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COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR 2009

The Board of Directors (the “Directors”) of COL Capital Limited (the “Company”) announces that the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2009 together with last year’s comparative figures are as follows:–

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	<i>NOTES</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Revenue (excluding securities trading)		68,544	80,592
Gross proceeds from sale of investments held for trading		1,046,458	579,716
Total		<u>1,115,002</u>	<u>660,308</u>
Continuing operations:			
Revenue (excluding securities trading)	2	68,544	80,592
Other gains and losses	4	930,544	(2,825,590)
Other income	5	6,741	5,707
Administrative and other expenses		(24,940)	(19,515)
Finance costs		(52,603)	(50,955)
Share of profits of associates		3,365	3,701
Profit (loss) before taxation		931,651	(2,806,060)
Taxation (charge) credit	6	(13,858)	2,377
Profit (loss) from continuing operations		917,793	(2,803,683)
Discontinued operation:			
Profit for the year from discontinued operation	7	123,241	–
Profit (loss) for the year	8	<u>1,041,034</u>	<u>(2,803,683)</u>

		2009	2008
	<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit (loss) for the year attributable to:			
Owners of the Company		1,025,401	(2,799,811)
Minority interests		15,633	(3,872)
		<u>1,041,034</u>	<u>(2,803,683)</u>
Earnings (loss) per share			
	<i>9</i>		
From continuing and discontinued operations			
– Basic		<u>HK\$1.97</u>	<u>HK\$(9.79)</u>
– Diluted		<u>HK\$1.24</u>	<u>HK\$(9.79)</u>
From continuing operations			
– Basic		<u>HK\$1.73</u>	<u>HK\$(9.79)</u>
– Diluted		<u>HK\$1.10</u>	<u>HK\$(9.79)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	HK\$'000	HK\$'000
Profit (loss) for the year	<u>1,041,034</u>	<u>(2,803,683)</u>
Exchange difference arising from translation of foreign operations	452	3,353
Net gain (loss) on available-for-sale investments	44,141	(516,906)
Surplus on transfer from prepaid lease payments to investment properties at fair value	–	2,214
Surplus (deficit) on revaluation of buildings	410	(50)
Share of other comprehensive income of associates	–	3,459
Reclassification adjustment for the cumulative exchange gain included in profit or loss upon disposal of an associate	<u>(9,406)</u>	<u>–</u>
Other comprehensive income and expenses for the year	<u>35,597</u>	<u>(507,930)</u>
Total comprehensive income and expenses for the year	<u>1,076,631</u>	<u>(3,311,613)</u>
Total comprehensive income and expenses attributable to:		
Owners of the Company	1,060,998	(3,307,741)
Minority interests	<u>15,633</u>	<u>(3,872)</u>
	<u>1,076,631</u>	<u>(3,311,613)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2009

		2009	2008
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Investment properties		100,375	103,105
Property, plant and equipment		3,385	3,036
Prepaid lease payments		52	54
Interests in associates		5,368	138,501
Available-for-sale investments		385,742	356,835
		<u>494,922</u>	<u>601,531</u>
Current assets			
Available-for-sale investments		6,522	124,055
Investments held for trading		1,525,691	818,971
Debtors, deposits and prepayments	11	28,229	36,648
Amount due from an associate		30,845	–
Loan receivables		389,425	164,875
Taxation recoverable		2,025	4,050
Pledged bank deposits		9,151	1,167
Bank balances and cash		110,612	66,279
		<u>2,102,500</u>	<u>1,216,045</u>
Current liabilities			
Creditors and accrued charges	12	20,915	70,011
Customers' deposits and receipts in advance		36,737	34,647
Other borrowings		51,565	854,682
Derivative financial instruments		4,188	9,453
Taxation payable		80,014	68,442
		<u>193,419</u>	<u>1,037,235</u>
Net current assets		<u>1,909,081</u>	<u>178,810</u>
Total assets less current liabilities		<u>2,404,003</u>	<u>780,341</u>

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities		
Other borrowing	150,000	–
Convertible bonds	218,096	–
	<u>368,096</u>	<u>–</u>
Net assets	<u>2,035,907</u>	<u>780,341</u>
Capital and reserves		
Share capital	5,567	2,756
Reserves	1,977,169	777,585
	<u>1,982,736</u>	<u>780,341</u>
Equity attributable to owners of the Company	53,171	–
Minority interests	<u>2,035,907</u>	<u>780,341</u>
Total equity	<u>2,035,907</u>	<u>780,341</u>

Notes:

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

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

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) – INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

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

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of financial statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 Operating segments

HKFRS 8 is a disclosure Standard that has not resulted in a redesignation of the Group's operating segments (*see note 3*) but the measure of segment profit or loss had been changed.

Improving disclosures about financial instruments (amendments to HKFRS 7 Financial instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments. The amendments also expand and amend the disclosures required in relation to liquidity risk.

In addition, the Group has elected to early adopt the amendment to HKFRS 5 and HKAS 1 as part of Improvements to HKFRSs 2009 (adopted in advance of effective date of 1 January 2010).

Amendments to HKAS 1 as part of Improvements to HKFRSs 2009

The Group has also early adopted amendments to HKAS 1 (as part of Improvements to HKFRSs 2009) regarding classification of a liability that can, at the option of counterparty, be settled by the issue of the entity's equity instruments. These amendments have had no impact on the Group's results for the reported periods. The amendments have resulted in the presentation of liability component of the convertible bonds as non-current liability at the end of the reporting period and there is no material impact on the statement of financial position as at 31 December 2008 and 1 January 2008.

Amendment to HKFRS 5 as part of Improvements to HKFRSs 2009

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

New and revised HKFRSs affecting the reported results and/or financial position

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009, except for amendments to HKFRS 5 and HKAS 1 ²
HKAS 24 (Revised)	Related party disclosures ⁶
HKAS 27 (Revised)	Consolidated and separate financial statements ¹
HKAS 32 (Amendment)	Classification of rights issues ⁴
HKAS 39 (Amendment)	Eligible hedged items ¹
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters ³
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters ⁵
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions ³
HKFRS 3 (Revised)	Business combinations ¹
HKFRS 9	Financial instruments ⁷
HK(IFRIC) – INT 14 (Amendment)	Prepayments of a minimum funding requirement ⁶
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners ¹
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments ⁵

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

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

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

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

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

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

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

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

HKFRS 9 “Financial instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 will affect the classification and measurement of the Group’s financial assets.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 will affect the classification and measurement of the Group’s leasehold land.

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

2. REVENUE

	2009 <i>HK\$’000</i>	2008 <i>HK\$’000</i>
Continuing operations		
Dividend income from listed investments	32,761	60,932
Interest income from loan receivables	32,425	15,654
Rental income	3,358	4,006
	<u>68,544</u>	<u>80,592</u>

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 “Operating segments” with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by chief operating decision maker, represented by the board of directors of the Company, for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 “Segment reporting”) required an entity to identify two sets of segment (business and geographical), using a risks and returns approach. In the past, the Group’s primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group’s reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 but the basis of measurement of segment result, assets or liabilities had been changed.

As a result, following the adoption of HKFRS 8, the identification of the Group’s operating segments remains unchanged as follows:

Securities trading and investments – trading of securities in Hong Kong and oversea markets.

Financial services – provision of financial services.

Property investment – leasing of residential properties and office spaces.

The financial information of the discontinued operation as disclosed in note 7 in this announcement was not regularly reviewed by the board of directors of the Company, accordingly, such operation has not been included in the segment information.

Segment revenues and results

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

For the year ended 31 December 2009

	Continuing operations			
	Securities trading and investments	Financial services	Property investment	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross proceeds from sale of investments held for trading	<u><u>1,046,458</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>1,046,458</u></u>
Revenue	<u><u>32,761</u></u>	<u><u>32,425</u></u>	<u><u>3,358</u></u>	<u><u>68,544</u></u>
Segment profit	<u><u>890,896</u></u>	<u><u>33,216</u></u>	<u><u>21,132</u></u>	<u><u>945,244</u></u>
Share of profits of associates				3,365
Gain on disposal of associates				10,756
Other income				5,762
Net foreign exchange gain				3,226
Central corporate expenses				(2,347)
Effective interest expense on convertible bonds				<u><u>(34,355)</u></u>
Profit before taxation				<u><u>931,651</u></u>

For the year ended 31 December 2008

	Continuing operations			Consolidated <i>HK\$'000</i>
	Securities trading and investments <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	
Gross proceeds from sale of investments held for trading	<u>579,716</u>	<u>–</u>	<u>–</u>	<u>579,716</u>
Revenue	<u>60,932</u>	<u>15,654</u>	<u>4,006</u>	<u>80,592</u>
Segment (loss) profit	<u>(2,674,823)</u>	<u>13,626</u>	<u>(9,907)</u>	(2,671,104)
Share of profits of associates				3,701
Impairment loss recognised on associates				(122,324)
Other income				1,691
Net foreign exchange loss				(2,707)
Central corporate expenses				<u>(15,317)</u>
Loss before taxation				<u>(2,806,060)</u>

All of the segment revenue reported above is from external customers.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned by or loss from each segment without allocation of share of profits of associates, gain on disposal of associates, impairment loss recognised on associates, other income, net foreign exchange gain (loss), central corporate expenses and effective interest expense on convertible bonds. This is the measure reported to the Group's management for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

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

At 31 December 2009

	Securities trading and investments <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	1,983,244	405,228	103,298	2,491,770
Interests in associates				5,368
Loan to an associate				30,845
Corporate assets				<u>69,439</u>
Consolidated assets				<u><u>2,597,422</u></u>
Segment liabilities	144,181	186,788	1,885	332,854
Corporate liabilities				<u>228,661</u>
Consolidated liabilities				<u><u>561,515</u></u>

At 31 December 2008

	Securities trading and investments <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	1,334,624	164,983	105,792	1,605,399
Interests in associates				138,501
Corporate assets				<u>73,676</u>
Consolidated assets				<u><u>1,817,576</u></u>
Segment liabilities	505,178	32,465	1,390	539,033
Corporate liabilities				<u>498,202</u>
Consolidated liabilities				<u><u>1,037,235</u></u>

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

- all assets are allocated to operating segments other than property, plant and equipment, interests in associates, deposits and prepayments, taxation recoverable and certain bank balances and cash.
- all liabilities are allocated to operating segments other than certain creditors and accrued charges, customers' deposits and receipts in advance, other borrowings, taxation payable and convertible bonds.

4. OTHER GAINS AND LOSSES

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Other gains (losses) from continuing operations		
Change in fair value of investments held for trading (<i>Note a</i>)	771,208	(2,685,835)
Change in fair value of derivative financial instruments (<i>Note b</i>)	7,386	(4,474)
Net gain on disposal of available-for-sale investments	119,344	2,104
Gain on disposal of an associate	10,756	–
Impairment loss recognised on associates	–	(122,324)
Fair value changes on investment properties (<i>Note c</i>)	18,570	(12,408)
Revaluation surplus on buildings	54	54
Net foreign exchange gain (loss)	3,226	(2,707)
	<u>930,544</u>	<u>(2,825,590)</u>

Notes:

- (a) Net realised gain of approximately HK\$247,583,000 (2008: net realised loss of HK\$792,741,000) on disposal of investments held for trading are included in change in fair value of investments held for trading.
- (b) Net realised gain of approximately HK\$11,574,000 (2008: net realised gain of HK\$105,000) on derivative financial instruments are included in change in fair value of derivative financial instruments.
- (c) Net realised gain of approximately HK\$4,900,000 (2008: Nil) on investment property is included in change in fair value of investment properties.

5. OTHER INCOME

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Continuing operations		
Interest income from:		
– Loan notes	–	762
– Bank deposits	577	737
– Others	402	2,517
	<u>979</u>	<u>4,016</u>
Others	5,762	1,691
	<u>6,741</u>	<u>5,707</u>

6. TAXATION (CHARGE) CREDIT

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Continuing operations		
Current tax:		
Hong Kong Profits Tax	–	–
Enterprise Income Tax in the PRC	(261)	(236)
	<u>(261)</u>	<u>(236)</u>
(Underprovision) overprovision in prior years		
– Hong Kong Profits Tax	(13,597)	2,613
	<u>(13,858)</u>	<u>2,377</u>

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% with effect from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No tax is payable on the profit for the year arising in Hong Kong since the assessable profit is wholly absorbed by tax losses brought forward.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

7. DISCONTINUED OPERATION

On 4 December, 2009, the Group entered into a sale agreement to dispose of a subsidiary, Greenfield Chemical Holdings Limited (“Greenfield”), a company listed on The Stock Exchange of Hong Kong Limited, which carried out all of the Group’s manufacturing and trading of paints and related products. The disposal was effected in order to generate cash flows for reduction of other borrowings and for working capital of the Group. The disposal was completed on 9 December 2009, on which date control of Greenfield passed to the acquirer.

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

	2009 HK\$’000
Profit of manufacturing and trading of paints and related products for the period	24,952
Gain on disposal of the operation of manufacturing and trading of paints and related products	76,595
Gain on dilution of shareholding of the operation of manufacturing and trading of paints and related products	<u>21,694</u>
	<u>123,241</u>

Greenfield was acquired by the Group on 4 September 2009, therefore, the results of the trading of paints operations for the period from 4 September 2009 to 9 December 2009, which have been included in the consolidated income statement, were as follows:

	Period from 4.9.2009 to 9.12.2009 HK\$’000
Revenue	71,355
Cost of sales	(48,427)
Other income	8,570
Selling and distribution expenses	(5,424)
Administrative expenses	(16,268)
Share of profits of associates	<u>16,354</u>
Profit before taxation	26,160
Taxation	<u>(1,208)</u>
Profit for the period	<u>24,952</u>

8. PROFIT (LOSS) FOR THE YEAR

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Continuing operations		
Profit (loss) for the year has been arrived at after charging (crediting):		
Auditor's remuneration	1,109	1,168
Amortisation of prepaid lease payments	2	1
Depreciation of property, plant and equipment	316	315
Staff costs, inclusive of directors' emoluments	7,600	7,081
Gross rental income from properties	(3,358)	(4,006)
Less: Direct operating expenses that generated rental income	787	898
Direct operating expenses that did not generate rental income	415	363
Net rental income	<u>(2,156)</u>	<u>(2,745)</u>

9. EARNINGS (LOSS) PER SHARE

For continuing and discontinued operations

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

Earnings (loss)

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Earnings (loss) for the purpose of basic earnings per share (profit (loss) for the year attributable to owners of the Company)	1,025,401	(2,799,811)
Effect of dilutive potential ordinary shares – interest on convertible bonds	<u>34,355</u>	<u>–</u>
Earnings (loss) for the purpose of diluted earnings (loss) per share	<u>1,059,756</u>	<u>(2,799,811)</u>

	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic earnings (loss) per share	521,545,873	285,915,057
Effect of dilutive potential ordinary shares – convertible bonds	<u>330,301,369</u>	<u>–</u>
Weighted average number of shares for the purpose of diluted earnings (loss) per share	<u><u>851,847,242</u></u>	<u><u>285,915,057</u></u>

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the rights issue on 13 February 2009.

The calculation of diluted earnings (loss) per share does not assume the exercise of warrants because the exercise price of the Company's outstanding warrants was higher than the average market price of shares for the period from date of issue to 31 December 2008 and from 1 January 2009 up to the maturity.

From continuing operations

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Earnings (loss) for the year attributable to owners of the Company	1,025,401	(2,799,811)
Less: Profit for the period from discontinued operation	<u>(123,241)</u>	<u>–</u>
Earnings (loss) for the purposes of basic earnings (loss) per share from continuing operations	902,160	(2,799,811)
Effect of dilutive potential ordinary shares – interest on convertible bonds	<u>34,355</u>	<u>–</u>
Earnings (loss) for the purpose of diluted earnings per share from continuing operations	<u><u>936,515</u></u>	<u><u>(2,799,811)</u></u>

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

From discontinued operation

For the year ended 31 December 2009, basic earnings per share for the discontinued operation is HK\$0.24 per share and diluted earnings per share for the discontinued operation is HK\$0.14 per share for the year ended 31 December 2009, based on the profit for the year from the discontinued operation of HK\$123,241,000 and the denominators detailed above for both basic and diluted earnings per share.

10. DIVIDENDS

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2007 Final dividend paid – HK\$0.04 per share	–	11,047

The final dividend of HK\$0.04 per share for the year ended 31 December 2009 (2008: Nil) has been proposed by the Directors and is subject to approval by the shareholders in annual general meeting.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

The settlement terms of debtors from securities trading are 2-3 days after trade date.

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented at the end of the reporting period:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Debtors from securities trading	4,487	1,096
Other debtors, deposits and prepayments	23,742	35,552
	28,229	36,648

There is no allowance for doubtful debts in both years.

12. CREDITORS AND ACCRUED CHARGES

The following is an aged analysis of creditors presented at the end of the reporting period.

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Creditors from securities trading	12,573	2,263
Other creditors and accrued charges	8,342	67,748
	20,915	70,011

The settlement terms of creditors from securities trading are 2-3 days after trade date.

FINANCIAL RESULTS

For the year ended 31 December 2009, the Group recorded an increased total revenue of HK\$1,115,002,000 (2008: HK\$660,308,000) and a net profit attributable to shareholders of HK\$1,025,401,000 (2008: loss of HK\$2,799,811,000) due to the improved financial market condition. Earnings per share (Basic) of the Group for the year ended 31 December 2009 was HK\$1.97 (2008: loss per share of HK\$9.79).

As a result, the Group's net asset value per share as at 31 December 2009 increased to HK\$3.56 (2008: HK\$2.83).

DIVIDENDS

The Directors recommend the payment of a final dividend of HK\$0.04 per share (2008: Nil), amounting to approximately HK\$22,268,000 (2008: Nil), to shareholders whose names appear on the Register of Members of the Company on 2 June 2010.

Subject to shareholders' approval at the forthcoming annual general meeting of the Company, dividend warrants are expected to be dispatched on or before 2 July 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 31 May 2010 to Wednesday, 2 June 2010, both days inclusive, during which no share transfer will be effected. In order to qualify for the proposed final dividend for the year ended 31 December 2009, all transfer of shares duly accompanied by the relevant certificates must be lodged with the company's branch registrar in Hong Kong, Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong no later than 4:00 p.m. on Friday, 28 May 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

The unprecedented turmoil that plagued the global financial and economic environment for much of 2008 continued into the first quarter of 2009. The Group took positive steps to reduce its gearing, strengthen its capital base and reorganize its capital structure with long term funding in order to meet the challenges of a volatile operating condition and to enable the Group to take advantage of any improvement in investment sentiments as they occur. Apart from various disposals of some of its investment portfolio, the Group completed both its rights issue and placement of unsecured three-year convertible bonds in February 2009, raising a total of approximately HK\$410 million and reducing its gearing from 100.9% in 2008 to 14.7% as at 31 December 2009.

The concerted massive fiscal stimulus and bailout packages implemented globally which together with the aggressive monetary measures adopted, enabled significant improvements in the global financial and economic environment from the second quarter of 2009. The Group, with its strengthened financial situation, was able to take advantage of the more conducive investment environment to substantially increase its business and investment activities during the year under review and achieved satisfactory results.

For the year 2009, the Group's business in trading and investment in financial securities recorded an increased turnover of HK\$1,079,219,000 (2008: HK\$640,648,000) and a profit of HK\$890,896,000 (2008: loss of HK\$2,674,823,000), mainly due to gain from change in fair value of investments held for trading of HK\$771,208,000 (2008: loss of HK\$2,685,835,000) and net gain on disposal of available-for-sale investments of HK\$119,344,000 (2008: HK\$2,104,000) which included realized gains from the on-market disposals of 38 million shares of Sun Hung Kai & Co. Limited and 20.7 million shares of Tianjin Printronics Circuit Corporation. As at 31 December 2009, the Group maintained a portfolio of available-for-sale investments of HK\$392,264,000 (2008: HK\$480,890,000) and a trading portfolio of HK\$1,525,691,000 (2008: HK\$818,971,000).

In September 2009, the Group acquired from an independent third party 187,500,000 shares, representing approximately 68.72% of the issued share capital, of Greenfield Chemical Holdings Limited (“Greenfield”), a company listed on The Stock Exchange of Hong Kong Limited, at HK\$1.50 per share for a total consideration of HK\$281,250,000. The Group was required under the rules of the Hong Kong Code on Takeovers and Mergers to make a mandatory general cash offer (“General offer”) at a similar price per share for the remaining shares of Greenfield not already owned and as a result a further 13,510,000 shares of Greenfield were acquired under the General Offer. In November 2009 after the completion of the General Offer, the Group conducted a placing of 3,000,000 shares of Greenfield at HK\$1.50 each to meet the required restoration of the minimum public float of shares of Greenfield and also conducted a further placing of 40,000,000 shares at HK\$2.10 per share for reduction of short term borrowings and recorded a gain of HK\$21,694,000. On 30 November, 2009 the Group was approached by an independent third party to acquire from the Group 140,000,000 shares of Greenfield, representing approximately 51.31% of the issued share capital of Greenfield, at HK\$2.10 per share for a total consideration of HK\$294,000,000. The consideration represents a significant premium to our initial acquisition cost and the Group took this opportunity to realize such investment and recorded a gain of HK\$76,595,000. The proceeds were used to reduce short term borrowings and for working capital of the Group. Given that the Group was still in the process of reviewing the business activities and assets of Greenfield at the time, the disposal provided a profitable exit for the Group at a substantial gain within a short time span.

The Group’s money lending business recorded a turnover of mainly interest income of HK\$32,425,000 (2008: HK\$15,654,000) and a profit of HK\$33,216,000 (2008: HK\$13,626,000) during the year under review. As at 31 December 2009, the Group’s loan portfolio amounted to HK\$389,425,000 (2008: HK\$164,875,000).

The Group’s investment properties located in Hong Kong and China achieved a rental income of HK\$3,358,000 (2008: HK\$4,006,000) and a profit of HK\$21,132,000 (2008: loss of HK\$9,907,000), mainly attributed to gain from fair value changes on investment properties of HK\$18,570,000 (2008: loss of HK\$12,408,000) which included a realized gain of HK\$4,900,000 (2008: nil) on disposal of an investment property. As at 31 December 2009, the Group’s investment properties portfolio amounted to HK\$100,375,000 (2008: HK\$103,105,000).

PRINCIPAL ASSOCIATED COMPANIES

The share of profit of associates of the Group for the year ended 31 December 2009 was HK\$3,365,000 (2008: HK\$3,701,000).

In March 2009, the Group disposed of 197,858,680 shares of ChinaVision Media Group Limited (*formerly known as Shanghai Allied Cement Limited*), a former associate of the Group, to an independent third party at a price of HK\$0.70 per share for a total consideration of approximately HK\$138 million, recording a gain on disposal of HK\$10,756,000. Proceeds from this disposal have also been used to reduce the short term borrowings of the Group.

FINANCIAL RESOURCES, BORROWINGS, CAPITAL STRUCTURE AND EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES

As at 31 December 2009, the Group's non-current assets of HK\$494,922,000 (2008: HK\$601,531,000) consisted of investment properties of HK\$100,375,000 (2008: HK\$103,105,000); property, plant and equipment of HK\$3,385,000 (2008: HK\$3,036,000); prepaid lease payments of HK\$52,000 (2008: HK\$54,000), interests in associates of HK\$5,368,000 (2008: HK\$138,501,000) and available-for-sale investments of HK\$385,742,000 (2008: HK\$356,835,000). These non-current assets are principally financed by shareholders' fund. As at 31 December 2009, the Group had net current assets of HK\$1,909,081,000 (2008: HK\$178,810,000) and current ratio of 10.87 times (2008: 1.17 times), calculated on the basis of the Group's current assets over current liabilities.

During the year under review, the Group conducted a rights issue of 275,649,760 rights shares at HK\$0.40 each on the basis of one rights share for every share held and the placing of HK\$300 million 9% unsecured three-year convertible bonds with conversion price of HK\$0.75 per share to raise a total of approximately HK\$410 million, both of which were completed in February 2009. As at 31 December 2009, the outstanding principal value of the unsecured three-year convertible bonds was HK\$236,000,000 following the partial redemption of HK\$60,000,000 by the Group and the conversion of HK\$4,000,000 by a bondholder during the year.

As at 31 December 2009, the total borrowings of the Group amounted to HK\$419,661,000 (2008: HK\$854,682,000) including current liabilities of other borrowings of HK\$51,565,000 (2008: HK\$854,682,000) and non-current liabilities of HK\$368,096,000 (2008: nil). As at 31 December 2009, the Group's gearing ratio, calculated on the basis of the Group's net borrowings (after pledged bank deposits, and balances and cash) over total equity, was 14.7% compared to 100.9% in 31 December 2008.

During 2009, the issued share capital of the Group increased from HK\$2,756,225 to HK\$5,566,987 as a result of the rights issue of 275,649,760 additional shares, the issue of 93,110 new shares following the exercise of warrants and the issue of 5,333,333 new shares following the conversion of HK\$4,000,000 unsecured three-year convertible bonds.

During the year under review, the Group's assets, liabilities and transactions were mainly denominated in Hong Kong Dollar, Australian Dollar, Taiwan Dollar, Renminbi and Malaysian Ringgit. Because of its short term nature, the Group did not actively hedge risks arising from the Australian Dollar, Renminbi and Malaysian Ringgit denominated assets and transactions. The exchange rate of the Taiwan Dollar was relatively stable during the year. The Group was not materially affected by its exposure to these currencies.

CHARGE ON GROUP ASSETS

As at 31 December 2009, the Group's investments held for trading of HK\$962,510,000 (2008: HK\$773,077,000), available-for-sale investments of HK\$240,227,000 (2008: HK\$108,323,000) and pledged bank deposits of HK\$9,151,000 (2008: HK\$1,167,000) were pledged to banks and securities brokers house to secure short term credit facilities granted to the Group.

EMPLOYEES

The Group had 16 employees as at 31 December 2009 (2007: 14). The Group ensures that its employees are remunerated in line with market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

PROSPECTS

The global investment situation saw significant improvements in 2009 and global investors were able to take advantage of the more conducive environment to achieve better financial results and earnings. However, the recovery in the financial and economic environment may be fragile as it was largely dependent on government stimulus and bailout packages and there is still uncertainty as to whether the recovery is sustainable. As such, the Group will remain cautious in its investment approach and strategy.

The Group has improved its financial strength and will continue to seek and identify grossly undervalued investment and business opportunities in the China, Hong Kong and the Asia Pacific region cautiously to further enhance value for shareholders.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

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

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 December 2009.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the Company's code of conduct regarding Director's securities transactions. Having made specific enquiry with all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the year ended 31 December 2009.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2009 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the Preliminary Announcement.

By Order of the Board
Chong Sok Un
Chairman

Hong Kong, 13 April 2010

As at the date of this announcement, the Board comprises Ms. Chong Sok Un (Chairman), Dato' Wong Peng Chong and Mr. Kong Muk Yin as executive directors and Messrs. Lo Wai On, Lau Siu Ki and Zhang Jian as independent non-executive directors.