

本年度之所得稅開支與綜合收益表之除稅前虧損對賬如下：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Loss before tax	除稅前虧損	(239,881)	(143,729)
Tax at the applicable rate of 16.5% (2009: 16.5%)	按應用稅率16.5% (二零零九年：16.5%)計算之稅項	(39,580)	(23,715)
Tax effect of expenses not deductible for tax purpose	不可扣減開支之稅務影響	43,036	24,155
Tax effect of income not taxable for tax purpose	毋須課稅收益之稅務影響	(2,398)	(110)
Tax effect of tax loss not recognised	未確認稅務虧損之稅務影響	1,729	752
Utilisation of tax loss previously not recognised	動用先前未確認之稅務虧損之稅務影響	(179)	(535)
Underprovision in respect of prior years	過往年度撥備不足	16	12
Income tax expense	所得稅開支	2,624	559

Details of deferred taxation are set out in note 28.

遞延稅項載於附註28。

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綜合財務報表附註

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

13. LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR

13. 本年度虧損及全面開支總額

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Loss and total comprehensive expense for the year has been arrived at after charging (crediting):	本年度虧損及全面開支總額經扣除／(計入)下列各項：		
Directors' remuneration, including retirement benefits scheme contributions (note 14)	董事酬金(包括退休福利計劃供款)(附註14)	2,275	3,224
Other staff costs	其他員工成本	10,413	10,503
Other retirement benefits scheme contributions	其他退休福利計劃供款	530	628
Total staff costs	員工成本總額	13,218	14,355
Auditor's remuneration	核數師酬金	708	760
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	127	97
Impairment loss on trade receivables	應收賬款之減值虧損	77	399
Reversal of impairment loss on trade receivables	應收賬款之減值虧損之撥回	(820)	(676)
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)虧損	(23)	294
Operating lease payments for premises	物業經營租賃款項	4,237	3,921
Cost of inventories recognised as expense	已確認為開支之存貨成本	122,804	83,290
Gain on disposal of non-current assets classified as held for sale	出售列為持作出售之非流動資產之收益	(4,084)	—
Dividend income from equity securities	股息收入	(1,535)	—
Interest income	利息收入	(11)	(1)

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綜合財務報表附註

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

14. DIRECTORS' EMOLUMENTS

14. 董事酬金

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

已付及應付董事酬金乃列明如下：

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

	Mr. Ng Kai Man ("Mr. Ng") 吳啟民先生 (「吳先生」)	Mr. Ha Kee Choy, Eugene 夏其才先生	Ms. Ma Wai Man, Catherine 馬慧敏女士 (note a) (附註a)	Mr. Cheng Yuk Wo 鄭毓和先生 (note b) (附註b)	Mr. Chui Chi Yun, Robert 崔志仁先生	Mr. Lui Siu Tsuen, Richard 呂兆泉先生	Mr. Lam Kwok Cheong 林國昌先生 (note c) (附註c)	Total 總計
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Fees 袍金	—	—	—	33	100	100	31	264
Salaries and other benefits 薪金及實物福利	600	360	655	360	—	—	—	1,975
Retirement benefits scheme contributions 退休金計劃供款	12	12	4	8	—	—	—	36
Total emoluments 酬金總額	612	372	659	401	100	100	31	2,275

For the year ended 31 December 2009

截至二零零九年十二月三十一日止年度

	Mr. Ng 吳先生	Mr. Ha Kee Choy, Eugene 夏其才先生	Ms. Ma Wai Man, Catherine 馬慧敏女士 (note a) (附註a)	Mr. Cheng Yuk Wo 鄭毓和先生 (note b) (附註b)	Mr. Chui Chi Yun, Robert 崔志仁先生	Mr. Lui Siu Tsuen, Richard 呂兆泉先生 (note d) (附註d)	Ms. Leung Sau Fan, Sylvia 林國昌先生 (note e) (附註e)	Total 總計
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Fees 袍金	—	100	—	100	100	52	48	400
Salaries and other benefits 薪金及實物福利	300	180	2,320	—	—	—	—	2,800
Retirement benefits scheme contributions 退休金計劃供款	6	6	12	—	—	—	—	24
Total emoluments 酬金總額	306	286	2,332	100	100	52	48	3,224

note:

附註：

- (a) Resigned on 30 April 2010
- (b) Re-designated as executive director on 1 May 2010
- (c) Appointed on 9 September 2010
- (d) Appointed on 23 June 2009
- (e) Resigned on 23 June 2009

- (a) 於二零一零年四月三十日辭任
- (b) 於二零一零年五月一日調任為執行董事
- (c) 於二零一零年九月九日獲委任
- (d) 於二零零九年六月二十三日獲委任
- (e) 於二零零九年六月二十三日辭任

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綜合財務報表附註

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

14. DIRECTORS' EMOLUMENTS

(Continued)

For both 2010 and 2009, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. No directors waived any emoluments for both 2010 and 2009.

15. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2009: one) were directors of the Company, whose emoluments are included in note 14 above. The emoluments of the remaining three individuals (2009: four) were as follows:

Salaries and other benefits	薪金及實物福利
Retirement benefits scheme contributions	退休金計劃供款

14. 董事酬金 (續)

於二零一零年及二零零九年兩個年度內概無支付任何酬金，作為加入本集團或加入本集團後之獎勵或作為離職補償。於二零一零年及二零零九年兩個年度內概無董事放棄任何酬金。

15. 僱員酬金

於本年度，本集團五名最高酬金人士包括兩名(二零零九年：一名)董事，其酬金詳情已載於上文附註14呈列之分析。年內應付其餘三名(二零零九年：四名)人士之酬金如下：

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
	2,020	2,414
	29	59
	2,049	2,473

Their emoluments were within the following band:

彼等酬金屬於下列範圍：

	Number of employees 僱員人數	
	2010 二零一零年	2009 二零零九年
nil to HK\$1,000,000 零至港幣1,000,000元	3	4

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

16. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the equity holders of the Company is based on the following data:

16. 每股虧損

本公司權益持有人應佔之每股基本及攤薄虧損乃根據以下數據計算：

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	(242,505)	(144,288)
	Number of ordinary share 普通股數目	
	2010 二零一零年 '000 千股	2009 二零零九年 '000 千股 (As restated) (經重列)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share (note)	106,320	26,251

note:

The weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share for both years have been retrospectively adjusted for the effects of the share consolidation in February 2009 and December 2010 (note 27).

The computation of diluted loss per share for both years does not assume the conversion of the Company's outstanding convertible notes since their exercise would result in a decrease in loss per share.

附註：

用以計算兩個年度每股基本及攤薄虧損之加權平均普通股股數已就股份合併於二零零九年二月及二零一零年十二月生效而追溯調整(附註27)。

計算兩個年度之每股攤薄虧損時，假設並無兌換本公司尚未行使之可換股票據，因為其行使會導致每股虧損減少。

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綜合財務報表附註

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

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Leasehold improvements	Furniture fixtures and equipments	Motor vehicles	Total
		租賃物業裝修	傢具、 裝置及設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
COST	成本				
At 1 January 2009	於二零零九年一月一日	409	292	488	1,189
Additions	增購	—	82	—	82
Disposals	出售	(341)	(60)	—	(401)
At 31 December 2009	於二零零九年 十二月三十一日	68	314	488	870
Additions	增購	—	256	885	1,141
Disposals	出售	—	(164)	(70)	(234)
At 31 December 2010	於二零一零年 十二月三十一日	68	406	1,303	1,777
DEPRECIATION	折舊				
At 1 January 2009	於二零零九年一月一日	33	179	444	656
Provided for the year	本年度撥備	38	37	22	97
Disposals	出售	(53)	(13)	—	(66)
At 31 December 2009	於二零零九年 十二月三十一日	18	203	466	687
Provided for the year	本年度撥備	14	49	64	127
Disposals	出售	—	(160)	(50)	(210)
At 31 December 2010	於二零一零年 十二月三十一日	32	92	480	604
CARRYING VALUES	賬面值				
At 31 December 2010	於二零一零年 十二月三十一日	36	314	823	1,173
At 31 December 2009	於二零零九年 十二月三十一日	50	111	22	183

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

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

Leasehold improvements	20%
Furniture, fixtures and equipment	20%
Motor vehicles	20%

The net book value of motor vehicles of HK\$823,000 includes an amount of HK\$541,000 (31 December 2009: Nil) in respect of assets held under finance leases.

17. 物業、廠房及設備 (續)

上述物業、廠房及設備項目採用直線法按以下年率折舊：

租賃物業裝修	20%
傢具、裝置及設備	20%
汽車	20%

汽車之賬面淨值港幣823,000元包括一筆有關融資租賃項下持有之資產之款項港幣541,000元(二零零九年十二月三十一日：無)。

18. GOODWILL

18. 商譽

		Property agency 物業代理 HK\$'000 港幣千元	Toy products trading 玩具產品買賣 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
COST	成本			
At 1 January 2009, 31 December 2009 and 31 December 2010	於二零零九年一月一日、 二零零九年十二月三十一日 及二零一零年十二月三十一日	429,960	4,201	434,161
IMPAIRMENT	減值			
At 1 January 2009 and 31 December 2009	於二零零九年一月一日 及二零零九年十二月三十一日	173,960	4,201	178,161
Impairment loss recognised in the year	本年度已確認之減值虧損	164,000	—	164,000
At 31 December 2010	於二零一零年十二月三十一日	337,960	4,201	342,161
NET CARRYING AMOUNT	賬面淨值			
At 31 December 2010	於二零一零年十二月三十一日	92,000	—	92,000
At 31 December 2009	於二零零九年十二月三十一日	256,000	—	256,000

Goodwill is allocated to the Group's cash generating units ("CGU") identified according to business segment. The entire net carrying amount of goodwill as at 31 December 2010 and 2009 have been allocated to the group of CGUs comprising the property agency segment. The goodwill allocated to the toy products trading segment located in Hong Kong has been fully impaired in 2007.

商譽乃分配至根據業務分部而確認之現金產生單位(「現金產生單位」)。於二零一零年及二零零九年十二月三十一日，商譽之全部賬面淨值已被分配至現金產生單位組合(包括物業代理分部)。已被分配至位於香港之玩具產品買賣分部之商譽，並已於二零零七年全面減值。

18. GOODWILL (Continued)

PROPERTY AGENCY

The recoverable amount of the property agency CGUs was based on its value-in-use and was determined with the assistance of BMI Appraisals Limited, an independent professional qualified valuer not connected with the Group. These calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and at a discount rate of 15.94% (2009: 10.47%). Cash flows for the five-year period were extrapolated using a 3% (2009: 10%) growth rate in considering the economic conditions of the market.

The estimated growth rates used are comparable to the growth rate for the industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows which include budgeted sales and gross margin. Such estimation is based on the unit's past performance and management's expectations for market development including deteriorated sentiment for property sales due to high fluctuation of property price and property transaction volume in Hong Kong commenced since the second half year of 2010, which cast doubt on the potential profitability in the property agency in Hong Kong. The management of the Company therefore was of the opinion that their previous expectation on the potential profitability could not be met and as a result, goodwill was impaired accordingly.

The carrying amount of the unit was determined to be higher than its recoverable amount and an impairment loss of HK\$164,000,000 (2009: Nil) was recognised. The impairment loss was allocated fully to goodwill and is presented on the face of consolidated statement of comprehensive income.

18. 商譽 (續)

物業代理

物業代理現金產生單位之可收回金額按使用價值釐定，並已在中和邦盟評估有限公司（與本集團並無關連之獨立專業合資格估值師）協助下釐定。該等計算方法以管理層所批准之五年期財政預算及15.94%（二零零九年：10.47%）之貼現率釐定之現金流量預測作為基準。五年期間之現金流量以3%（二零零九年：10%）增長率推定，乃考慮到市場之經濟環境。

計算使用價值之其他主要假設為有關現金流量之估計（包括預算之銷售及毛利率），該等估計乃按該單位之過往表現及管理層對市場發展之預期而釐定，包括自二零一零年下半年起香港之樓價及物業成交量波動巨大而物業銷情轉弱，使香港之物業代理之潛在盈利能力成疑。有鑑於此，本公司管理層認為將無法達到過去對潛在盈利能力之期望，並因而作出商譽減值。

就單位釐定之賬面值高於其可收回金額，並已確認減值虧損港幣164,000,000元（二零零九年：無）。減值虧損已全部分配予商譽及列示於綜合全面收益表內。

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

19. TRADE AND OTHER RECEIVABLES

19. 應收賬款及其他應收款項

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Trade receivables	應收賬款	37,156	36,820
Allowance for doubtful debts	呆賬撥備	(1,073)	(1,816)
		36,083	35,004
Deposits, prepayments, and other receivables	按金、預付款及其他應收款項	6,809	7,256
		42,892	42,260

For toy products trading segment, the Group allows an average credit period ranging from 30 to 90 days to its trade customers. For property agency segment, the customers are obliged to settle the amounts upon completion of the relevant agreements and generally no credit facilities are granted.

就玩具產品買賣分部而言，本集團向其貿易客戶給予平均介乎三十至九十日之信貸期。就物業代理分部而言，客戶有責任於完成相關協議後即時結算款項，而一般並無獲提供信貸安排。

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

應收賬款(扣除呆賬撥備)於報告期末按發票日呈列之賬齡分析如下：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Accounts receivables	應收賬款		
0-30 days	0至30日	10,486	18,077
31-60 days	31至60日	5,459	4,959
61-90 days	61至90日	5,107	3,431
91-180 days	91日至180日	7,915	4,196
Over 180 days	180日以上	7,116	4,341
		36,083	35,004

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

19. TRADE AND OTHER RECEIVABLES (Continued)

Included in the Group's accounts receivable balance are debtors with aggregate carrying amount of HK\$15,893,000 (2009: HK\$9,057,000) which are past due as at the reporting date for which the Group has not provided for impairment loss because management is of the opinion that the fundamental credit quality of these customers has not deteriorated.

Before accepting any new customer, the Group will assess and understand the potential customer's credit quality and defines its credit limits. Credit limits attributed to each customer are reviewed regularly. Majority of the accounts receivables that are neither past due nor impaired have no default payment history.

AGEING OF ACCOUNTS RECEIVABLES WHICH ARE PAST DUE BUT NOT IMPAIRED

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Overdue by:	逾期：		
1 — 90 days	1至90日	13,959	6,793
91 — 180 days	91日至180日	1,546	1,603
Over 180 days	180日以上	388	661
		15,893	9,057

MOVEMENTS IN THE ALLOWANCE FOR DOUBTFUL DEBTS

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
At 1 January	於一月一日	1,816	2,101
Impairment losses recognised on receivables	於應收賬款確認之減值虧損	77	399
Amounts recovered during the year	年內已收回金額	(820)	(676)
Amounts written back during the year	年內撥回金額	—	(8)
At 31 December	於十二月三十一日	1,073	1,816

19. 應收賬款及其他應收款項 (續)

本集團之應收賬款結餘包括於報告日期已逾期總賬面值港幣15,893,000元(二零零九年：港幣9,057,000元)之應收賬款，由於管理層認為有關客戶的基本信貸質素並無轉壞，故本集團並無就此作出減值虧損撥備。

本集團將於接納任何新客戶前會評估及了解潛在客戶之信貸質素及釐定其信貸限額。每名客戶之信貸限額均會定期檢討。大部分並無逾期或減值之應收賬款並無欠款記錄。

已逾期但無減值之應收賬款賬齡

呆賬撥備變動

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

19. TRADE AND OTHER RECEIVABLES (Continued)**MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL DEBTS** (Continued)

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$1,073,000 (31 December 2009: HK\$1,816,000). The Group does not hold any collateral over these balances.

20. INVESTMENTS HELD FOR TRADING

Investments held for trading at the end of the reporting period included:

Listed securities:	上市證券：
— equity securities listed in Hong Kong	— 於香港上市之股本證券
Investments in wine future (note)	酒類期貨投資 (附註)

note:

The fair value of the investments in wine future was determined based on market price provided by a well-known wine and spirit merchant, which were determined with reference to the underlying value of wine.

21. CONVERTIBLE NOTES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

During the year, the Group purchased convertible notes with principal amount of HK\$16,500,000 issued by Hanny Holdings Limited ("Hanny CN 2011") and US\$5,000,000 (approximately HK\$38,798,000) issued by Crosby Capital Limited ("Crosby CN 2011") for consideration of HK\$12,540,000 and US\$1,500,000 (approximately HK\$11,675,000), respectively. These convertible notes were designated by the Group as financial assets through profit or loss. Hanny CN 2011 carries interest at 2% per annum with maturity on 15 June 2011 at redemption price of 100% of the principal amount. The initial conversion price of Hanny CN 2011 is HK\$9 per share and subject to anti-dilutive adjustments, and had been further adjusted to HK\$15.83 per share as a result of the issuer's anti-dilutive adjustments. Crosby CN 2011 is a zero coupon convertible note with maturity on 8 March 2011 at redemption price of 116.1% of the principal amount.

19. 應收賬款及其他應收款項 (續)**呆賬撥備變動 (續)**

呆賬撥備包括個別已減值應收賬款，結餘總額為港幣1,073,000元(二零零九年十二月三十一日：港幣1,816,000元)。本集團並無就該等結餘持有任何抵押品。

20. 持作買賣之投資

於報告期末之持作買賣之投資包括：

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
	47,595	—
	8,414	—
	56,009	—

附註：

酒類期貨投資之公平值乃基於一家知名葡萄酒及烈酒商所提供之市場價格釐定，其根據酒類相關價值釐定。

21. 指定按公平值列賬並計入損益之可換股票據

年內，本集團分別以代價港幣12,540,000元及1,500,000美元(約港幣11,675,000元)，買入分別由錦興集團有限公司及高誠資本有限公司發行，本金額分別為港幣16,500,000元(「錦興二零一一年可換股票據」)及5,000,000美元(約港幣38,798,000元)(「高誠二零一一年可換股票據」)之可換股票據。此等可換股票據獲本集團指定為透過損益列賬之財務資產。錦興二零一一年可換股票據按2%年利率計息及須於二零一一年六月十五日期時按本金額之100%贖回。錦興二零一一年可換股票據之初步兌換價為每股港幣9元，並可進行反攤薄調整，因發行人之反攤薄調整而進一步調整至每股港幣15.83元。高誠二零一一年可換股票據為零息可換股票據，須於二零一一年三月八日期時按本金額之116.1%贖回。

21. CONVERTIBLE NOTES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Continued)

The Group disposed of Crosby CN 2011 for a consideration of US\$2,143,000 (approximately HK\$16,680,000) during the year and a gain on fair value change of HK\$5,005,000 was recognised in profit or loss.

At the end of the reporting period, a gain on fair value change of the Hanny CN 2011 of HK\$3,613,000 was recognised in profit or loss. The fair value of Hanny CN 2011 as at 31 December 2010 consists of debt component and conversion option component.

The methods and assumptions applied for the valuation of Hanny CN 2011 are as follows:

VALUATION OF DEBT COMPONENT

The fair value of debt component was calculated based on the present value of contractually determined stream of future cash flows discounted at the required yield, which was determined with reference to the assumed credit risk of the convertible notes issuer and remaining time to maturity. The effective interest rate of the debt component of convertible note as at date of subscription is 9.46% as at 31 December 2010.

VALUATION OF CONVERSION OPTION COMPONENT

Binomial Tree Model is used for valuation for conversion option component of convertible notes. The inputs into the model of the convertible notes as at end of the reporting period are as follows:

Hanny CN 2011

Stock price	HK\$0.32
Expected life of option	0.46 year
Risk-free interest rate	0.31%
Volatility of the underlying stock	50.50%
Dividend yield	0%

22. BANK BALANCES AND CASH

Bank balances and cash comprises cash held by the Group and short-term bank deposits that are interest-bearing of 0.01% (2009: 0.05% to 2.85%) and have original maturity of three months or less.

21. 指定按公平值列賬並計入損益之可換股票據 (續)

本集團年內以代價2,143,000美元(約港幣16,680,000元)出售高誠二零一一年可換股票據，而公平值變動收益港幣5,005,000元已於損益內確認。

於報告期末，錦興二零一一年可換股票據之公平值變動收益港幣3,613,000元已於損益內確認。錦興二零一一年可換股票據於二零一零年十二月三十一日之公平值包含債務部分及兌換權部份。

錦興二零一一年可換股票據採用之估值方法及假設載列如下：

債務部分之估值

債務部分公平值乃根據合約釐定之日後現金流量按規定收益率貼現之現值計算，日後現金流量乃經參考可兌換票據發行人之假設信用風險及餘下至屆滿時間而釐定。於二零一零年十二月三十一日，可換股票據債務部分於認購日期之實際利率為9.46%。

兌換權部分之估值

可兌換票據之兌換權部分使用二權樹定價模型估值。於報告期末，可換股票據模式輸入之數據如下：

錦興二零一一年可換股票據

股價	港幣0.32元
期權預計年期	0.46年
無風險利率	0.31%
相關股票波幅	50.50%
息率	0%

22. 銀行結餘及現金

銀行結餘及現金包括本集團所持現金及按0.01厘(二零零九年：0.05厘至2.85厘)之利率計息且原到期日為三個月或以內之短期銀行存款。

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23. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

23. 列為持作出售之非流動資產

		HK\$'000 港幣千元
At 1 January 2009	於二零零九年一月一日	—
Transferred from investment properties	轉自投資物業	14,106
At 31 December 2009	於二零零九年十二月三十一日	14,106
Disposal	出售	(14,106)
At 31 December 2010	於二零一零年十二月三十一日	—

On 15 December 2009, the Group entered into an agreement with an independent third party for the disposal of the Group's investment properties at a consideration of HK\$18,200,000. Accordingly, the carrying amount of investment properties was reclassified as non-current assets held for sale and presented separately in the consolidated statement of financial position as at 31 December 2009.

The transaction was completed on 25 February 2010 and a gain on disposal of non-current assets classified as held for sale of HK\$4,084,000 was recognised in the consolidated statement of comprehensive income.

於二零零九年十二月十五日，本集團與獨立第三方就以代價港幣18,200,000元出售本集團投資物業訂立協議。因此，於二零零九年十二月三十一日，投資物業之賬面值重新列為持作出售之非流動資產，並於綜合財務狀況表獨立呈列。

該項交易已於二零一零年二月二十五日完成，而出售列為持作出售之非流動資產之收益港幣4,084,000元已於綜合全面收益表內確認。

24. TRADE AND OTHER PAYABLES

24. 應付賬款及其他應付款項

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Trade payables	應付賬款	24,393	22,673
Other payables	其他應付款項	106,234	24,796
		130,627	47,469

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24. TRADE AND OTHER PAYABLES

(Continued)

The following is an analysis of trade payable by age presented based on invoice date.

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
0-30 days	0至30日	5,006	8,528
31-60 days	31至60日	1,701	3,319
61-90 days	61至90日	4,353	2,179
91-180 days	91至180日	6,657	3,713
Over 180 days	180日以上	6,676	4,934
		24,393	22,673

The average credit period on purchases of goods is 90 – 120 days.

The payables and accruals mainly comprise of the deposits received, receipts in advance, accrued salary and other sundry creditors.

At 31 December 2010, included in the Group's trade and other payables was provision for losses on litigation of approximately HK\$83.5 million made in accordance with the Judgment, details of which are set out in note 33.

In preparing the consolidated financial statements of the Group for the year ended 31 December 2010, the directors of the Company, after taking advice from its solicitors, have determined that provision for losses on litigation be recognised and estimated to include (a) the Debt and the interest thereon; and (b) plaintiff costs and the interest thereon. As set out in note 33, there will be a hearing on 11 April 2011 before the trial judge to deal with the application for such cost and interest.

24. 應付賬款及其他應付款項 (續)

應付賬款按發票日期呈列之賬齡分析如下。

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
	5,006	8,528
	1,701	3,319
	4,353	2,179
	6,657	3,713
	6,676	4,934
	24,393	22,673

採購貨品之平均信貸賬期為90至120日。

應付賬款及應計費用主要包括已收取訂金、預收款項、應計薪金及其他雜項賬款。

於二零一零年十二月三十一日，本集團之應付賬款及其他應付款項包括訴訟損失之撥備約港幣83,500,000元，有關詳情載於附註33。

編製本集團截至二零一零年十二月三十一日止年度之綜合財務報表時，本公司之董事經諮詢其律師意見後決定，確認訴訟損失之撥備，並估計會包括(a)債務及相關利息；及(b)原告人訟費及相關利息。如附註33所載，將於二零一一年四月十一日進行聆訊，於主審法官前處理有關訟費及利息之申請。

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25. CONVERTIBLE NOTES (Continued)

(A) JULY 2011 CONVERTIBLE NOTES

On 23 July 2008, the Company issued HK\$130,000,000 3-year 2% convertible notes (the "July 2011 Convertible Notes") at 100% of principal amount to Mr. Ng as part of the consideration for the acquisition of C21 Group.

At the option of the noteholders, the noteholders have the right, subject to restrictions stated below, to convert in whole or any part of the outstanding principal amount of the July 2011 Convertible Notes into ordinary shares of the Company of HK\$0.125 each at any time from the 15th day after the date of issue up to and including the date which is 15 days prior to the maturity date at the initial conversion price of HK\$0.1375 per share. The conversion price is subject to adjustment on the occurrence of dilutive or concentrative event. Following the capital reorganisation and the share placings as disclosed in note 27, the conversion price was adjusted to HK\$8.36 per ordinary share of HK\$0.01 each with effect from 7 December 2010. Unless previously converted, the Company will redeem the July 2011 Convertible Notes of its principal amount outstanding on 23 July 2011 at par.

The noteholders of the July 2011 Convertible Notes shall not exercise any conversion right attaching to the July 2011 Convertible Notes or to such an extent that results or will result in (i) the noteholder and parties acting in concert with it (within the meaning under the Hong Kong Code on Takeovers and Mergers) beneficially holding more than 29% (or such percentage as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) of the then enlarged issued share capital of the Company at the relevant date of conversion of the July 2011 Convertible Notes; or (ii) the Company in breach of any provision of the Listing Rules, including the requirement to maintain the prescribed minimum percentage (currently being 25%) of the issued share capital of the Company held by the public (as defined in the Listing Rules), unless prior approval or waiver has been obtained from the Stock Exchange.

25. 可換股票據 (續)

(A) 二零一一年七月可換股票據

於二零零八年七月二十三日，本公司按100%本金額向吳先生發行港幣130,000,000元之三年期2%可換股票據（「二零一一年七月可換股票據」），作為收購世紀21集團之部分代價。

按票據持有人之選擇，票據持有人有權（在下列限制所規限下）於發行日期後15日起至到期日前15日（包括當日）止，隨時將二零一一年七月可換股票據之全部或任何部分未償還本金額按初步兌換價每股港幣0.1375元兌換為本公司之普通股每股面值港幣0.125元。兌換價可於發生攤薄或合併事件下調整。於附註27披露之股本重組及股份配售後，兌換價已調整至每股面值港幣0.01元之普通股為港幣8.36元，自二零一零年十二月七日起生效。除非先前已經兌換，否則本公司將按面值贖回於二零一一年七月二十三日未贖回本金額之二零一一年七月可換股票據。

倘行使二零一一年七月可換股票據附帶之兌換權致使或將致使(i)二零一一年可換股票據持有人及其一致行動人士（具有香港公司收購及合併守則所賦予之涵義）實益擁有相關二零一一年七月可換股票據兌換日期當時之經擴大本公司已發行股本超過29%（或香港公司收購及合併守則不時規定將觸發強制性全面收購建議之有關百分比）以上權益；或(ii)本公司違反上市規則任何條文，包括維持公眾人士（定義見上市規則）持有本公司已發行股本之指定最低百分比（現時為25%）規定，除非取得聯交所事先批准或豁免，否則二零一一年七月可換股票據持有人不得行使任何兌換權利或達該程度之權利。

25. CONVERTIBLE NOTES (Continued)**(A) JULY 2011 CONVERTIBLE NOTES**

(Continued)

The convertible notes contain two components, liability and equity elements. The equity element is presented in equity under the heading of “convertible notes reserve”. The effective interest rate of the liability component of the convertible notes is at 6.25%.

On 2 July 2010, the Group has completed a negotiation with certain noteholders and mutually agreed to early redeem the July 2011 Convertible Notes at HK\$57,000,000, a discount of 5% of its principal amount of HK\$60,000,000. The consideration paid was first allocated to the liability component with the residual of HK\$6,436,000 being assigned to the repurchase of the equity component. A gain on early redemption of convertible notes of HK\$8,059,000 was recognised in the profit or loss.

No July 2011 Convertible Notes were converted into ordinary shares of the Company during both years.

The principal amount outstanding as at the end of the reporting period was HK\$70,000,000 (2009: HK\$130,000,000).

(B) MAY 2011 CONVERTIBLE NOTES

On 15 May 2009, the Company issued 2-year 2.25% convertible notes with an aggregate principal amount of HK\$18,000,000 (the “May 2011 Convertible Notes”). The May 2011 Convertible Notes are convertible into shares of the Company at an initial conversion price of HK\$0.18 per share at any time from the 15th day after the date of issue up to and including the date which is 15 days prior to the maturity date of the May 2011 Convertible Notes. Besides the anti-dilution adjustments, the conversion price will be adjusted to the average closing price of the shares of the Company for the five trading days ending on the day immediately preceding the date of a relevant conversion notice, if lower than HK\$0.18, but subject to a limit of not less than HK\$0.15.

As the conversion price is subject to adjustments, the conversion option will be settled other than by a fixed number of the Company's shares, the conversion option is regarded as derivative.

25. 可換股票據 (續)**(A) 二零一一年七月可換股票據**

(續)

可換股票據包括負債及股本兩部分。股本部分在股本呈列為「可換股票據權益儲備」。可換股票據之負債部分之實際利率為6.25%。

於二零一零年七月二日，本集團已完成與若干票據持有人磋商並共同同意以港幣57,000,000元（較本金額港幣60,000,000元折讓5%）提早贖回二零一一年七月可換股票據。已付代價首先分配至負債部份，而剩餘金額港幣6,436,000元則分配至購回權益部份。提早贖回可換股票據之收益港幣8,059,000元已於損益確認。

概無二零一一年七月可換股票據於兩年內獲兌換為本公司普通股。

於報告期末尚未贖回之本金額為港幣70,000,000元（二零零九年：港幣130,000,000元）。

(B) 二零一一年五月可換股票據

於二零零九年五月十五日，本公司發行本金總額港幣18,000,000元之兩年期2.25%可換股票據（「二零一一年五月可換股票據」）。由二零一一年五月可換股票據發行日後第十五日起至二零一一年五月可換股票據到期日前十五日止（包括該日），可隨時按初步換股價每股港幣0.18元兌換為本公司股份。除反攤薄調整外，倘換股價低於港幣0.18元，換股價將被調整為緊接相關換股通知日期之前一日止五個交易日本公司股份之平均收市價，惟不得低於港幣0.15元。

由於兌換價可予以調整，兌換權將會以本公司固定股份數目以外之方式結償，而兌換權被視為衍生。

25. CONVERTIBLE NOTES (Continued)

(B) MAY 2011 CONVERTIBLE NOTES

(Continued)

Accordingly, the May 2011 Convertible Notes have been split into liability and derivative components upon initial recognition. The excess of the fair values of the liability and derivative components over the net proceeds from the issue of the May 2011 Convertible Notes have been recognised as the fair value loss on the derivative component of the May 2011 Convertible Notes in the profit or loss.

The derivative component of the May 2011 Convertible Notes is revalued to its fair value using Binominal model at the reporting date and change in fair values is recognised as an expense in the profit or loss. During the year ended 31 December 2009, the fair value loss resulted from initial recognition and revaluation at date of conversion was HK\$127,262,000.

In July 2009, the entire principal amount of the May 2011 Convertible Notes has been converted at the conversion price of HK\$0.18 per share and accordingly 99,999,994 shares have been issued and allotted. The fair value of the derivative component and the amortised cost of the liability component of the May 2011 Convertible Notes at the conversion dates were transferred to and recorded as the share capital and share premium of the Company.

25. 可換股票據 (續)

(B) 二零一一年五月可換股票據

(續)

因此，二零一一年五月可換股票據於初步確認時拆分為負債及衍生工具部份。負債及衍生工具部分之公平值高於從發行二零一一年五月可換股票據所得款項淨額之部份，於損益內確認為二零一一年五月可換股票據衍生工具部份之公平值虧損。

二零一一年五月可換股票據之衍生工具部份於報告日期使用二項式重估至其公平值，並於損益內確認公平值之變動。截至二零零九年十二月三十一日止年度，因初步確認及兌換日期重估引致之公平值虧損為港幣127,262,000元。

於二零零九年七月，二零一一年五月可換股票據之本金額已按兌換價每股港幣0.18元獲全數兌換，因而發行及配發99,999,994股股份。二零一一年五月可換股票據衍生工具部份之公平值及負債部份之攤銷成本已於兌換當日轉撥至及入賬為本公司之股本及股份溢價。

26. OBLIGATIONS UNDER A FINANCE LEASE

It is the Group's policy to lease its motor vehicles under finance lease. The average lease term is 32 months (2009: Nil). Interest rates underlying obligations under a finance lease are fixed at contract date of 1.8% per annum. The Group has an option to purchase the motor vehicle for a nominal amount at the end of the lease terms. No arrangements have been entered into for rental payments.

26. 融資租賃責任

本集團之政策乃根據融資租約租賃汽車。平均租期為三十二個月(二零零九年：無)。融資租賃責任有關利率已於合約日期固定為每年1.8%。本集團可選擇於租賃期末以面值購買汽車。並無就支付租金訂立任何安排。

		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款之現值	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Amounts payable under finance lease	根據融資租約應付款項				
Within one year	一年內	197	—	179	—
In more than one year and not more than five years	超過一年，但不超過五年	311	—	301	—
		508	—	480	—
Less: future finance charges	減：日後融資費用	(28)	—	—	—
Present value of lease obligation	租賃責任之現值	480	—	480	—
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：於十二個月內到期之款項(呈列作流動負債)			(179)	—
Amount due for settlement after 12 months	於十二個月後到期之款項			301	—

The Group's obligations under a finance lease are secured by the lessors' title to the leased assets.

本集團之融資租賃責任乃以出租人所租賃資產之擁有權作抵押。

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27. SHARE CAPITAL

27. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 港幣千元
Authorised:	法定：		
Ordinary shares	普通股		
At 1 January 2009, at HK\$0.125 each	於二零零九年一月一日， 每股面值港幣0.125元	4,000,000	500,000
Share consolidation of 20 ordinary shares of HK\$0.125 each into 1 ordinary share of HK\$2.50 each	二十股每股面值港幣0.125元 之普通股合併為一股 每股面值港幣2.50元 之普通股	(3,800,000)	—
Share subdivision	股份拆細	49,800,000	—
At 31 December 2009 and 31 December 2010 at HK\$0.01 each	於二零零九年十二月三十一日及 二零一零年十二月三十一日， 每股面值港幣0.01元	50,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares	普通股		
At 1 January 2009, at HK\$0.125 each	於二零零九年一月一日， 每股面值港幣0.125元	1,251,646	156,456
Share consolidation of 20 ordinary shares of HK\$0.125 each into 1 ordinary share of HK\$2.50 each (note a)	二十股每股面值港幣0.125元 之普通股合併為一股每股 面值港幣2.50元之普通股 (附註a)	(1,189,064)	—
Capital reduction (note a)	削減股本(附註a)	—	(155,830)
Issue of shares upon placing of shares (note b)	因配售股份而發行股份(附註b)	198,800	1,988
Conversion rights of the May 2011 Convertible Notes exercised	二零一一年五月可換股票據 兌換權獲行使	100,000	1,000
Shares issued under rights issue (note c)	因供股而發行股份(附註c)	1,445,529	14,455
At 31 December 2009 at HK\$0.01 each	於二零零九年十二月三十一日， 每股面值港幣0.01元	1,806,911	18,069
Issue of shares upon placing of shares (note d)	每股面值港幣0.01元因配售股份 而發行股份(附註d)	447,000	4,470
Share consolidation of 20 ordinary shares of HK\$0.01 each into 1 ordinary share of HK\$0.20 each; and reduction par value of each consolidated share from HK\$0.20 to HK\$0.01 (note e)	二十股每股面值港幣0.01元之普通股 合併為一股每股面值港幣0.20元 之普通股；及每股經合併股份面值 由港幣0.20元削減至港幣0.01元 (附註e)	(2,141,215)	(21,412)
At 31 December 2010	於二零一零年十二月三十一日	112,696	1,127

27. SHARE CAPITAL (Continued)**27. 股本** (續)

Notes:

- a. Pursuant to a special resolution passed in a special general meeting of the Company, the Company effected a capital reorganisation on 12 February 2009 which involved:
- (i) Every twenty shares of HK\$0.125 each in both the issued and unissued share capital of the Company were consolidated into one consolidated share of HK\$2.50;
 - (ii) The par value of each issued consolidated share was reduced from HK\$2.50 to HK\$0.01 by cancellation of HK\$2.49 of the paid-up capital on each consolidated share;
 - (iii) Each of the authorized but unissued consolidated share in the capital of the Company of par value of HK\$2.50 was subdivided into 250 shares of par value of HK\$0.01 each;
 - (iv) The entire amount of the share premium account of the Company was cancelled; and
 - (v) The credit arising from the capital reduction and the share premium reduction was applied to eliminate the accumulated losses of the Company.
- b. Pursuant to a placing agreement dated 17 December 2008, 130,000,000 Shares and 25,300,000 Shares were issued and allotted at a consideration of HK\$0.15 per Share on 31 March 2009 and 14 May 2009 respectively.

Further, pursuant to a placing agreement dated 21 September 2009, 43,500,000 Shares were issued and allotted at a consideration of HK\$0.42 per Share on 29 September 2009.

- c. An ordinary resolution was passed in a special general meeting of the Company on 23 November 2009 to approve a rights issue on the basis of four rights shares for every one share held by the shareholders on the register of members on 23 November 2009 at a subscription price of HK\$0.10 per rights share. The rights issue became unconditional on 14 December 2009 and 1,445,529,192 shares were issued and allotted on 21 December 2009 for a total cash consideration, before share issue expenses, of approximately HK\$144,552,000.

附註：

- a. 根據於本公司股東特別大會通過之特別決議案，本公司於二零零九年二月十二日實行股本重組，包括：
- (i) 本公司已發行及未發行股本中每二十股每股面值港幣0.125元之股份合併為一股每股面值港幣2.50元之合併股份；
 - (ii) 藉註銷每股合併股份之實繳資本港幣2.49元，將每股已發行合併股份之面值由港幣2.50元削減至港幣0.01元；
 - (iii) 本公司股本中每股面值港幣2.50元之法定但未發行合併股份拆細為250股每股面值港幣0.01元之股份；
 - (iv) 註銷本公司股份溢價賬之全部數額；及
 - (v) 將削減股本及削減股份溢價所引致之進賬額用作撇銷本公司之累計虧損。
- b. 根據日期為二零零八年十二月十七日之配售協議，分別於二零零九年三月三十一日及二零零九年五月十四日以代價每股港幣0.15元發行及配發130,000,000股及25,300,000股股份。

此外，根據二零零九年九月二十一日之配售協議，於二零零九年九月二十九日按每股港幣0.42元之代價發行及配發43,500,000股股份。

- c. 於二零零九年十一月二十三日之本公司股東特別大會上，一項普通決議案獲得通過，以批准按認購價每股供股股份港幣0.10元進行供股，基準為於二零零九年十一月二十三日名列股東名冊之股東每持有一股股份獲發四股供股股份。供股於二零零九年十二月十四日成為無條件，並於二零零九年十二月二十一日發行及配發1,445,529,192股股份，扣除股份發行費用前之總現金代價約為港幣144,552,000元。

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

27. SHARE CAPITAL (Continued)

27. 股本 (續)

Notes: (Continued)

附註：(續)

- d. Pursuant to a placing agreement dated 4 January 2010, 72,000,000 Shares were issued and allotted at a consideration of HK\$0.15 per share on 12 January 2010.

- d. 根據日期為二零一零年一月四日之配售協議，於二零一零年一月十二日以代價每股港幣0.15元發行及配發72,000,000股股份。

Further, pursuant to a placing agreement dated 26 April 2010, 375,000,000 Shares were issued and allotted at a consideration of HK\$0.133 per share on 3 May 2010.

此外，根據二零一零年四月二十六日之配售協議，於二零一零年五月三日按每股港幣0.133元之代價發行及配發375,000,000股股份。

- e. Pursuant to a special resolution passed in a special general meeting of the Company, the Company effected a capital reorganisation (the "Capital Reorganisation") on 7 December 2010 which involved:

- e. 根據於本公司股東特別大會通過之特別決議案，本公司於二零一零年十二月七日實行股本重組（「股本重組」），包括：

(i) every twenty issued shares of par value HK\$0.01 each in the share capital of the Company be consolidated into one issued share of par value HK\$0.20;

(i) 本公司股本中每二十股每股面值港幣0.01元之已發行股份合併為一股面值港幣0.20元之已發行股份；

(ii) the issued share capital of the Company be reduced by cancelling the paid-up capital to the extent of HK\$0.19 on each of the issued Consolidated Shares such that the nominal value of each of the issued Consolidated Shares of the Company be reduced from HK\$0.20 to HK\$0.01;

(ii) 藉註銷每股合併股份港幣0.19元之繳足股本，削減本公司之已發行股本，使本公司每股已發行合併股份之面值由港幣0.20元削減至港幣0.01元；

(iii) the entire amount standing to the credit of the share premium account of the Company be cancelled and the authorised share capital of the Company shall remain unchanged; and

(iii) 註銷本公司股份溢價賬內之全數金額，本公司之註冊股本維持不變；及

(iv) the credit arising from the capital reduction and the share premium cancellation be credited to the contributed surplus account of the Company and the directors of the Company ("Directors") be and are hereby authorised to apply the amount in the contributed surplus account of the Company to set off the accumulated loss of the Company in the manner permitted by the laws of Bermuda and the bye-laws of the Company without further authorisation from the shareholders of the Company.

(iv) 將股本削減及削減股份溢價所產生之進賬轉至本公司之實繳盈餘賬，並授權本公司董事（「董事」）按百慕達法律及本公司之公司細則所允許之方式，運用本公司實繳盈餘賬內之金額以抵銷本公司之累計虧損，無須本公司股東再作授權。

Details of the Capital Reorganisation were set out in the circular of the Company dated 12 November 2010.

股本重組之詳情載於本公司日期為二零一零年十一月十二日之通函內。

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

27A. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

27A. 有關本公司財務狀況表之資料

有關本公司於報告期末財務狀況表之資料如下：

		Note	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
TOTAL ASSETS	資產總額			
Investments in subsidiaries	於附屬公司之投資		1	1
Amounts due from subsidiaries	應收附屬公司款項		158,504	279,182
Other receivables	其他應收款項		556	112
Investments held for trading	持作買賣之投資		8,414	—
Bank balances and cash	銀行結餘及現金		35,816	85,670
			203,291	364,965
TOTAL LIABILITIES	負債總額			
Other payables	其他應付款項		86,031	3,012
Convertible notes	可換股票據		68,411	122,054
			154,442	125,066
NET ASSETS	資產淨值		48,849	239,899
CAPITAL AND RESERVES	股本及儲備			
Share capital (Note 27)	股本(附註27)		1,127	18,069
Reserves	儲備	(a)	47,722	221,830
			48,849	239,899

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綜合財務報表附註

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

27A. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

27A. 有關本公司財務狀況表之資料

Note:

附註：

(a) Reserves

(a) 儲備

		Share premium	Contributed surplus	Convertible notes equity reserve	Accumulated losses	Total
		股份溢價 HK\$'000 港幣千元	實繳盈餘 HK\$'000 港幣千元 (note b) (附註b)	可換股票據 權益儲備 HK\$'000 港幣千元	累計虧損 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
At 1 January 2009	於二零零九年一月一日	168,098	49,948	14,679	(332,514)	(99,789)
Loss for the year and total comprehensive expense for the year	本年度虧損及本年度全面開支總額	—	—	—	(144,252)	(144,252)
Elimination of accumulated losses upon capital reduction	因削減股本而撇銷累計虧損	(168,098)	—	—	323,928	155,830
Issue of shares upon placing of shares	因股份配售而發行股份	39,577	—	—	—	39,577
Issue of shares upon conversion of the May 2011 Convertible Notes	因兌換二零一一年五月可換股票據而發行股份	144,686	—	—	—	144,686
Shares issued under rights issue	因供股而發行股份	130,097	—	—	—	130,097
Share issue expense	股份發行費用	(4,319)	—	—	—	(4,319)
At 31 December 2009	於二零零九年十二月三十一日	310,041	49,948	14,679	(152,838)	221,830
Loss for the year and total comprehensive expense for the year	本年度虧損及本年度全面開支總額	—	—	—	(244,017)	(244,017)
Issue of shares upon placing of shares	因股份配售而發行股份	56,205	—	—	—	56,205
Share issue expense	股份發行費用	(1,272)	—	—	—	(1,272)
Capital reduction	股本削減	—	21,412	—	—	21,412
Share premium reduction	股份溢價賬削減	(364,974)	364,974	—	105,239	105,239
Partial redemption of convertible notes	贖回部分可換股票據	—	—	(6,775)	339	(6,436)
Transfer	轉撥	—	(105,239)	—	—	(105,239)
At 31 December 2010	於二零一零年十二月三十一日	—	331,095	7,904	(291,277)	47,722

(b) Contributed surplus

(b) 實繳盈餘

The contribution surplus represented reduction in issued share capital pursuant to a capital restructuring in 2004 and Capital Reorganisation in 2010. Under the Company Law of Bermuda, the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

實繳盈餘指於二零零四年削減股本及二零一零年股本重組時所削減之股本。根據百慕達公司法，本公司之實繳盈餘可予分派。然而如有下列情況，本公司不得以實繳盈餘宣派或派付股息或作出分派：

- (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

- (i) 本公司現時不能或於派付後將不能償還到期負債；或
- (ii) 本公司資產之可變現價值將因而低於其負債及其已發行股本與股份溢價之總和。

28. DEFERRED TAX LIABILITIES

At the end of the reporting period, the Group has unused tax losses of HK\$53,440,000 (2009: HK\$44,046,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams.

29. OPERATING LEASES**THE GROUP AS LESSEE**

The Group made minimum lease payments paid under operating leases in respect of office premises and shops of approximately HK\$4,237,000 (2009: HK\$3,921,000).

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

Within one year	一年內
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)

Operating lease payments represent rentals payable by the Group for certain of its office premises and photocopying machines. Leases are negotiated and rentals are fixed for lease terms of one to five years.

28. 遞延稅項負債

於報告期末，本集團可供抵銷將來溢利之未使用稅項虧損為港幣53,440,000元(二零零九年：港幣44,046,000元)，該等稅項虧損可無限期地結轉。由於難以估計將來溢利來源，故並無就該等稅項虧損確認遞延稅項資產。

29. 經營租賃**本集團為承租人**

本集團有關辦公室物業及商舖按經營租約之最低租約付款為約港幣4,237,000元(二零零九年：港幣3,921,000元)。

於報告期末，本集團尚有不可撤銷之經營租約，於下列年度應付之未來最低租約付款如下：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Within one year	一年內	2,589	3,063
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	626	892
		3,215	3,955

經營租約付款指本集團應付之若干物業及複印機之應付租金。經磋商，租金於一至五年租期內不能變動。

30. SHARE OPTIONS SCHEME

Pursuant to the resolution passed at a special general meeting held on 17 September 2004, the Company adopted a new share option scheme (the "Scheme"). The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The eligible participants of the Scheme include the Company's or its subsidiaries' executive directors, non-executive directors and employees, and any business consultants, agents, financial or legal advisers and any other persons who the board of director consider, at its sole discretion, will contribute or have contributed to the Group.

The grant of share options should be accepted within 30 days from the date of the grant, at a consideration of HK\$1, being payable by the grantee upon the acceptance of grant. The options may be exercised at any time within the period commencing from the date of grant of the options and expiring on the date determined by the directors, but in any event such exercise period shall not exceed a period of ten years commencing on the date the relevant option is deemed to be granted.

The exercise price of the share options was determinable by the directors, but was not able to be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant and (iii) the nominal value of the Company's share.

Pursuant to the Scheme, the maximum number of shares in the Company in respect of which options may be granted when aggregated with any other share option scheme of the Company is not permitted to exceed 10% of the issued share capital of the Company as at the date of adoption of the Scheme. Subject to the issue of a circular and the approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the board may refresh the limit at any time to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in general meeting. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time.

30. 購股權計劃

根據於二零零四年九月十七日舉行之股東特別大會上通過之決議案，本公司採納一項新購股權計劃（「該計劃」）。本公司設立該計劃，以激勵並獎勵對本集團經營成果有貢獻之合資格參與者。該計劃之合資格參與者包括本公司或其附屬公司之執行董事、非執行董事及僱員，及任何業務顧問、代理人、財務或法律顧問及任何董事會全權酌情認為對本集團將有貢獻或已作出貢獻之其他人士。

授出之購股權應自授出日起30天內接納，代價為港幣1元，由承授人於接納時支付。購股權可自授出購股權之日起至董事釐定之日止期間內隨時行使，惟該行使期間在任何情況下不得超逾被視為獲授相關購股權之日起計十年。

購股權之行使價由董事釐定，惟不得低於以下之較高者：(i)授出日期（必須為營業日）在聯交所每日報價表呈列之股份收市價；(ii)授出日期對上五個營業日在聯交所每日報價表呈列之股份平均收市價；及(iii)本公司股份之面值。

根據該計劃，可授出之購股權連同本公司任何其他購股權計劃可能授出者所涉及本公司股份最高數目不得超過本公司於該計劃採納日期已發行股本10%。在遵守刊發通函及本公司股東於股東大會批准及／或上市規則不時指定之其他規定下，董事會可隨時更新有關限額至本公司股東於股東大會批准日期之已發行股份總數10%。無論上文載有任何規定，根據該計劃及本公司任何其他購股權計劃已授出但有待行使之所有尚未行使購股權獲行使時可予發行之股份，於任何時間均不得超過不時已發行股份30%。

30. SHARE OPTIONS SCHEME*(Continued)*

No option may be granted to any person if the total number of shares of the Company already issued and issuable to him under all the options granted to him in any 12 month period up to and including the date of grant exceeding 1% of total number of shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting. Such participant and his associates (as defined in the Listing Rules) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

At 31 December 2010 and 2009, there were no outstanding share options and there were no additional share options granted for the years ended 31 December 2010 and 2009.

31. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of HK\$1,000 or 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

30. 購股權計劃 (續)

倘於截至及包括授出日期止任何12個月期間，根據授予任何人士之所有購股權已經及可予發行之本公司股份總數超過於授出日期已發行股份總數1%，則不得再向有關人士授出購股權。進一步授出超過該1%限額之購股權，須待本公司刊發通函及股東於股東大會批准（有關參與人士及其聯繫人士（定義見上市規則）須放棄投票）及／或遵守上市規則不時指定之其他規定所限。倘授予主要股東或獨立非執行董事之購股權超過本公司股本之0.1%或價值超過港幣5,000,000元，必須獲得本公司股東事先批准。

於二零一零年及二零零九年十二月三十一日，概無尚未行使之購股權及截至二零一零年及二零零九年十二月三十一日止年度內亦無授出額外購股權。

31. 退休福利計劃

本集團為所有香港合資格僱員運作強制性公積金計劃。該計劃之資產與本集團資產分開持有，存放於托管人所控制之基金內。本集團按每位員工港幣1,000元或僱員相關薪金成本5%之較低者向該計劃作出供款，僱員亦作出等額供款。

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32. RELATED PARTY DISCLOSURES

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and other members of key management during the year is as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Short-term benefits	短期福利	2,889	3,850
Post-employment benefits	退休福利	60	48
		2,949	3,898
Companies under common control by executive directors of the Company	受本公司執行董事共同控制之公司		
Referral income received (note)	已收轉介收入(附註)	—	100

note: Mr. Ng is a director and has beneficial interests in those companies.

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

33. LITIGATION

On 8 October 2004, Mr. Kwok, a former director of the Company, commenced legal proceedings ("the Action") against the Company in respect of the loans due from two former subsidiaries of the Company, namely, Rockapetta Industrial Company Limited and Grand Extend Investment Limited, for a sum of approximately HK\$44.5 million and accrued interest thereof.

As at 31 December 2009, the Action was pending trial at High Court with trial date of the Action fixed in January 2011. The solicitors and counsel acting for the Company had received the pleadings and all evidence disclosed in the Action and they held good of their advice previously delivered to the Company. With the advices of solicitors and counsel, the directors were of the opinion that Mr. Kwok did not have a valid claim against the Company and it was unlikely to have any material adverse financial impact on the Company. Therefore, no provision for any liability that may result was made in the consolidated financial statements as of 31 December 2009.

32. 關連人士披露

主要管理人員之補償

年內董事及其他主要管理人員之酬金如下：

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Short-term benefits	2,889	3,850
Post-employment benefits	60	48
	2,949	3,898
Companies under common control by executive directors of the Company		
Referral income received (note)	—	100

附註：吳先生為董事，並於該等公司擁有實益權益。

董事及主要行政人員之酬金乃由薪酬委員會視乎個人表現及市場趨勢而釐定。

33. 訴訟

於二零零四年十月八日，本公司前董事郭先生就本公司兩間前附屬公司(樂家實業有限公司及展昌投資有限公司)所欠貸款約港幣44,500,000元連應計利息向本公司開展法律訴訟(「該訴訟」)。

於二零零九年十二月三十一日，該訴訟仍待高等法院裁決，裁決日期訂於二零一一年一月。代表本公司之律師及大律師已審閱就訴訟所披露之訴狀及全部證據，彼等堅守彼等先前給予本公司之意見。在徵詢律師及大律師之意見後，董事認為，郭先生並無有效理據向本公司申索，故訴訟應不會對本公司造成任何重大不利之財務影響。因此，於二零零九年十二月三十一日，概無於綜合財務報表就此而產生之任何負債作出撥備。

33. LITIGATION (Continued)

On 2 March 2011, the Judgment was handed down by the Court of First Instance of the High Court and was awarded in favour of Mr. Kwok. It was adjudged that the Company shall pay Mr. Kwok the sum of HK\$44.5 million together with interest thereon and that there will be an order nisi for costs against the Company on a party and party basis, details of the liability are set out in note 24.

On 10 March 2011, the Company has received a statutory demand for payment of judgment sum of HK\$44.5 million to Mr. Kwok within 21 days. It is stated in the statutory demand that if it is not complied, the Company will be deemed to be unable to pay its debts and Mr. Kwok will take actions against the Company to recover the judgment sum of HK\$44.5 million, the interest thereon and costs, including proceedings under the provisions of Hong Kong Companies Ordinance for the winding up of the Company. After seeking advice from its solicitors and counsel, the directors considered that the Company has good grounds for appeal, and has instructed its solicitors to launch an appeal against the Judgment. On 28 March 2011, a Notice of Appeal was filed with the Court of Appeal and served on the parties concerned. Pending the appeal, the Company has also instructed its solicitors to take appropriate actions in response to the Judgment and the statutory demand, including an application for a stay of execution of the Judgment pending appeal.

Regarding the matter of costs and interest, the Company issued summons returnable before the trial judge on 11 April 2011 seeking variation of the costs order nisi and at the same time Mr. Kwok also issued summons returnable before the trial judge on the same day to deal with the matter of costs and interest.

Regarding the application for stay of execution of the Judgment pending appeal, with the advice from its solicitors, it is expected that such application will be finally disposed of within 1 to 2 months after the date these consolidated financial statements have been authorised for issue. The Court may order a stay of execution of a Judgment pending appeal on condition. However, the Court may require the payment into the Court of the judgment sum and interest or its provision of a bank guarantee for the same amount as condition of stay. Should the Company fail in the application for stay of execution to the trial judge, the Company may try to make the application to the Court of Appeal.

33. 訴訟 (續)

於二零一一年三月二日，高等法院原訟法庭宣判裁決並裁定郭先生勝訴。根據裁決，本公司需向郭先生支付港幣44,500,000元連同應計利息，法庭亦會按訴訟各方基準向本公司發出訟費暫准命令，債務詳情載於附註24。

於二零一一年三月十日，本公司收到法定要求償債書，需於二十一日內就該裁決支付總數港幣44,500,000元予郭先生。法定要求償債書指出倘未能遵照法定要求償債書支付款項，本公司將被視為未能支付其債務，而郭先生將向本公司採取行動要求償還經裁決之款項港幣44,500,000元，連同應計利息及訟費，包括按照香港公司條例之條文對本公司作出清盤程序。董事徵求律師及大律師意見後，認為本公司有充份理據提出上訴，及已委託其律師就上述之裁決展開上訴。於二零一一年三月二十八日，已提交上訴通知書予上訴庭並送達予訴訟各方。待上訴期間，本公司亦已委託其律師就裁決及法定要求償債書作出適當行動，包括申請緩期執行上述之裁決，以待進行上訴。

就訟費及利息而言，本公司已發出傳票，並將於二零一一年四月十一日在主審法官面前尋求修改訟費暫准命令，同時，郭先生亦已發出傳票，於同日在主審法官面前處理訟費及利息事宜。

對於申請緩期執行裁決以待進行上訴，徵詢律師意見後，預期有關申請最終將於該等綜合財務報表獲准刊發日期起計一至兩個月內處理。法庭可能按條件考慮緩期執行該裁決以待進行上訴。然而，法庭可要求本公司向法院支付裁決款項及利息，或提供相同金額之銀行擔保作為緩期執行條件。倘本公司未能向主審法官申請緩期執行，本公司可能嘗試向上訴法院作出申請。

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綜合財務報表附註

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

33. LITIGATION (Continued)

Regarding the appeal, it is expected that such appeal would be heard and disposed of by the Court of Appeal within 6 to 12 months from the date the consolidated financial statements have been authorised for issue. The solicitors and counsel acting for to the Company hold good of the likelihood of success of such appeal. Should the appeal succeed, the Company is not liable to pay the judgment sum together with interest thereon to Mr. Kwok and the Company is entitled to recover the costs from Mr. Kwok.

34. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2010, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of HK\$560,000.

During the year ended 31 December 2009, 100,000,000 ordinary shares were issued upon exercise of conversion rights of the May 2011 Convertible Notes.

35. EVENTS AFTER THE END OF REPORTING PERIOD

The Group has the following significant events subsequent to the end of the reporting period:

- (i) On 13 January 2011, the Company completed the issue of 1,126,955,740 rights shares at the subscription price of HK\$0.19 per rights share on the basis of ten rights shares for every one share to raise approximately HK\$214,120,000 before expenses. The net proceeds amounted to HK\$208,600,000 of which HK\$170,000,000 has been used for the payment of the consideration for acquisition of the entire equity interest of Vigour Well Limited and approximately HK\$10,000,000 has been set aside for final payment of consideration, and the remaining balance of approximately HK\$28,600,000 for the partial payment of early redemption of July 2011 Convertible Notes.

33. 訴訟 (續)

有關上訴一事，預期上訴法院將自綜合財務報表獲准刊發日期起六至十二月個月內就上訴進行聆訊及處理。代表本公司之律師及大律師認為上訴之勝訴機會極大。若上訴得直，本公司不需向郭先生支付該裁決款項連同應計利息，而本公司亦有權向郭先生取回訟費。

34. 主要非現金交易

於截至二零一零年十二月三十一日止年度內，本集團訂立有關資產之融資租賃安排，起租日之資本總值為港幣560,000元。

於截至二零零九年十二月三十一日止年度內，在行使二零一一年五月可換股票據兌換權時發行100,000,000股普通股。

35. 報告期末後之事項

本集團於報告期末後之重大事項如下：

- (i) 於二零一一年一月十三日，本公司按認購價每股供股股份港幣0.19元以每持有一股股份可獲配發十股供股股份之基準完成發行1,126,955,740股供股股份，以集資約港幣214,120,000元（未扣除開支）。所得款項淨額約港幣208,600,000元，其中港幣170,000,000元已用於支付收購康沛有限公司全部股權之代價，另約港幣10,000,000元已預留以便支付最後一筆款項，而約港幣28,600,000元結餘則已用於支付提早贖回二零一一年七月可換股票據之部份款項。

35. EVENTS AFTER THE END OF REPORTING PERIOD (Continued)**35. 報告期末後之事項** (續)

- (ii) On 14 September 2010, the Company through its indirect wholly-owned subsidiary, Asset Expert Limited, (the "Purchaser"), completed negotiation and entered into sale and purchase agreement with Prolific Wise Limited (the "Vendor") for the acquisition of the entire issued share capital of Vigour Well Limited. The transaction was approved by shareholders on 6 December 2010 from which time it was conditional upon the completion of the rights issue. Subsequently the conditions were fulfilled and the transaction was completed on 18 January 2011 on which date control of the companies acquired is transferred to the Group. The aggregate cash consideration was of HK\$180 million, in which the amount of HK\$170 million has been paid to the Vendor and approximately HK\$10 million has been set aside for final payment of consideration. Details of the acquisition are set out in the Company's circular dated 12 November 2010.

The transaction is to be accounted for as acquisition of business as the companies acquired constitutes a business under HKFRS 3 "Business Combinations". The companies acquired principally engaged in provision of services including primary property agency and related consultancy services to real estate developers on their primary residential, retail and commercial properties projects in the PRC. The fair value of the assets and liabilities acquired will be assessed as at the date of completion of the acquisition. At the date of approval for issuance of these consolidated financial statements, the valuation of each component of the identifiable assets acquired and liabilities assumed is still on-going and subject to finalisation, which involve the work by independent valuer. The directors of the Company are of the opinion that such valuation would not be available at the date of approval of these consolidated financial statements.

- (iii) On 21 January 2011, the Group has completed redemption of the July 2011 Convertible Notes at a discount of 3% of the outstanding principal amount of HK\$70,000,000. The purchase consideration has been satisfied by cash. After the redemption, no convertible notes were outstanding.

- (ii) 於二零一零年九月十四日，本公司透過其間接全資附屬公司Asset Expert Limited（「買方」）與威裕有限公司（「賣方」）完成磋商及訂立買賣協議，以收購康沛有限公司全部已發行股本。該交易於二零一零年十二月六日經股東批准，惟尚待供股完成後方可作實。在條件達成後，交易於二零一一年一月十八日完成，所收購公司之控制權於當日轉讓至本集團。現金代價總額為港幣180,000,000元，當中已支付港幣170,000,000元予賣方，而約港幣10,000,000元已預留以便支付代價之最後一筆款項。收購事項之詳情載於本公司日期為二零一零年十一月十二日之通函內。

由於根據香港財務報告準則第3號「業務合併」，被收購公司構成一項業務，故該交易將作為收購業務入賬。所收購公司主要為房地產發展商就於中國之一手住宅、零售及商用物業項目提供包括一手物業代理及相關顧問之服務。所收購資產及負債之公平值將於收購事項完成日期評估。於本綜合財務報表獲批准刊發當日，各部份可辨認資產及負債估值仍在進行中並有待落實，此涉及獨立估值師之工作。本公司董事認為於本綜合財務報表獲批准當日尚未能得出有關估值之結果。

- (iii) 於二零一一年一月二十一日，本集團已完成以折讓3%之價格贖回本金總額港幣70,000,000元之二零一一年七月可換股票據。購買代價已以現金方式支付。在贖回後，並無可換股票據尚未獲行使。

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

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

36. 本公司主要附屬公司詳情

Name of subsidiaries	Place/country of incorporation/ operation	Particulars of issued capital	Percentage of issued capital held by the Company 本公司持有已發行股本百分比	Principal activities
附屬公司名稱	經營地點／國家	已發行股本詳情	股本百分比	主要業務
Century 21 Hong Kong Limited	Hong Kong	3,880,000 ordinary shares of HK\$1 each	100%	Provision of franchise, property agency and related services in Hong Kong and Macau
世紀21香港有限公司	香港	3,880,000股每股面值港幣1元之普通股		在香港及澳門提供特許經營權、物業代理及有關服務
Century 21 Property Agency Limited	Hong Kong	2 ordinary shares of HK\$1 each	100%	Provision of property agency and related services in Hong Kong
世紀21物業有限公司	香港	2股每股面值港幣1元之普通股		在香港提供物業代理及有關服務
Century 21 Surveyors Limited	Hong Kong	100 ordinary shares of HK\$1 each	100%	Provision of property project consulting, property agency and related services
世紀21測量行有限公司	香港	100股每股面值港幣1元之普通股		在香港提供物業項目諮詢、物業代理及有關服務
Jet Fame Limited	Hong Kong	1 ordinary share of HK\$1 each	100%	Trading of toy, gift and premium products
梓豐有限公司	香港	1股每股面值港幣1元之普通股		玩具、贈品及精品產品買賣
Kennex Investments Limited	Hong Kong	1 ordinary share of HK\$1 each	100%	Property holding
建俊投資有限公司	香港	1股每股面值港幣1元之普通股		持有物業
Kingbox Investments Limited	British Virgin Islands/ Hong Kong	1 ordinary share of US\$1 each	100%*	Investment holding
	英屬處女群島／香港	1股每股面值1美元之普通股		投資控股

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

36. 本公司主要附屬公司詳情 (續)

Name of subsidiaries	Place/country of incorporation/ operation	Particulars of issued capital	Percentage of issued capital held by the Company 本公司持有已發行股本百分比	Principal activities
附屬公司名稱	經營地點/國家	已發行股本詳情	股本百分比	主要業務
Prosper Overseas Limited	Hong Kong	2 ordinary shares of HK\$1 each	100%#	Investment holding
興旺海外有限公司	香港	2股每股面值港幣1元之普通股		投資控股
Smart Arrow Limited	Hong Kong	1 ordinary share of HK\$1 each	100%	Provision of property agency and related services, security trading and investment
駿銜有限公司	香港	1股每股面值港幣1元之普通股		提供物業代理及有關服務、證券買賣及投資
Wiz Investments Limited	Hong Kong	1 ordinary share of HK\$1 each	100%#	Security trading and investment
慧師投資有限公司	香港	1股每股面值港幣1元之普通股		證券買賣及投資
Wiz Limited	Hong Kong	1 ordinary share of HK\$1 each	100%#	Provision of management services to the Group
慧師有限公司	香港	1股每股面值港幣1元之普通股		向本集團提供管理服務
Yanyan Force Limited	Hong Kong	100 ordinary shares of HK\$1 each	60%	Trading of toy, gift and premium products
欣科有限公司	香港	100股每股面值港幣1元之普通股		玩具、贈品及精品產品買賣

Issued capital held directly by the Company

本公司直接持有已發行股本

The above table lists the subsidiaries of the Group as at 31 December 2010 and 2009 which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表所列乃董事認為對本集團之業績或資產具有主要影響之本集團於二零一零年及二零零九年十二月三十一日之附屬公司。董事認為，提供其他附屬公司之詳情將導致篇幅過於冗長。

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

於本年度末概無附屬公司發行任何債務證券。

Financial Summary

財務摘要

A summary of the results, assets and liabilities of the Group for the last five financial years is as follows:

本集團過往五個年財政年度之業績、資產及負債概述如下：

		For the year ended 31 December 截至十二月三十一日				
		2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Revenue	收益	132,632	132,987	119,586	179,550	219,960
Loss before tax	除稅前虧損	(36,457)	(74,799)	(205,937)	(143,729)	(239,881)
Income tax (expense)/credit	所得稅 (開支)/抵免	(76)	(171)	77	(559)	(2,624)
Loss for the year	本年度虧損	(36,533)	(74,970)	(205,860)	(144,288)	(242,505)
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	(36,610)	(73,579)	(205,860)	(144,288)	(242,505)
Non-controlling interests	非控股權益	77	(1,391)	—	—	—
		(36,533)	(74,970)	(205,860)	(144,288)	(242,505)
		At 31 December 於十二月三十一日				
		2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Total assets	資產總額	126,653	262,708	309,911	409,703	251,268
Total liabilities	負債總額	(57,039)	(15,074)	(253,458)	(170,054)	(201,157)
Total equity	權益總額	69,614	247,634	56,453	239,649	50,111
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	68,152	247,634	56,453	239,649	50,111
Non-controlling interests	非控股權益	1,462	—	—	—	—
		69,614	247,634	56,453	239,649	50,111



21 Holdings Limited
21 控股有限公司

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

Stock Code 股份代號：1003