



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

KINGSTAR STRATEGIC 經策
CHINA · HONG KONG · SINGAPORE · TAIWAN



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CHINA · HONG KONG · SINGAPORE · TAIWAN



Century 21
世紀 21 地產機構

Annual 年報 Report

2011

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Corporate Information

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Ng Kai Man (*Chairman*)

Cheng Yuk Wo

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lui Siu Tsuen, Richard

Ding Chung Keung

Cheung Sze Man

AUDIT COMMITTEE

Lui Siu Tsuen, Richard (*Chairman*)

Ding Chung Keung

Cheung Sze Man

REMUNERATION COMMITTEE

Lui Siu Tsuen, Richard (*Chairman*)

Ng Kai Man

Ding Chung Keung

NOMINATION COMMITTEE

Ding Chung Keung (*Chairman*)

Lui Siu Tsuen, Richard

Cheung Sze Man

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

The Bank of East Asia, Limited

Fubon Bank (Hong Kong) Limited

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong Law

Vincent T.K. Cheung, Yap & Co.

As to Bermuda Law

Appleby

董事會

執行董事

吳啟民 (*主席*)

鄭毓和

獨立非執行董事

呂兆泉

丁仲強

張詩敏

審核委員會

呂兆泉 (*主席*)

丁仲強

張詩敏

薪酬委員會

呂兆泉 (*主席*)

吳啟民

丁仲強

提名委員會

丁仲強 (*主席*)

呂兆泉

張詩敏

核數師

德勤•關黃陳方會計師行

執業會計師

主要往來銀行

香港上海滙豐銀行有限公司

東亞銀行有限公司

富邦銀行(香港)有限公司

公司法律顧問

香港法律

張葉司徒陳律師事務所

百慕達法律

Appleby

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, 17/F
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1003

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INVESTOR RELATIONS CONTACT

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註冊辦事處

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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1712-1716號舖

股份代號

香港聯合交易所有限公司：1003

網址

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

投資者關係聯絡

general@21holdings.com

Chairman's Statement

主席報告

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 2011.

2011 was a tough year for the Group. The global economic turmoil, continued credit problems in the eurozone and deteriorating market sentiment adversely affected the operating environment of the business segments of the Company. The performance of the property agency business in Hong Kong was badly hit with a significant decrease in revenue by HK\$35.9 million or 38.2%. In order to sail through adversity, the Company, during the year, has invested in new business initiative to broaden our service scope, as well as putting tremendous effort to intensify our relationship with developer clients and to strengthen our task force.

Although the real estate market in Hong Kong largely hinges on the global economy and we expect the challenging macro environment will continue to pressure our profit margins in the near term, we firmly believe that our diligence has already helped to sustain our business fundamentals and lay down a solid foundation for future growth, which will deliver long-term benefits to the Group and our shareholders.

During the year, the Group has stretched its presence in the PRC property agency business through acquisition of Kingstar Strategic Group. The PRC property agency business brings new sources of revenue to the Group and reduces risk of over-reliance on property agency business in Hong Kong.

However, China's real estate industry experienced a volatile year in 2011. Following the implementation of series of aggressive tightening measures by the PRC government, the real estate market in China experienced a sharp reduction in transaction volume. We expect market sentiment and transaction volume will remain subdued in the near term with the PRC government's sustained efforts to cool down the sector nationwide. In light of the unfavorable market environment, the management has taken a series of measures, including streamlining of manpower and repositioning of marketing strategies, to withstand the adversity. In the coming year, we will focus on fostering and strengthening relationship with property developers and expanding our presence in additional tier-three cities in the PRC.

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」）截至二零一一年十二月三十一日止年度的年報。

二零一一年對本集團可謂困難重重。受環球經濟危機、歐元區債務問題及市場氣氛薄弱影響，本公司業務分部的經營環境受到不利影響。香港物業代理業務大受打擊，收益大幅下跌港幣35,900,000元或38.2%。為度過難關，本公司年內斥資發展新業務，將服務範圍擴大，並加強與發展商客戶之間的關係及擴充集團的工作團隊。

儘管香港房地產市場極為倚重全球經濟發展，且集團預期在宏觀調控環境壓抑下，短期內毛利將會繼續受壓，但我們深信所付出的努力有助鞏固本集團業務，且為日後增長奠下穩固基礎，長遠而言對本集團及股東有利。

年內，本集團透過收購經策集團擴展其業務至中國房地產代理。中國房地產代理業務為本集團帶來新收益來源，有助紓緩過度依賴香港物業代理業務的風險。

然而，中國房地產市場於二零一一年表現反覆。隨着中國政府實施連串積極的緊縮措施，中國房地產市場成交量急跌。我們預期，中國政府不斷為全國房地產市場降溫將會令市場情緒及成交量在短期內受壓。市場環境存在不利因素，有見及此，管理層已採取一系列措施，包括精簡人手及為市場策略重新定位，以求在逆境中保持韌力。未來一年，我們將專注於促進及加強與物業發展商的關係，並於中國其他三線城市擴充業務。

Despite the current poor market conditions, we remain confident in the long-term prospects of China's real estate industry as we believe that income growth and urbanization will continue to fuel strong demand of Chinese consumers for home, commercial and retail property purchases. The Group will continue to adjust its strategies and cost structures proactively and we are confident that the Group will be able to respond promptly to the ever changing environment in Hong Kong and in mainland China.

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 my gratitude to our staff for their dedication and efforts to the continuous success of the Group.

Ng Kai Man
Chairman

Hong Kong, 30 March 2012

儘管目前市況欠佳，但我們對中國房地產的長遠前景仍抱有信心，由於我們相信，收入增長及城市化發展將會成為強大動力帶動中國消費者對住房、商用及零售房地產的龐大需求。本集團會繼續積極調整策略及成本架構，因此，我們抱有信心，認為本集團定能迅速應對香港及中國內地瞬息萬變的營商環境。

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的支持以及向員工的全心貢獻及努力，造就本集團長遠的成功。

主席
吳啟民

香港，二零一二年三月三十日

BUSINESS AND OPERATION REVIEW

PROPERTY AGENCY IN HONG KONG

Given the deteriorating market sentiment as a result of global economic turmoil and continued credit problems in the eurozone, the property market and the property agency business in Hong Kong was adversely affected. The property agency segment in Hong Kong reported revenue of HK\$57.8 million for the year ended 31 December 2011, a decline of about 38.2% as compared with HK\$93.4 million for last year. Operating profits from the property agency segment in Hong Kong for the year amounted to HK\$0.2 million (excluding any provision for impairment loss on goodwill of HK\$54.0 million) whilst the operating profit for last year was HK\$5.8 million.

TOY PRODUCTS TRADING

Toy products trading segment remained weak in 2012. Revenue from the toy products trading segment for the year ended 31 December 2011 was HK\$196.1 million, representing an increase of HK\$69.5 million or 54.9%.

During the year, the Group implemented a number of cost control measures which had successfully reduced administrative expenses by HK\$6.7 million comparing with previous year. However, high safety standards in oversea markets and fierce competition in the toy trading industry continued to pose downward pressure on prices and profit margins. The toy products trading segment reported a loss of HK\$5.5 million in year 2011, representing a mitigation of HK\$6.4 million when compared with loss of HK\$11.9 million in the last year. In the year to come, we would adopt twin-line strategies, i.e. careful customers' selection and tight control on expenditure, to seek profit potential.

SECURITIES TRADING AND INVESTMENTS

The robust performance of the stock market could no longer be sustainable in 2010 because Europe's sovereign debt crisis triggered worries about another tide of credit crunch. The segment recorded operating loss of HK\$9.1 million mainly due to net loss on investments held for trading of HK\$10.1 million.

As at 31 December 2011, the Group has investments held for trading amounting to HK\$52.2 million (as at 31 December 2010: HK\$56.0 million).

業務及營運回顧

香港物業代理

受環球經濟危機及歐元區持續的債務問題困擾，市場氣氛轉弱，香港物業市場及物業代理業務大受打擊。截至二零一一年十二月三十一日止年度，香港物業代理分部錄得收益港幣57,800,000元，較去年的港幣93,400,000元減少約38.2%。年內，來自香港物業代理分部之經營溢利為港幣200,000元（不包括商譽減值虧損之任何撥備港幣54,000,000元），而去年之經營溢利則為港幣5,800,000元。

玩具產品買賣

二零一二年，玩具產品買賣分部仍然疲弱。截至二零一一年十二月三十一日止年度，玩具產品買賣分部之收益增加港幣69,500,000元或54.9%至港幣196,100,000元。

年內，本集團實施多項成本控制措施，行政開支較去年減少港幣6,700,000元。然而，由於海外市場的嚴格安全標準及玩具買賣行業競爭激烈，本集團產品價格及毛利率受壓。二零一一年，玩具產品買賣分部錄得虧損港幣5,500,000元，較去年的港幣11,900,000元虧損減少港幣6,400,000元。本集團來年將採取雙線策略，謹慎揀選客戶及加緊控制開支，從中尋找獲利空間。

證券買賣及投資

歐洲主權債務危機觸發市場憂慮全球陷入新一輪的信貸危機，二零一零年之股市升勢無法持續。證券買賣及投資分部錄得經營虧損港幣9,100,000元，主因是持作買賣投資的虧損淨額為港幣10,100,000元。

於二零一一年十二月三十一日，本集團擁有之持作買賣投資為港幣52,200,000元（於二零一零年十二月三十一日：港幣56,000,000元）。

PROPERTY AGENCY IN THE PRC – MATERIAL ACQUISITION OF SUBSIDIARIES

On 14 September 2010, the Company together with one of its wholly-owned subsidiary entered into an agreement to acquire the entire 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 operating under the brand of “Kingstar Strategic” (“Kingstar Strategic Group”) are principally engaged in provision of services including primary real estate agency and related consultancy services to property developers on their first-hand residential, retail and commercial real estate projects in the People’s Republic of China (the “PRC”).

中國物業代理－對附屬公司進行之重大收購

於二零一零年九月十四日，本公司連同其中一間全資附屬公司訂立一份協議，以代價港幣180,000,000元收購康沛有限公司之全部股權（「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以「經策」品牌（「經策集團」）營運，主要作為服務提供者，包括就中華人民共和國（「中國」）之一手住宅、零售及商用房地產項目，向房地產開發商提供包括一手房地產代理及相關之顧問服務。



PROPERTY AGENCY IN THE PRC

The performance of this newly acquired segment was badly hampered by the PRC government’s continued restrictive policies and continuous credit tightening. Revenue generated from this segment after completion of the Acquisition was HK\$10.7 million, whilst the operating loss was HK\$8.2 million (excluding amortisation of intangible assets and provision for impairment loss on goodwill of HK\$17.3 million and HK\$93.3 million respectively).

中國物業代理

受中國政府不斷實施打壓樓市措施及進一步收緊信貸影響，此新收購分部的表現大受打擊。收購事項完成後，分部產生的收益為港幣10,700,000元，實質錄得營運虧損港幣8,200,000元（不包括分別為港幣17,300,000元及港幣93,300,000元的無形資產攤銷及商譽減值虧損撥備）。

Management Discussion and Analysis

管理層討論及分析

Given the government's repeatedly stated commitment to curb rapid home price increases, the real estate market in the PRC showed sign of further slowdown in the second half of 2011. The Company believes that the poor market sentiment has and will continue to adversely affect the performance of its property agency business in the PRC and thus, the growth rate of revenue of this business sector in the following years was revised downward as compared to those previously expected. Inclusive of an impairment loss on goodwill of HK\$93.3 million, the property agency segment recorded a substantial loss of HK\$118.8 million for the year.



由於政府不斷重申會防止樓價快速飆升，中國房地產市場於二零一一年下半年進一步放緩。本公司相信，疲弱的市道已經對中國物業代理業務的表現造成打擊，且情況將會持續，因此已將之前對未來的業務分部收益增長率所作預測向下修訂。計入商譽減值虧損港幣93,300,000元，年內物業代理分部錄得港幣118,800,000元的嚴重虧損。



FINANCIAL REVIEW

REVIEW OF RESULTS

The Group reported a consolidated revenue of HK\$264.6 million for the year ended 31 December 2011, being a surge of HK\$44.6 million or 20.3% when compared with that of last year. Gross profit was HK\$29.3 million, an increase of 0.8% from HK\$29.1 million for 2010. Increases in revenue and gross profit were principally due to the acquisition of Kingstar Strategic Group and more order received by the toy products trading segment.

Selling and distribution costs slightly decreased by HK\$1.1 million or 15.3% while administrative expenses increased by HK\$12.3 million or 35.6%.

The Group reported other losses of HK\$8.9 million for the year ended 31 December 2011 (for the year ended 31 December 2010: other gains of HK\$19.2 million) which was mainly attributed to net loss on investments held for trading of HK\$10.1 million.

財務回顧

業績回顧

截至二零一一年十二月三十一日止年度，本集團錄得綜合收益港幣264,600,000元，較去年急升港幣44,600,000元或20.3%。毛利由二零一零年之港幣29,100,000元增加0.8%至港幣29,300,000元。收益及毛利增加乃主要是收購經策集團及玩具產品買賣分部接獲更多訂單所致。

銷售及分銷成本輕微減少港幣1,100,000元或15.3%，而行政開支則增加港幣12,300,000元或35.6%。

截至二零一一年十二月三十一日止年度，本集團錄得其他虧損港幣8,900,000元（截至二零一零年十二月三十一日止年度：其他收益港幣19,200,000元），主要是持作買賣投資虧損淨額港幣10,100,000元所致。

Finance cost was HK\$0.3 million, a decrease of HK\$5.6 million, primarily due to redemption of the convertible notes of aggregate principal amount of HK\$70.0 million in January 2011.

In combination of the above factors, together with provision for impairment loss on goodwill of HK\$147.3 million and amortisation of intangible assets of HK\$17.3 million, the Group recorded a loss of HK\$194.2 million for this reporting year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained sufficient working capital as at 31 December 2011 with bank balances and cash of HK\$84.7 million (31 December 2010: HK\$43.0 million).

As at 31 December 2011, the Group has obligations under a finance lease of HK\$0.3 million (31 December 2010: HK\$0.5 million). Convertible notes with principal amount of HK\$70.0 million issued as part of the consideration for acquiring Century 21 Hong Kong Limited and its associated companies in 2008 was early redeemed in January 2011 at HK\$67.9 million. There were no outstanding convertible notes as at 31 December 2011.

Gearing ratio, expressed as the percentage of total borrowings over total capital, of the Group as at 31 December 2011 was 0.1% (31 December 2010: 57.9%). Total capital is calculated as total equity plus total borrowings. The improvement in the gearing ratio is caused by, on one hand, the redemption of the convertible notes and, on the other hand, the issue of new shares through rights issues and a placing during the year which substantially built up equity.

CAPITAL STRUCTURE

As at 31 December 2011, the Company has 1,338,796,179 shares of HK\$0.01 each (the "Shares") in issue. Convertible notes of aggregate principal amount of HK\$70.0 million were early redeemed by the Company on 21 January 2011.

財務費用減少港幣5,600,000元至港幣300,000元，主要是二零一一年一月贖回本金總額為港幣70,000,000元的可換股票據所致。

受以上因素影響，加上商譽減值虧損撥備港幣147,300,000元及無形資產攤銷港幣17,300,000元，本集團於本報告年度錄得港幣194,200,000元之虧損。

流動資金及財務資源

於二零一一年十二月三十一日，本集團保留足夠營運資金，銀行結餘及現金為港幣84,700,000元（二零一零年十二月三十一日：港幣43,000,000元）。

於二零一一年十二月三十一日，本集團之融資租賃責任金額為港幣300,000元（二零一零年十二月三十一日：港幣500,000元）。本金額為港幣70,000,000元並作為二零零八年收購世紀21香港有限公司及其聯營公司之部分代價而發行之可換股票據，已於二零一一年一月以港幣67,900,000元提早贖回。於二零一一年十二月三十一日，並無尚未行使之可換股票據。

於二零一一年十二月三十一日，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0.1%（二零一零年十二月三十一日：57.9%）。總資本按權益總額加總借貸計算。資本與負債比率大幅減少，一方面乃由於贖回可換股票據所致，另一方面乃由於年內以供股及配股方式發行新股以致權益大幅增加所致。

資本架構

於二零一一年十二月三十一日，本公司有1,338,796,179股每股面值港幣0.01元之已發行股份（「股份」）。本公司於二零一一年一月二十一日提早贖回本金總額為港幣70,000,000元之可換股票據。

Management Discussion and Analysis

管理層討論及分析

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

- a. On 13 January 2011, the Company allotted and issued 1,126,955,740 rights shares on the basis of ten rights shares for every share held on 17 December 2010 at a price of HK\$0.19 per share, which was proposed by the Company on 22 September 2010 and approved by the Shareholders on 6 December 2010.

The aggregate net proceeds from the rights issue amounted to HK\$208.6 million of which approximately HK\$176.0 million has been used for payment of consideration for the Acquisition, approximately HK\$4.0 million was set aside for adjustments relating to the completion account in respect of the Acquisition and/or administrative expenses; and the balance of approximately HK\$28.6 million has been used for the early redemption of convertible notes.

- b. On 4 April 2011, the Company further allotted and issued 247.9 million shares at a placing price of HK\$0.11 per share to not less than six independent, professional and/or individual investors (the "Placing") pursuant to the general mandate granted by the Shareholders in the special general meeting held on 4 March 2011 and a placing agreement dated 25 March 2011.

年內，本公司股本有下列變動：

- a. 於二零一一年一月十三日，本公司按於二零一零年十二月十七日每持有一股股份獲發十股供股股份之基準，以每股股份港幣0.19元之價格配發及發行1,126,955,740股供股股份，而有關供股由本公司於二零一零年九月二十二日建議並於二零一零年十二月六日獲股東批准。

供股之所得款項淨值總額為港幣208,600,000元，其中約港幣176,000,000元已用於支付收購事項之代價，約港幣4,000,000元已預留作為就收購事項之完成賬目作出之相關調整及／或行政開支；餘額約港幣28,600,000元已用於提早贖回可換股票據。

- b. 於二零一一年四月四日，本公司根據股東於二零一一年三月四日舉行之股東特別大會上授出之一般授權及日期為二零一一年三月二十五日之配售協議，按每股股份港幣0.11元之配售價，向不少於六名獨立、專業及／或個別投資者進一步配發及發行247,900,000股股份（「配售」）。



The placing price of HK\$0.11 per share equal to the closing price of HK\$0.11 per share as quoted on The Stock Exchange of Hong Kong Limited on 25 March 2011, being the date on which the terms of the Placing were fixed. The net placing price, after deducting the relevant expenses, was approximately HK\$0.1078 per share and the aggregate nominal value of the shares issued was HK\$2,479,000.

The aggregate net proceeds from the Placing amounted to HK\$26.7 million of which HK\$25.0 million has been utilised for the first payment into an interest bearing account of the High Court of the Hong Kong Special Administrative Region (the "High Court") under consent order as a condition for stay of execution of the judgment pending appeal (such security together with interest earned were released by the High Court to the Company on 5 January 2012 and placed in bank accounts) and the remaining balance of approximately HK\$1.7 million has been utilised as general working capital.

每股港幣0.11元之配售價相等於股份在二零一一年三月二十五日（即釐定配售條款日期）於香港聯合交易所有限公司所報收市價每股港幣0.11元。經扣除相關開支後之配售價淨額為每股約港幣0.1078元，已發行股份之總面值為港幣2,479,000元。

配售之所得款項淨值總額合共為港幣26,700,000元，其中港幣25,000,000元已根據同意令向香港特別行政區高等法院（「高等法院」）之計息賬戶繳存作為首期款項，以之為延遲執行判決以待上訴之條件（高等法院已於二零一二年一月五日將有關保證金及所賺取的利息退還本公司，所有款項已存入銀行賬戶），而餘額約港幣1,700,000元已用作一般營運資金。



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- c. On 22 June 2011, pursuant to a special resolution passed by the Shareholders, the Company effected a capital reorganisation, which included (i) share consolidation of every ten issued shares of par value HK\$0.01 each into one consolidated share of par value HK\$0.10 each; (ii) capital reduction of the par value of each issued consolidated share from HK\$0.10 to HK\$0.01 by cancellation of HK\$0.09 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.
- d. Furthermore, a rights issue on the basis of eight rights Shares for every Share held on 29 June 2011 at a price of HK\$0.10 per Share was approved by the Shareholders on 21 June 2011 and completed on 22 July 2011. Accordingly, 1,190,041,048 Shares were allotted and issued by the Company and net proceeds of HK\$114.7 million was raised. From this proceeds, HK\$25.0 million has been utilised for the second payment into an interest bearing account of the High Court under consent order as a condition for stay of execution of the judgment pending appeal (such security together with interest earned were released by the High Court to the Company on 5 January 2012 and placed in bank accounts), approximately HK\$2.0 million has been utilised as general working capital, approximately HK\$2.0 million has been utilised as legal and professional fee for launching appeal against judgment, approximately HK\$7.3 million has been used for business development in the PRC, approximately HK\$31.0 million has been utilised in treasury activities and approximately HK\$47.4 million remains unused and placed in bank accounts.
- c. 於二零一一年六月二十二日，本公司根據一項由股東通過的特別決議案實施股本重組，其包括：(i)將每十股每股面值港幣0.01元之已發行股份合併為一股每股面值港幣0.10元之合併股份；(ii)透過註銷每股已發行合併股份之實繳股本其中之港幣0.09元，將每股已發行合併股份之面值自港幣0.10元削減至港幣0.01元，以進行股本削減；及(iii)註銷本公司股份溢價賬之全部進賬額。
- d. 此外，股東於二零一一年六月二十一日批准以每股股份港幣0.10元之價格，按於二零一一年六月二十九日每持有一股股份獲發八股供股股份之基準進行供股，而供股已於二零一一年七月二十二日完成。因此，本公司配發及發行1,190,041,048股股份，集資所得之款項淨額為港幣114,700,000元，其中港幣25,000,000元已根據同意令向高等法院之計息賬戶繳存作為第二期款項，以之為延遲執行判決以待上訴之條件（高等法院已於二零一二年一月五日將有關保證金及所賺取的利息退還本公司，所有款項已存入銀行賬戶）、約港幣2,000,000元已用作一般營運資金、約港幣2,000,000元用作就裁決提出上訴之法律及專業費用、約港幣7,300,000元已用作發展中國業務、約港幣31,000,000元用於庫存業務，而約港幣47,400,000元仍未動用並存於銀行賬戶。

CHARGES ON ASSETS

As at 31 December 2011, certain property, plant and machinery with carrying values of HK\$0.4 million (31 December 2010: HK\$0.5 million) represented assets held under finance leases.

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 and Pound Sterling. Presently, the Group does not have any currency hedging policy but will closely monitor Renminbi and Pound Sterling exchange rate and take appropriate measures to minimise any adverse impact that may be caused by its fluctuation.

LITIGATION

A writ of summons dated 8 October 2004 was filed by a former director of the Company (the "Plaintiff"), 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 (the "Principal Sum") together with accrued interests thereof (the "Action").

On 2 March 2011, judgment was handed down by the Court of First Instance of the High Court and was awarded in favour of the Plaintiff (the "Judgment"). It was adjudged that the Company shall pay the Plaintiff the sum of HK\$44.5 million together with interest and cost.

On 28 March 2011, the Company filed a Notice of Appeal against the Judgment with the Court of Appeal and served on the parties concerned ("CA Appeal").

資產抵押

於二零一一年十二月三十一日，賬面值港幣400,000元（二零一零年十二月三十一日：港幣500,000元）之若干物業、廠房及機器指根據融資租賃持有之資產。

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，人民幣及英鎊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及英鎊匯率，並採取適當措施盡量減低匯率波動可能造成之任何不利影響。

訴訟

於二零零四年十月八日，本公司一名前董事（「原告人」）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（「本金」）連應計利息向本公司發出傳訊令狀（「該訴訟」）。

於二零一一年三月二日，香港高等法院原訟法庭頒下裁決，判原告人勝訴（「裁決」）。本公司被判定須支付原告人港幣44,500,000元連同應計利息及其他費用。

於二零一一年三月二十八日，本公司已就判決向上訴法庭提交上訴通知書並送達訴訟各方（「上訴法庭上訴」）。

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Pending the hearing of CA Appeal, the Company made a provision of losses of litigation of HK\$86.5 million and caused an aggregate sum of HK\$50.0 million as security being paid into the High Court on 21 April 2011 and 16 August 2011 respectively for stay of execution and enforcement of the Judgment.

The CA Appeal was heard by the Court of Appeal on 8 and 9 December 2011 and the Court of Appeal unanimously ordered that (a) the CA Appeal be allowed; (b) the Judgment be set aside and the Action be dismissed; and (c) the Plaintiff do pay the Company the costs of the CA Appeal and the costs at the court below to be taxed, if not agreed (the "CA Order"). The Court of Appeal further ordered that the security in the sum of HK\$50.0 million so paid by the Company into the High Court be released to the Company. The said security together with interest earned were released by the High Court to the Company on 5 January 2012.

The Plaintiff dissatisfied with the CA Order and launched an appeal to the Court of Final Appeal as of right under sections 22(1) (a) and 24 of the Hong Kong Court of Final Appeal Ordinance, Cap. 484. A Notice of Motion was filed by the Plaintiff with the Court of Appeal on 5 January 2012 for leave to appeal to the Court of Final Appeal and the Notice of Motion was fixed for hearing before the Court of Appeal on 10 May 2012.

Since the amount at stake in the Plaintiff's appeal to the Court of Final Appeal exceeds the value of HK\$1.0 million and the Plaintiff does have the statutory/constitutional right of appeal to the Court of Final Appeal by virtue of section 22 of the Hong Kong Court of Final Appeal Ordinance, the Notice of Motion for leave to appeal to the Court of Final Appeal will in normal course of event be granted at the hearing on 10 May 2012 with the imposition of usual condition of the Plaintiff's payment of security for costs of HK\$0.4 million irrespective whether there is any merit or reasonable ground in the Plaintiff's appeal or not.

上訴法庭上訴仍未進行聆訊之時，本公司已作出港幣86,500,000元訴訟損失之撥備，並分別於二零一一年四月二十一日及二零一一年八月十六日向高等法院繳存合共港幣50,000,000元作為保證金，以延遲執行裁決。

上訴法庭上訴已於二零一一年十二月八日及九日由上訴法庭進行聆訊，上訴法庭一致頒令（「上訴法庭頒令」）：(a)上訴法庭上訴得直；(b)宣告裁決無效並撤銷該訴訟；及(c)原告人須向本公司支付上訴法庭上訴訟費及下級法院訟費，如有關費用未能議定，則由上訴法庭評定。上訴法庭進一步頒令，本公司向高等法院繳存的保證金港幣50,000,000元退還予本公司。高等法院已於二零一二年一月五日向本公司退還該筆保證金連同應得利息。

原告人不服上訴法庭頒令，並根據香港法例第484章香港終審法院條例第22(1)(a)及24條項下的權利，向終審法院提出上訴。原告人於二零一二年一月五日向上一法庭呈交動議通知書，申請終審法院上訴許可，該動議通知書已訂於二零一二年五月十日於上訴法庭進行聆訊。

由於原告人向終審法院提出上訴的申索額超過港幣1,000,000元，及原告人根據香港終審法院條例第22條擁有法定／憲法權利向終審法院提出上訴，在原告人繳存港幣400,000元保證金的一般情況下，上訴許可動議通知書將於二零一二年五月十日之聆訊中授出，而不論原告人的上訴是否符合合理據或有否合理理由。

Although there is no mechanism built in the Hong Kong Court of Final Appeal Ordinance for dismissal of unmeritorious application for leave to appeal or unmeritorious appeal made under section 22 of the Hong Kong Court of Final Appeal Ordinance, both counsels and solicitors acting for the Company hold the firm view that the Plaintiff did not have any valid claim against the Company and there is no merit and reasonable ground in the Plaintiff's appeal to the Court of Final Appeal at all and the same is doomed to fail at the end of the day.

With the benefit of the advice of the counsels and solicitors acting for the Company and the order delivered by the Court of Appeal on 9 December 2011, the High Court had already refunded the security in the sum of HK\$50.0 million aforesaid to the Company and the Company had also instructed its solicitors to proceed with its claim for costs incurred in the Action and the CA Appeal against the Plaintiff and the taxation thereof notwithstanding the Plaintiff's unmeritorious appeal to the Court of Final Appeal. The directors of the Company have also thoroughly considered the advice of the counsels and solicitors acting for the Company and formed the opinion that the Plaintiff did not have any valid claim against the Company and that his unmeritorious appeal to the Court of Final Appeal was unlikely to have any material adverse financial impact on the Group at all so that no further provision of litigation is required to be made for the Plaintiff's unmeritorious appeal to the Court of Final Appeal.

EMPLOYEES

As at 31 December 2011, the Group had 87 employees and 296 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.

雖然香港終審法院條例中並無機制可撤銷根據香港終審法院條例第22條提出不合理據的上訴許可申請或不合理據的上訴，然而，代表本公司的大律師及律師皆堅決認為，原告人對本公司並無任何有效索償理據，且其向終審法院提出的上訴並無合理理據及理由，最終注定敗訴。

經徵詢代表本公司之大律師及律師之意見，及上訴法庭於二零一一年十二月九日之頒令，高等法院已退還前述之港幣50,000,000元保證金予本公司，且儘管原告人向終審法院提出不合理據的上訴，本公司亦已指示其律師着手就該訴訟及上訴法庭上訴向原告人追討堂費及處理有關之訟費評定。本公司的董事亦已詳細考慮代表本公司的大律師及律師的意見，認為原告人並無有效理據向本公司申索，而原告人向終審法院提出的上訴不合理據，對本集團造成重大不利財務影響的機會不大，因此毋須就原告人向終審法院提出的不合理據上訴作出進一步之訴訟損失之撥備。

僱員

於二零一一年十二月三十一日，本集團僱用87名僱員及296名代理。為吸引、挽留及激勵其僱員，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競爭力，與現行業內慣例看齐且與個人表現掛鉤。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。

Senior Management Profile

高級管理層簡歷

EXECUTIVE DIRECTORS

Mr. Ng Kai Man, aged 57, 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 51, 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. Mr. Cheng holds a Master of Science (Economics) degree in Accounting and Finance and a Bachelor of Arts (Honours) degree in Accounting.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lui Siu Tsuen, Richard, aged 56, 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.

執行董事

吳啟民先生，現年五十七歲，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。彼亦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，現年五十一歲，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西安大略省特許會計師公會會員。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）。

獨立非執行董事

呂兆泉先生，現年五十六歲，於二零零九年六月加入本公司，擔任獨立非執行董事。呂先生為香港會計師公會、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。彼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。

Mr. Ding Chung Keung, aged 42, joined the Company as an independent non-executive director in September 2011. Mr. Ding holds a bachelor degree in business administration from The Chinese University of Hong Kong. Mr. Ding is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants. He has been in the investment, audit and finance industries for more than twenty years.

Ms. Cheung Sze Man, aged 41, joined the Company as an independent non-executive director in November 2011. She graduated from the University of Auckland in New Zealand with a Bachelor of Commerce degree and a Bachelor of Arts degree. Ms. Cheung also holds a Master of Business Administration degree from the University of Bradford in the United Kingdom. She is a member of both the Hong Kong Institute of Certified Public Accountants and CPA Australia. Ms. Cheung has accumulated audit experience in an international accounting firm and has substantial experiences in corporate finance, accounting and human resource management by holding senior positions in private and public listed companies.

丁仲強先生，現年四十二歲，於二零一一年九月加入本公司，擔任獨立非執行董事。丁先生持有香港中文大學工商管理學士學位。丁先生為香港會計師公會會員及英國特許會計師公會資深會員。彼於投資、審核及金融界擁有逾二十年之經驗。

張詩敏女士，現年四十一歲，於二零一一年十一月加入本公司，擔任獨立非執行董事。彼畢業於新西蘭奧克蘭大學，持有商學士及文學士學位。張女士亦持有英國布拉德福德大學工商管理碩士學位。彼為香港會計師公會及澳洲會計師公會會員。張女士於一家國際會計行累積核數經驗，曾出任多間私人及上市公司之高級職位，於企業融資、會計及人力資源管理方面擁有豐富經驗。

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 corporate governance practices at a high standard 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 2011 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.

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，並於截至二零一一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。

BOARD OF DIRECTORS AND COMMITTEES

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-charge day-to-day operation. In discharging its responsibilities, the Board meets regularly and acts in good faith, with due diligence and care.

The Board has appointed 3 Board committees, namely audit committee, remuneration committee and nomination committee to oversee particular aspect of the Group's affair. Each of the committees had defined terms of reference setting out its duty, power and functions, which was either revised or adopted on 12 March 2012 pursuant to new CG Code to be effective on 1 April 2012.

The directors acknowledge their responsibility for preparing the financial statements of the Company. The statement made by the auditor of the Company regarding their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 32 to 33 of this annual report.

On 1 September 2011, Mr. Ha Kee Choy, Eugene resigned as an executive director of the Company, Mr. Chui Chi Yun, Robert resigned as an independent non-executive director and a member of audit committee of the Company and Mr. Ding Chung Keung was appointed as an independent non-executive director and a member of audit committee of the Company.

On 1 October 2011, Mr. Lam Kwok Cheong resigned as an independent non-executive director and a member of audit committee of the Company and on 11 November 2011, Ms. Cheung Sze Man was appointed as an independent non-executive director and a member of audit committee of the Company.

董事會及委員會

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。

董事會已委任三個董事會委員會，即審核委員會、薪酬委員會及提名委員會監察本集團事務內之特定範疇。各委員會已確定職權範圍，列明各自的職務、權力及職能。職權範圍已於二零一二年三月十二日根據新企管守則作出修訂或獲得採納，將於二零一二年四月一日生效。

董事確認其編製本公司財務報表之責任。本公司核數師有關其對財務報表申報責任的聲明，載於本年報第32至33頁的獨立核數師報告內。

於二零一一年九月一日，夏其才先生辭任本公司執行董事一職、崔志仁先生辭任本公司獨立非執行董事及審核委員會成員，而丁仲強先生則獲委任為本公司獨立非執行董事及審核委員會成員。

於二零一一年十月一日，林國昌先生辭任本公司獨立非執行董事及審核委員會成員。於二零一一年十一月十一日，張詩敏女士獲委任為本公司獨立非執行董事及審核委員會成員。

Corporate Governance Report

企業管治報告

The Board currently comprises two executive directors and three independent non-executive directors, whose biographies are set out on pages 16 to 17 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 2011 are as follows:

董事會現由兩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16頁至17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。截至二零一一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>				
Ng Kai Man (<i>Chairman</i>)	執行董事 吳啟民 (主席)	4/4	-	-
Cheng Yuk Wo	鄭毓和	4/4	-	-
Ha Kee Choy, Eugene (resigned on 1 September 2011)	夏其才 (於二零一一年 九月一日辭任)	3/3	-	2/2
<i>Independent non-executive directors</i>				
Lui Siu Tsuen, Richard	獨立非執行董事 呂兆泉	4/4	2/2	2/2
Ding Chung Keung (appointed on 1 September 2011)	丁仲強 (於二零一一年 九月一日獲委任)	1/1	-	-
Cheung Sze Man (appointed on 11 November 2011)	張詩敏 (於二零一一年 十一月十一日獲委任)	1/1	-	-
Chui Chi Yun, Robert (resigned on 1 September 2011)	崔志仁 (於二零一一年 九月一日辭任)	3/3	2/2	2/2
Lam Kwok Cheong (resigned on 1 October 2011)	林國昌 (於二零一一年 十月一日辭任)	3/3	2/2	-

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.

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 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 2 October 2011 to 10 November 2011, the Company was not in compliance with Rule 3.10(1) of the Listing Rules regarding the minimum number of independent non-executive directors. Following the appointment of Ms. Cheung Sze Man as an independent non-executive director, the Company has complied with Rule 3.10(1) of the Listing Rules.

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。

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及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，彼亦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大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，其與企管守則第A.4.1條有所偏離。然而，由於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並不較企管守則寬鬆。

於二零一一年十月二日至二零一一年十一月十日，本公司並無遵守上市規則第3.10(1)條關於最低獨立非執行董事人數之要求。委任張詩敏女士為獨立非執行董事後，本公司已符合上市規則第3.10(1)條之要求。

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors of the Company, namely, Mr. Lui Siu Tsuen, Richard (committee chairman), Mr. Ding Chung Keung (appointed on 1 September 2011) and Ms. Cheung Sze Man (appointed on 11 November 2011). 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.

In year 2011, the audit committee held two meetings, both were attended by Mr. Chui Chi Yun, Robert, Mr. Lui Siu Tsuen, Richard and Mr. Lam Kwok Cheong. During the meetings, the annual results of the Group for the year ended 31 December 2011 was reviewed with the auditors of the Company, the report on the internal control system for year 2010 was evaluated and the interim results of the Group for the six months ended 30 June 2011 was discussed.

During 2 October 2011 to 10 November 2011, the Company was not in compliance with Rule 3.21 of the Listing Rules regarding the minimum number of audit committee members. Following the appointment of Ms. Cheung Sze Man as a member of audit committee, the Company has complied with Rule 3.21 of the Listing Rules.

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.

At 31 December 2011, the remuneration committee composed of Mr. Ng Kai Man (committee chairman), Mr. Lui Siu Tsuen, Richard and Mr. Ding Chung Keung (appointed on 1 September 2011). On 12 March 2012, Mr. Ng Kai Man resigned as chairman of remuneration committee and Mr. Lui Siu Tsuen, Richard, has been appointed to fill the position. The committee member met twice in the year ended 31 December 2011 for reviewing the emolument of the directors.

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，分別為呂兆泉先生（委員會主席）、丁仲強先生（於二零一一年九月一日獲委任）及張詩敏女士（於二零一一年十一月十一日獲委任）。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。

於二零一一年度，審核委員會舉行兩次會議。兩次會議均獲崔志仁先生、呂兆泉先生及林國昌先生出席。於該等會議上，本公司核數師審閱本集團截至二零一一年十二月三十一日止年度之全年業績、評價二零一零年度之內部監控系統報告，並討論本集團截至二零一一年六月三十日止六個月之中期業績。

於二零一一年十月二日至二零一一年十一月十日，本公司並無遵守上市規則第3.21條關於最低審核委員會成員人數之要求。委任張詩敏女士為審核委員會成員後，本公司已符合上市規則第3.21條之要求。

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。

於二零一一年十二月三十一日，薪酬委員會由吳啟民先生（委員會主席）、呂兆泉先生及丁仲強先生（於二零一一年九月一日獲委任）組成。於二零一二年三月十二日，吳啟民先生辭任薪酬委員會主席，而呂兆泉先生則獲委任填補有關空缺。委員會成員於截至二零一一年十二月三十一日止年度舉行兩次會議，以審閱董事之酬金。

NOMINATION COMMITTEE

The nomination committee of the Company was established on 12 March 2012 with key responsibilities for considering and approving the appointment of members of the Board 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.

The nomination committee composed of Mr. Ding Chung Keung (committee chairman), Mr. Lui Siu Tsuen, Richard and Ms. Cheung Sze Man. The committee member will meet at least once a year.

INTERNAL CONTROLS

The Board acknowledges that an effective internal control system which is designed to monitor and response 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.

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 management and an external firm, has conducted a review on the effectiveness of the internal control system and, in particular, key business cycles of real estate agency business segment in the PRC were reviewed for the year ended 31 December 2011. 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.

AUDITOR'S REMUNERATION

During the year ended 31 December 2011, remuneration in respect of audit and non-audit services provided by the auditor of the Company to the Group are approximately HK\$1,181,000 (2010: HK\$708,000) and HK\$1,103,000 (2010: HK\$355,000) respectively.

提名委員會

本公司提名委員會成立於二零一二年三月十二日，主要負責考慮及審批董事會成員的委任並將於收到董事提名或有需要時開會進行討論。考慮董事候選人是否合適時，董事會將考慮候選人的資歷、經驗、專業技能及知識，以及董事會當時的組成、架構及人數及上市規則的規定。

提名委員會由丁仲強先生（委員會主席）、呂兆泉先生及張詩敏女士組成。委員會成員每年最少開會一次。

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。

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。

在管理層及外間一間公司的協助下，董事會已委任一間外聘公司對內部監控系統於截至二零一一年十二月三十一日止年度之效能進行檢討，尤其針對中國物業代理業務分部的重要業務周期。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

截至二零一一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1,181,000元（二零一零年：港幣708,000元）及港幣1,103,000元（二零一零年：港幣355,000元）。

Directors' Report

董事報告

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 2011.

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 38 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 8 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2011 are set out in the consolidated statement of comprehensive income on page 34.

The directors do not recommend the payment of a dividend for the year ended 31 December 2011.

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 28 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 37.

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」）截至二零一一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財務報表附註38。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8。

業績及分配

本集團截至二零一一年十二月三十一日止年度之業績載於第34頁之綜合全面收益表。

董事不建議派付截至二零一一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28。

儲備

本集團年內儲備之變動載於第37頁之綜合權益變動表。

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.

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. Cheng Yuk Wo

Mr. Ha Kee Choy, Eugene (resigned on 1 September 2011)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lui Siu Tsuen, Richard

Mr. Ding Chung Keung (appointed on 1 September 2011)

Ms. Cheung Sze Man (appointed on 11 November 2011)

Mr. Chui Chi Yun, Robert (resigned on 1 September 2011)

Mr. Lam Kwok Cheong (resigned on 1 October 2011)

In accordance with Bye-law 102(B), Ms. Cheung Sze Man, who was appointed as director by the board of directors on 11 November 2011 to fill up the casual vacancy, shall hold office until the forthcoming annual general meeting and, being eligible, offer herself for re-election. The directors retiring by rotation in accordance with Bye-law 99 are Mr. Ng Kai Man and Mr. Cheng Yuk Wo, both of them, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

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。

優先購買權

本公司之公司細則（「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）

鄭毓和先生

夏其才先生（於二零一一年九月一日辭任）

獨立非執行董事

呂兆泉先生

丁仲強先生（於二零一一年九月一日獲委任）

張詩敏女士（於二零一一年十一月十一日獲委任）

崔志仁先生（於二零一一年九月一日辭任）

林國昌先生（於二零一一年十月一日辭任）

根據公司細則第102(B)條，於二零一一年十一月十一日獲董事會委任為董事填補臨時空缺的張詩敏女士任期至應屆股東週年大會為止，惟合資格膺選連任。按照公司細則第99條，輪值退任之董事為吳啟民先生及鄭毓和先生，兩人均符合資格並將於應屆股東週年大會上膺選連任。

Directors' Report

董事報告

No directors proposed for re-election at the forthcoming annual general meeting has a 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 "Stock Exchange") (the "Listing Rules") and considers all of the independent non-executive directors are independent.

DIRECTORS' INTEREST IN SECURITIES

As at 31 December 2011, 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 Shares
股份數目

Approximate percentage of shareholding
概約股權百分比

(Note)
(附註)

Ng Kai Man ("Mr. Ng")
吳啟民(「吳先生」)

Beneficial owner
實益擁有人

27,000,000

2.02%

Note:

The percentage of shareholding in the Company is calculated based on 1,338,796,179 Shares in issue as at 31 December 2011.

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(「聯交所」)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。

董事之證券權益

於二零一一年十二月三十一日,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

附註:

於本公司之股權百分比乃根據於二零一一年十二月三十一日之1,338,796,179股已發行股份計算。

Save as disclosed above, as at 31 December 2011, 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 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 Shares 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.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 34 to the consolidated financial statements and the sections "Directors' Interest in Securities" and "Connected Transactions" 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.

CONNECTED TRANSACTIONS

On 14 September 2010, the Company entered into the an agreement with Mr. Ng pursuant to which the Company agreed to repurchase the 2% convertible notes due July 2011 issued by the Company with aggregate principal amount of HK\$130,000,000 and outstanding principal amount of HK\$70,000,000 at a price of HK\$67,900,000 in cash, which equals to 97% of its outstanding principal amount. As Mr. Ng, being an executive director, is the holder of the convertible note, the purchase of the convertible note by the Company from Mr. Ng will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. The transaction was approved by independent shareholders of the Company on 6 December 2010 and completed on 21 January 2011.

除上文披露者外，於二零一一年十二月三十一日，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十所載上市發行人董事進行證券交易的標準守則（「標準守則」）而另行知會本公司及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股份外，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。

董事之重大合約權益

除綜合財務報表附註34及本董事報告「董事之證券權益」及「關連交易」兩節所披露者外，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。

關連交易

於二零一零年九月十四日，本公司與吳先生訂立協議，據此，本公司同意購回由本公司發行本金總額為港幣130,000,000元於二零一一年七月到期之2%可換股票據，當中尚未償還本金額為港幣70,000,000元，購回價為現金港幣67,900,000元（相等於未償還本金額之97%）。根據上市規則第14A章，由於執行董事吳先生為可換股票據之持有人，本公司向吳先生購回可換股票據將構成本公司之關連交易。該交易於二零一零年十二月六日經本公司獨立股東批准，並於二零一一年一月二十一日完成。

**DIRECTORS' INTERESTS IN
COMPETING BUSINESS****董事於競爭業務之權益**

Interests of the directors in competing businesses to the Group as at 31 December 2011 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were set out as below:-

於二零一一年十二月三十一日，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：

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
Mr. Ng 吳先生	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
	21 Finance Limited 21財務有限公司	provision of agency services for mortgage financing 為按揭融資提供代理服務	director (Note) 董事(附註)
	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.	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

Note:

附註：

Mr. Ng has resigned as a director of 21 Finance Limited with effect from 27 March 2012.

吳先生已辭任21財務有限公司董事，自二零一二年三月二十七日起生效。

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.

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 2011, the interests or short position of those 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:

Name of Shareholders 股東名稱	Capacity 身份	Number of Shares 股份數目 (Note 1) (附註1)	Approximate percentage of shareholding 概約股權百分比 (Note 2) (附註2)
Tomson Group Limited ("Tomson") 湯臣集團有限公司(「湯臣」)	Interest of controlled corporations 受控制法團之權益	174,545,000	13.04%
Hsu Feng 徐楓	Interest of controlled corporations 受控制法團之權益	174,545,000	13.04%
Tong Albert 湯子同	Interest of controlled corporations 受控制法團之權益	174,545,000	13.04%
Tong Chi Kar, Charles 湯子嘉	Interest of controlled corporations 受控制法團之權益	174,545,000	13.04%

Notes:

- The 174,545,000 Shares were held by Humphreys Estate (Strawberry Houses) Limited, which was indirectly wholly-owned by Tomson through Tomson Investment Limited and Tomson Financial Investment Limited. As disclosed by the relevant disclosure notices on 18 August 2011, (i) approximately 7.64% and 10.66% interests in the total issued share capital of Tomson was held by E-Shares Investments Limited ("E-Shares") and King China Holdings Limited ("King China") respectively; (ii) Madam Hsu Feng held the entire interests of E-Shares and King China and approximately 8.25% interests in the total issued share capital of Tomson; and (iii) Mr. Tong Albert and Mr. Tong Chi Kar, Charles held approximately 12.64% and 11.34% interests in the total issued share capital of Tomson respectively.
- The percentage of shareholding in the Company is calculated based on 1,338,796,179 Shares in issue as at 31 December 2011.

主要股東

於二零一一年十二月三十一日，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：

Name of Shareholders 股東名稱	Capacity 身份	Number of Shares 股份數目 (Note 1) (附註1)	Approximate percentage of shareholding 概約股權百分比 (Note 2) (附註2)
Tomson Group Limited ("Tomson") 湯臣集團有限公司(「湯臣」)	Interest of controlled corporations 受控制法團之權益	174,545,000	13.04%
Hsu Feng 徐楓	Interest of controlled corporations 受控制法團之權益	174,545,000	13.04%
Tong Albert 湯子同	Interest of controlled corporations 受控制法團之權益	174,545,000	13.04%
Tong Chi Kar, Charles 湯子嘉	Interest of controlled corporations 受控制法團之權益	174,545,000	13.04%

附註：

- 該174,545,000股股份由Humphreys Estate (Strawberry Houses) Limited持有，該公司由湯臣透過湯臣投資有限公司及湯臣財經投資有限公司間接全資擁有。誠如相關披露通知書所披露，於二零一一年八月十八日，(i)於湯臣已發行股本總額中約7.64%及約10.66%權益分別由E-Shares Investments Limited (「E-Shares」)及錦華集團有限公司(「錦華」)持有；(ii)徐楓女士持有E-Shares及錦華全部權益，以及湯臣已發行股本總額中約8.25%權益；及(iii)湯子同先生及湯子嘉先生分別持有湯臣已發行股本總額中約12.64%及11.34%權益。
- 於本公司之股權百分比乃根據於二零一一年十二月三十一日之1,338,796,179股已發行股份計算。

SHARE OPTIONS

Particulars of the share option scheme of the Company are set out in note 32 to the consolidated financial statements. There were no outstanding share options at 1 January 2011 and 31 December 2011 and no share options were granted, exercised, cancelled or lapsed during the year ended 31 December 2011.

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

In the opinion of the directors, the Company's reserves available for distribution to shareholders as at 31 December 2011 including contributed surplus amounted to approximately HK\$82,967,000 (2010: HK\$39,818,000).

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases of the Group attributable to the largest supplier and the five largest suppliers combined are 78.0% and 84.2% respectively.

The percentage of turnover of the Group attributable to the largest customer and the five largest customers combined are 10.8% and 45.5% 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32。於二零一一年一月一日及二零一一年十二月三十一日，並無尚未行使之購股權，於截至二零一一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，於二零一一年十二月三十一日，本公司可供分派予股東的儲備（包括實繳盈餘）約為港幣82,967,000元（二零一零年：港幣39,818,000元）。

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78.0%及84.2%。

本集團最大客戶及五大客戶分別共佔本集團營業額10.8%及45.5%。

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.

DONATIONS

During the year ended 31 December 2011, the Group made donation amounting to HK\$21,000.

EVENT AFTER THE END OF REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 37 to the consolidated financial statements.

AUDITOR

Messrs. Deloitte Touche Tohmatsu was appointed as an auditor of the Company on 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 Messrs. Deloitte Touche Tohmatsu as an auditor of the Company.

On behalf of the Board

Ng Kai Man

Chairman

Hong Kong, 30 March 2012

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。

捐獻

截至二零一一年十二月三十一日止年度，本集團捐獻款項達港幣21,000元。

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37。

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，二零一二年三月三十日

Deloitte.

德勤

TO THE SHAREHOLDERS OF 21 HOLDINGS LIMITED

(incorporated in 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 34 to 127, which comprise the consolidated statement of financial position as at 31 December 2011, 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 about 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34頁至127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,包括於二零一一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 of 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 2011 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 March 2012

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，本核數師已獲得足夠及恰當之審核憑證，以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以真實兼公平地顯示 貴集團於二零一一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，並已按照香港公司條例之披露規定妥為編製。

德勤•關黃陳方會計師行
執業會計師
香港

二零一二年三月三十日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

		Notes 附註	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Revenue	收益	7	264,565	219,960
Cost of sales and service rendered	銷售及提供服務成本		(235,258)	(190,890)
Gross profit	毛利		29,307	29,070
Other income	其他收入		2,160	2,962
Other (losses) gains	其他(虧損)收益	9	(8,875)	19,184
Selling and distribution costs	銷售及分銷成本		(6,100)	(7,200)
Administrative expenses	行政開支		(46,967)	(34,627)
Amortisation of intangible assets	攤銷無形資產		(17,296)	–
Provision for losses on litigation	訴訟損失之撥備	35	(3,000)	(83,500)
Impairment loss on goodwill	商譽之減值虧損	18	(147,309)	(164,000)
Gain on disposal of investment properties	出售投資物業之收益		–	4,084
Finance costs	財務費用	10	(264)	(5,854)
Loss before tax	除稅前虧損		(198,344)	(239,881)
Income tax credit (expense)	所得稅抵免(開支)	11	4,141	(2,624)
Loss for the year	本年度虧損	12	(194,203)	(242,505)
Other comprehensive income	其他全面收益			
Exchange differences arising on translation	換算所產生之匯兌差額		5,639	–
Total comprehensive expense for the year	本年度全面開支總額		(188,564)	(242,505)
Loss for the year attributable to:	應佔本年度虧損:			
Owners of the Company	本公司擁有人		(189,511)	(242,505)
Non-controlling interests	非控股權益		(4,692)	–
			(194,203)	(242,505)
Total comprehensive expense attributable to:	應佔全面開支總額:			
Owners of the Company	本公司擁有人		(183,872)	(242,505)
Non-controlling interests	非控股權益		(4,692)	–
			(188,564)	(242,505)
Loss per share (HK dollar)	每股虧損(港幣)			
– Basic and diluted	– 基本及攤薄	16	(0.25)	(4.02)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2011 於二零一一年十二月三十一日

		Notes 附註	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 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	3,607	1,173
Goodwill	商譽	18	57,944	92,000
Intangible assets	無形資產	19	70,791	–
			132,342	93,173
CURRENT ASSETS	流動資產			
Trade and other receivables	應收賬款及其他應收款項	20	100,029	42,892
Investments held for trading	持作買賣之投資	21	52,177	56,009
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	22	–	16,153
Bank balances and cash	銀行結餘及現金	23	84,655	43,041
			236,861	158,095
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付賬款及其他應付款項	24	138,825	130,627
Tax payable	應付稅項		936	1,639
Convertible notes	可換股票據	25	–	68,411
Obligations under a finance lease	融資租賃責任	26	187	179
			139,948	200,856
NET CURRENT ASSETS (LIABILITIES)	流動資產(負債)淨值		96,913	(42,761)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		229,255	50,412
NON-CURRENT LIABILITIES	非流動負債			
Obligations under a finance lease	融資租賃責任	26	113	301
Deferred tax liabilities	遞延稅項負債	27	17,698	–
			17,811	301
			211,444	50,111

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2011 於二零一一年十二月三十一日

		Notes 附註	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	28	13,388	1,127
Reserves	儲備		202,748	48,984
Equity attributable to owners of the Company	本公司擁有人應佔權益		216,136	50,111
Non-controlling interests	非控股權益		(4,692)	-
			211,444	50,111

The consolidated financial statements on pages 34 to 127 were approved and authorised for issue by the board of directors on 30 March 2012 and are signed on its behalf by:

於第34頁至127頁之綜合財務報表於二零一二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

Cheng Yuk Wo
鄭毓和
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

		Share capital	Share premium	Capital reserve (Note (a))	Contributed surplus	Convertible notes equity reserve 可換股票據權益儲備	Exchange reserve 匯兌儲備	Accumulated losses 累計虧損	Total	Non-controlling interests 非控股權益	Total
		股本	股份溢價	資本儲備 (附註(a))	實繳盈餘	可換股票據 權益儲備	匯兌儲備	累計虧損	總額	非控股權益	總額
		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	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2010	於二零一零年一月一日	18,069	310,041	2,099	-	14,679	-	(105,239)	239,649	-	239,649
Loss for the year	本年度虧損	-	-	-	-	-	-	(242,505)	(242,505)	-	(242,505)
Total comprehensive expense for the year	本年度全面開支總額	-	-	-	-	-	-	(242,505)	(242,505)	-	(242,505)
Issue of shares upon placing of shares (note 28)	因股份配售而發行股份 (附註28)	4,470	56,205	-	-	-	-	-	60,675	-	60,675
Share issue expenses	股份發行費用	-	(1,272)	-	-	-	-	-	(1,272)	-	(1,272)
Capital reduction (note 28)	削減股本(附註28)	(21,412)	-	-	21,412	-	-	-	-	-	-
Share premium reduction	削減股份溢價	-	(364,974)	-	364,974	-	-	-	-	-	-
Partial redemption of convertible notes (note 28)	贖回部分可換股票據 (附註28)	-	-	-	-	(6,775)	-	339	(6,436)	-	(6,436)
Transfer (note 28)	轉撥(附註28)	-	-	-	(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	-	50,111
Loss for the year	本年度虧損	-	-	-	-	-	-	(189,511)	(189,511)	(4,692)	(194,203)
Exchange differences arising on translation of foreign operation	換算海外業務產生之 匯兌差額	-	-	-	-	-	5,639	-	5,639	-	5,639
Total comprehensive expense for the year	本年度全面開支總額	-	-	-	-	-	5,639	(189,511)	(183,872)	(4,692)	(188,564)
Issue of shares under rights issues (note 28)	因供股而發行股份 (附註28)	23,170	309,956	-	-	-	-	-	333,126	-	333,126
Issue of shares upon placing of shares (note 28)	因股份配售而發行股份 (附註28)	2,479	24,790	-	-	-	-	-	27,269	-	27,269
Share issue expenses	股份發行費用	-	(10,338)	-	-	-	-	-	(10,338)	-	(10,338)
Capital reduction (note 28)	削減股本(附註28)	(13,388)	-	-	13,388	-	-	-	-	-	-
Share premium reduction (note 28)	削減股份溢價(附註28)	-	(221,600)	-	221,600	-	-	-	-	-	-
Redemption of convertible notes	贖回可換股票據	-	-	-	-	(7,904)	-	7,744	(160)	-	(160)
Transfer (note 28)	轉撥(附註28)	-	-	-	(242,166)	-	-	242,166	-	-	-
At 31 December 2011	於二零一一年 十二月三十一日	13,388	102,808	2,099	273,969	-	5,639	(181,767)	216,136	(4,692)	211,444

Note:

(a) The capital reserve arising from the group reorganisation represents the difference between the nominal value of the share capital issued by the Company in exchange for the aggregate nominal values of the share capital of the subsidiaries.

附註:

(a) 集團重組產生之資本儲備乃指本公司為交換附屬公司股本所發行之股本之面值與有關附屬公司股本總賬面值之差額。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

	Note	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
OPERATING ACTIVITIES			
Loss before tax		(198,344)	(239,881)
Adjustments for:			
Depreciation of property, plant and equipment		749	127
Impairment loss on goodwill		147,309	164,000
Amortisation of intangible assets		17,296	–
Provision for losses on litigation		3,000	83,500
Gain on disposal of investment properties		–	(4,084)
Impairment loss on trade receivables		60	77
Reversal of impairment loss on trade receivables		(18)	(820)
Gain on disposal of a subsidiary		(50)	–
Finance costs		264	5,854
Fair value gains of convertible notes designated at fair value through profit or loss		(347)	(8,619)
Fair value losses (gains) of investments held for trading		10,057	(2,506)
Dividend income from equity securities		(240)	(1,535)
Gain on disposal of property, plant and equipment		–	(23)
Gain on redemption of convertible notes		(835)	(8,059)
Interest income		(723)	(11)
Operating cash flows before movements in working capital		(21,822)	(11,980)
(Increase) decrease in trade and other receivables		(55,996)	111
Decrease in investments held for trading		(6,226)	(53,503)
(Decrease) increase in trade and other payables		(634)	397
Cash used in operations		(84,678)	(64,975)
Income taxes paid		(902)	(1,516)
Interest paid		(99)	(2,009)
NET CASH USED IN OPERATING ACTIVITIES		(85,679)	(68,500)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

	Note 附註	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
INVESTING ACTIVITIES			
Net cash outflow on acquisition of subsidiaries	30	(175,310)	—
Purchase of property, plant and equipment		(2,016)	(661)
Proceeds from redemption of convertible notes designated as at fair value through profit or loss at maturity		16,500	16,680
Interest received		723	11
Dividend income received		240	1,535
Proceeds from disposal of investment properties		—	16,370
Proceeds on disposal of property, plant and equipment		—	47
Purchase of convertible notes designated as at fair value through profit or loss		—	(24,214)
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(159,863)	9,768
FINANCING ACTIVITIES			
Gross proceeds on issue of shares under rights issues		333,126	—
Gross proceeds on issue of shares under share placing		27,269	60,675
Advance from a non-controlling shareholder of a subsidiary		5,091	2,216
Repayment of obligations under a finance lease		(179)	—
Share issue expenses		(10,338)	(1,272)
Consideration for redemption of convertible notes		(67,900)	(57,000)
NET CASH FROM FINANCING ACTIVITIES		287,069	4,619
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		41,527	(54,113)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		43,041	97,154
Effect of foreign exchange rate changes		87	—
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		84,655	43,041

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

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 also the functional currency of the Company.

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 38.

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

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

Amendments to HKFRSs HKAS 24 (as revised in 2009)	Improvements to HKFRSs issued in 2010 Related Party Disclosures
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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「公司資料」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。其主要附屬公司之業務乃於附註38載列。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

本年度，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香港財務報告準則。

香港財務報告準則之修訂	於二零一零年頒佈之香港財務報告準則之改進
香港會計準則第24號（二零零九年經修訂）	關連方披露
香港會計準則第32號之修訂	供股分類
香港（國際財務報告詮釋委員會）—詮釋第14號之修訂	最低資金要求之預付款項
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

於本年度應用新訂及經修訂香港財務報告準則並無對本集團目前及過往年度之財務表現及狀況及／或綜合財務報表所載披露造成重大影響。

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

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

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets ¹
	Disclosures – Offsetting Financial Assets and Financial Liabilities ²
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ⁵
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets ⁴
HKAS 19 (as revised in 2011)	Employee Benefits ²
HKAS 27 (as revised in 2011)	Separate Financial Statements ²
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ²
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ⁶
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ²

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並無提前應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第7號之修訂	披露 – 轉讓財務資產 ¹
	披露 – 抵銷財務資產及財務負債 ²
香港財務報告準則第7號及香港財務報告準則第9號之修訂	香港財務報告準則第9號之強制生效日期及過渡性披露 ³
香港財務報告準則第9號	金融工具 ³
香港財務報告準則第10號	綜合財務報表 ²
香港財務報告準則第11號	共同安排 ²
香港財務報告準則第12號	披露於其他實體之權益 ²
香港財務報告準則第13號	公平值計量 ²
香港會計準則第1號之修訂	呈列其他全面收益之項目 ⁵
香港會計準則第12號之修訂	遞延稅項 – 收回相關資產 ⁴
香港會計準則第19號（二零一一年經修訂）	僱員福利 ²
香港會計準則第27號（二零一一年經修訂）	獨立財務報表 ²
香港會計準則第28號（二零一一年經修訂）	於聯營公司及合營企業之投資 ²
香港會計準則第32號之修訂	抵銷財務資產及財務負債 ⁶
香港（國際財務報告詮釋委員會） – 詮釋第20號	露天礦場生產階段之剝採成本 ²

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

- 1 Effective for annual periods beginning on or after 1 July 2011
- 2 Effective for annual periods beginning on or after 1 January 2013
- 3 Effective for annual periods beginning on or after 1 January 2015
- 4 Effective for annual periods beginning on or after 1 January 2012
- 5 Effective for annual periods beginning on or after 1 July 2012
- 6 Effective for annual periods beginning on or after 1 January 2014

HKFRS 9 FINANCIAL INSTRUMENTS

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

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

- 1 自二零一一年七月一日或以後開始之年度期間生效
- 2 自二零一三年一月一日或以後開始之年度期間生效
- 3 自二零一五年一月一日或以後開始之年度期間生效
- 4 自二零一二年一月一日或以後開始之年度期間生效
- 5 自二零一二年七月一日或以後開始之年度期間生效
- 6 自二零一四年一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」

於二零零九年頒佈之香港財務報告準則第9號引入財務資產之分類及計量新規定。於二零一零年修訂之香港財務報告準則第9號載入財務負債之分類及計量及終止確認之規定。

香港財務報告準則第9號之主要規定詳述如下：

- 香港財務報告準則第9號規定屬香港會計準則第39號「金融工具：確認及計量」範圍內之所有已確認財務資產，其後須按攤銷成本或公平值計量，特別是，按目標為收取合約現金流之業務模式所持有之債務投資及合約現金流僅為支付尚未償還本金及其利息之債務投資一般於後續會計期間結束時按攤銷成本計量。所有其他債務投資及股權投資均於後續會計期間結束時按公平值計量。此外，根據香港財務報告準則第9號，實體可不可撤回地選擇於其他全面收益呈報股本投資（並非持作買賣者）公平值之其後變動，一般只有股息收入於損益確認。

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

HKFRS 9 FINANCIAL INSTRUMENTS

(Continued)

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of HKFRS 9 in the future may not have significant impact on other financial assets and liabilities based on the Group’s financial assets and financial liabilities as at 31 December 2011.

香港財務報告準則第9號 「金融工具」（續）

- 香港財務報告準則第9號對財務負債之分類及計量之最大影響與呈列因財務負債（指定為按公平值計入損益）負債信貸風險變動以致該負債公平值變動有關。具體而言，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，該財務負債之公平值因其信貸風險變動而產生之變動金額於其他全面收益內呈報，除非於其他全面收益中呈報該負債信貸風險變動影響將造成或加大損益內之會計錯配則作別論。財務負債信貸風險引致之公平值變動其後不會重新分類至損益內。以往，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整筆公平值變動金額於損益內呈報。

根據本集團於二零一一年十二月三十一日之財務資產及財務負債，董事預期，於日後採納香港財務報告準則第9號將不會對其他財務資產及財務負債產生重大影響。

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

NEW AND REVISED STANDARDS ON CONSOLIDATION, JOINT ARRANGEMENTS, ASSOCIATES AND DISCLOSURES

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK (SIC)-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

綜合賬目、共同安排、聯營公司及披露之新訂及經修訂準則

於二零一一年六月，香港會計師公會就綜合賬目、共同安排、聯營公司及披露頒佈一套共五項之準則，包括香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號、香港會計準則第27號（二零一一年經修訂）及香港會計準則第28號（二零一一年經修訂）。

該五項準則之主要要求詳述如下。

香港財務報告準則第10號取代香港會計準則第27號「綜合及獨立財務報表」中處理綜合財務報表之部分，及香港（標準詮釋委員會）一詮釋第12號「合併－特殊目的實體」。香港財務報告準則第10號載有控制權之新定義，其包括三項元素：(a)對被投資方之權力；(b)來自被投資方可變回報之風險或權利；及(c)使用其對被投資方之權力影響投資者回報金額之能力。香港財務報告準則第10號已增加多項指引以處理複雜情況。

香港財務報告準則第12號為一項披露準則，對於附屬公司、共同安排、聯營公司及／或非綜合入賬之結構性實體中擁有權益之實體適用。一般而言，香港財務報告準則第12號之披露規定較現行準則之規定更為廣泛。

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

NEW AND REVISED STANDARDS ON CONSOLIDATION, JOINT ARRANGEMENTS, ASSOCIATES AND DISCLOSURES (Continued)

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time. The directors anticipate that these five standards will be adopted in the Group’s consolidated financial statements for the annual periods beginning 1 January 2013.

HKFRS 13 FAIR VALUE MEASUREMENT

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

綜合賬目、共同安排、聯營公司及披露之新訂及經修訂準則（續）

此五項準則於二零一三年一月一日或其後開始之年度期間生效。該等準則准許提前應用，惟此五項準則須全部同時提早應用。董事預期，此五項準則將於本集團二零一三年一月一日開始之年度期間之綜合財務報表採納。

香港財務報告準則第13號「公平值計量」

香港財務報告準則第13號確立對公平值計量及披露公平值計量之單一指引。此項準則界定公平值，確立計量公平值之框架，以及要求對公平值計量作出披露。香港財務報告準則第13號之範圍廣泛；除指定情況外，其適用於其他香港財務報告準則規定或准許公平值計量及披露公平值計量之金融工具項目及非金融工具項目。一般而言，香港財務報告準則第13號之披露規定較現行準則更為廣泛。例如，根據香港財務報告準則第7號「金融工具：披露」僅需就金融工具根據三個級別之公平值架構作出之量化及定性披露，香港財務報告準則第13號將把規定範圍伸延至涵蓋其範圍內之所有資產及負債。

香港財務報告準則第13號於二零一三年一月一日或之後開始之年度期間生效，並准許提前應用。

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

HKFRS 13 FAIR VALUE MEASUREMENT

(Continued)

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual periods beginning 1 January 2013 and that the application of the new standard may not affect the amounts reported in the consolidated financial statements but may result in more extensive disclosures in the consolidated financial statements.

AMENDMENTS TO HKAS 1 PRESENTATION OF ITEMS OF OTHER COMPREHENSIVE INCOME

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for the Group for annual periods beginning on or after 1 January 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第13號「公平值計量」（續）

董事預期，香港財務報告準則第13號將於本集團二零一三年一月一日開始之年度期間之綜合財務報表採納，而應用新訂準則將不會對綜合財務報表所呈報之款額造成重大影響，惟將導致須於綜合財務報表作出更廣泛披露。

香港會計準則第1號「呈列其他全面收益項目」之修訂

香港會計準則第1號之修訂保留選擇權，可於單一報表或兩份獨立但連貫之報表呈列損益及其他全面收益。然而，香港會計準則第1號之修訂規定於其他全面收益部分作出額外披露，致使其他全面收益之項目歸納成兩類：(a)其後不會重新分類至損益之項目；及(b)當符合特定條件時可於其後重新分類之損益之項目。其他全面收益之項目涉及之所得稅須按同一基準分配。

香港會計準則第1號之修訂將於二零一三年一月一日或之後開始之年度期間於本集團生效。當修訂於往後之會計期間應用時，其他全面收益項目之呈列方式將會作出相應更改。

3. 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 of Hong Kong Limited (the "Stock Exchange") 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.

The principal accounting policies are set out below.

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 and 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.

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

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. 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香港聯合交易所有限公司（「聯交所」）證券上市規則及香港公司條例所規定之適用披露事項。

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。

主要會計對政策載列如下。

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。

附屬公司之非控股權益與本集團於該附屬公司之權益已分別呈列。

分配全面收益總額予非控股權益

即使導致非控股權益之出現虧絀，附屬公司之全面收益及開支總額仍歸屬本公司擁有人及非控股權益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS

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, 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 arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree 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.

3. 主要會計政策 (續)

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。

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；
- 與被收購方以股份為基礎之付款安排有關或以本集團以股份為基礎之付款安排取代被收購方以股份為基礎之付款安排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*以股份為本之付款*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。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS (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, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group 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 included 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 made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. 主要會計政策 (續)

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(如通用)其他準則列明之基準計量。

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,並就商譽作出相應調整。計算期之調整是於計量期間(不可超過收購日期起計一年)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。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS (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.

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost less 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 first 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 the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

3. 主要會計政策 (續)

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。

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。就報告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報告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，則會首先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。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOODWILL (Continued)

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

REVENUE RECOGNITION

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

Revenue from 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 which is generally the time when a formal agreement among the transacted parties is established.

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

3. 主要會計政策 (續)

商譽 (續)

於出售有關現金產生單位時，商譽之應佔金額乃於出售時計入損益之釐定金額中。

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，扣除貼現及銷售相關稅項。

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會計期間確認，一般為相關交易方訂立正式協議之時候。

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。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）。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated in the consolidated statement of financial position 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. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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.

3. 主要會計政策 (續)

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至列於綜合財務狀況表(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報告期末進行檢討,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計算折舊,計算基準與已擁有資產相同。然而,倘無法合理確定是否能於租賃年期結束時取得所有權,資產將按租賃年期或使用年期之間較短者(以較短者為準)計算折舊。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策 (續)

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 a finance lease obligation.

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).

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.

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.

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。

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。

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。

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of 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.

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

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of exchange reserve.

3. 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）。於報告期末，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。

就呈報綜合財務報表而言，本集團海外業務之資產及負債乃按各報告期末之通行匯率換算為本公司之呈報貨幣（即港元）。收入及開支則按本年度之平均匯率換算，惟倘年內匯率顯著波動則除外，於該情況下，則採用交易日期之通行匯率。所產生之匯兌差額（如有）將於匯兌儲備項下之其他全面收益中確認及累積於權益項目中。

收購海外業務所產生之商譽及所收購可識別資產之公平值變動，均當作該海外業務之資產與負債處理，並按於各報告期末適用之匯率換算。所產生之匯兌差額將確認為匯兌儲備項下之權益。

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3. 主要會計政策 (續)

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 recognised as an expense when employees have rendered service entitling them to the contributions.

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 tax rates that have been enacted or substantively enacted by the end of the reporting period.

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確認為開支。

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報告期末已制訂或實質上已制訂之稅率計算。

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

TAXATION *(Continued)*

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.

3. 主要會計政策 (續)

稅項 (續)

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。

3. 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.

Current and deferred tax are 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 current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值會於報告期末作檢討，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，並根據於報告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報告期末收回或償還資產及負債賬面值所產生之稅務後果。

即期及遞延稅項於損益確認，惟當與於其他全面收益或直接於權益確認之項目有關之情況下，即期及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。倘因業務合併之初步會計方法產生即期稅項或遞延稅項，有關稅務影響將計入業務合併之會計。

於業務合併中收購之無形資產

業務合併中收購之無形資產將於商譽以外另行確認，並於收購日按公平值（視為其成本）初步確認。

初步確認後，有限定使用年期之無形資產將按成本減去其後累計攤銷及任何累計減值虧損列賬。有限定使用年期之無形資產將按其估計使用年期，以直線法予以攤銷。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION (Continued)

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

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.

Financial assets

The Group's financial assets are comprising of financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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.

3. 主要會計政策 (續)

於業務合併中收購之無形資產 (續)

取消確認無形資產所產生之收益或虧損將按出售所得款項淨額與資產賬面值之差額計量，並於取消確認資產時在於損益中確認。

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。

財務資產

本集團之財務資產包括及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」）及貸款及應收款項。分類乃由財務資產之性質及目的所釐定並於初步確認時予以釐定。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。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

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.

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.

3. 主要會計政策 (續)

金融工具 (續)

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。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Effective interest method (Continued)

Financial assets at fair value through profit or loss (Continued)

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.

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, restricted cash, and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

3. 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 (續)

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。

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、受限制現金及銀行結餘及現金）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（見下文財務資產減值虧損之會計政策）。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策 (續)

FINANCIAL INSTRUMENTS (Continued)

Impairment of financial assets

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

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

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

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

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

金融工具 (續)

金融資產之減值

於每一報告期末須評估財務資產(除按公平值計入損益之財務資產外)是否有任何減值跡象。倘有任何客觀證據,證明財務資產之估計未來現金流量由於一個或多個於初步確認財務資產後發生之事項而受到影響,則財務資產將視為已減值。

就所有其他金融資產而言,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
- 違反合約,如: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。

就若干類別金融資產(如應收賬款)而言,單獨評估並無出現減值之資產將彙集一併評估減值。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。

就按攤銷成本列帳之財務資產而言,已確認減值虧損金額為該資產之賬面值與估計未來現金流量以財務資產之原實際利率貼現之現值之間之差額。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Impairment of financial assets (Continued)

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

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

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3. 主要會計政策 (續)

金融工具 (續)

金融資產之減值 (續)

除應收賬款外所有金融資產之減值虧損將直接於金融資產之賬面值中扣減，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。

就按攤銷成本計量之金融資產，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。

財務負債及權益工具

集團實體發行之財務負債及股本投資工具乃根據合約安排之內容與財務負債及權益工具之定義分類為財務負債或權益工具。

權益工具

權益工具乃證明本集團資產於扣除其所有負債後之剩餘權益之任何合約。本集團發行之權益工具以扣減直接發行成本後所收取之所得款項確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策 (續)

FINANCIAL INSTRUMENTS (Continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including trade and other payables, and convertible notes) are subsequently measured at amortised cost, using the effective interest method.

Convertible notes issued by the Group

Convertible loan notes contains liability and equity components

Convertible loan notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. 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 loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible loan notes equity reserve).

金融工具 (續)

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)更短期間準確折讓至初步確認之賬面淨值之利率。

利息開支按實際利率基準確認。

財務負債

財務負債(包括應付賬款及可換股票據)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

本集團發行之可換股貸款票據包括財務負債及權益部分兩個部分，並於初步確認時並根據合約安排之內容以及財務負債及權益工具之定義，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。發行可換股貸款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(可換股貸款票據權益儲備)。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Convertible notes issued by the Group

(Continued)

Convertible loan notes contains liability and equity components (Continued)

In subsequent periods, the liability component of the convertible loan 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 loan notes equity reserve until the embedded option is exercised (in which case the balance stated in convertible loan notes equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible loan 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 loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

Equity instruments

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

3. 主要會計政策 (續)

金融工具 (續)

本集團發行之可換股票據 (續)

附有負債及權益部分之可換股貸款票據 (續)

於往後期間，可換股貸款票據之負債部分乃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，將保留於可換股貸款票據權益儲備，直至附設之期權獲行使為止（在此情況下，可換股貸款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，可換股貸款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。

與發行可換股貸款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，並按可換股貸款票據之期限採用實際利率法攤銷。

權益工具

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。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

解除確認

惟倘資產現金流量之合約權利屆滿時，或將其財務資產或該等資產所有權之絕大部分風險及回報轉移予另一實體時，本集團方會取消確認財務資產。倘本集團並未轉移亦未保留所有權之絕大部分風險及回報，並繼續控制已轉移資產，則本集團將繼續確認其於資產之保留權益及可能需要支付的相關負債款項。倘本集團仍保留已轉移財務資產之所有權之絕大部分風險及回報，本集團將繼續確認該財務資產以及確認已收所得款項之有抵押借款。

於解除確認整項財務資產時，該項資產賬面值與已收及應收代價及於其他全面收益確認並於權益中累計之累計損益總額之差額在損益中確認。

本集團僅於其責任已被解除、註銷或屆滿時方會取消確認財務負債。取消確認之財務負債賬面值與已付及應付代價之差額乃於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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 or 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 original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When 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.

3. 主要會計政策 (續)

金融工具 (續)

撥備

若本集團須就過往事件而承擔現有責任，及本集團有可能須履行該項責任，並對責任之金額可作出可靠估計時，則會確認撥備。撥備乃按申報期末履行現時責任所需代價之最佳估計而計量，而估計乃經考慮圍繞責任之風險及不確定性而作出。倘撥備以估計履行現時責任之現金流量計量時，其賬面值為該等現金流量之現值（倘資金時間值之影響屬重大）。

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，或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。

本集團於報告期末修訂對預期最終將歸屬之購股權數目之估計。歸屬期內修訂原有估計之影響（如有）乃於損益確認，令累計開支可反映修訂估計，並對購股權儲備作出相應調整。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 主要會計政策 (續)

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

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

商譽以外有形及無形資產之減值虧損 (見上文有關商譽之會計政策)

本集團於各報告期末均審閱其有形及無形資產之賬面值，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。倘無法估計個別資產之可收回金額，則本集團須估計該資產所屬現金產生單位之可收回金額。倘可識別合理及一致之分配基準，亦將企業資產分配至個別現金產生單位，或分配至可識別合理及一致之分配基準之現金產生單位最小組別。

可收回金額為減除成本後之公平值與使用價值兩者之間較高者。在評估使用價值時，估計未來現金流量乃使用除稅前折現率折減至其現值，以反映市場對貨幣時間值之評估及該資產（其估計未來現金流量未予調整）特有之風險。

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。減值虧損將即時於損益中確認。

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。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make 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.

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 2011, the carrying amount of goodwill is HK\$57,944,000 (net of accumulated impairment loss of HK\$491,636,000) (2010: carrying amount of HK\$92,000,000, net of accumulated impairment loss of HK\$342,161,000).

4. 估計不確定性之主要來源

於應用本集團會計政策（於附註3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。

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。

以下列載於報告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。於二零一一年十二月三十一日，商譽之賬面值為港幣57,944,000元（扣除港幣491,636,000元累計減值虧損）（二零一零年：賬面值為港幣92,000,000元，扣除港幣342,161,000元累計減值虧損）。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

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 2011, the carrying amount of trade receivable is HK\$39,090,000 (net of allowance for doubtful debts of HK\$935,000) (2010: carrying amount of HK\$36,083,000, net of allowance for doubtful debts of HK\$1,073,000).

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 22. 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.

4. 估計不確定性之主要來源 (續)

應收賬款之估計減值

倘有減值之客觀憑證時，本集團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。於二零一一年十二月三十一日，應收賬款之賬面值為港幣39,090,000元（扣除呆賬撥備港幣935,000元）（二零一零年：賬面值港幣36,083,000元，扣除呆賬撥備港幣1,073,000元）。

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22披露。指定按公平值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計入損益可換股票據之估計公平值產生重大影響。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

PROVISION FOR LOSSES ON LITIGATION

The directors of the Company monitors any litigation against the Group closely. Provision for losses on litigation is made based on management assessment with reference to legal opinion on the possible outcome and potential liability to the Group. As at 31 December 2011, the carrying amount of provision for losses on litigation is HK\$86,500,000 (2010: HK\$83,500,000). Details are set out in note 35.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to 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, new share issues as well as the issue of new debt or the redemption of existing debt.

4. 估計不確定性之主要來源 (續)

訴訟損失之撥備

本公司董事密切監控向本集團提出之任何訴訟。本集團法律顧問就可能結果及本集團之潛在負債提出意見，訴訟損失之撥備乃根據管理層以此為參考所作之評估作出。於二零一一年十二月三十一日，訴訟損失之撥備賬面值為對港幣86,500,000元（二零一零年：港幣83,500,000元）。詳情載於附註35。

5. 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。

6. FINANCIAL INSTRUMENTS**6. 金融工具****6A. CATEGORIES OF FINANCIAL INSTRUMENTS****6A. 金融工具類別**

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 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)	176,369	79,551
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	52,177	56,009
– Designated as at fair value through profit or loss	– 指定按公平值計入損益	–	16,153
		228,546	151,713
Financial liabilities	財務負債		
Amortised cost	攤銷成本	42,202	115,397

6B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

6B. 財務風險管理目標及政策

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於下文。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 2011 截至二零一一年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS

(Continued)

6B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market risk

Currency risk

The Group operates in Hong Kong and in the People's Republic of China (the "PRC") 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, GBP 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 monetary assets and monetary liabilities at the end of reporting period are as follows:

6. 金融工具 (續)

6B. 財務風險管理目標及政策 (續)

市場風險

外匯風險

本集團在香港及中華人民共和國(「中國」)經營業務，其大部分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、英鎊及美元之風險。

本集團於呈報日期以外幣列值之貨幣資產及貨幣負債之賬面值如下：

		Liabilities 負債		Assets 資產	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
RMB	人民幣	(404)	(117)	731	2,379
USD	美元	(99)	(4,121)	34,689	6,568
GBP	英鎊	-	-	8,442	8,414

6. FINANCIAL INSTRUMENTS*(Continued)***6B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(Continued)***Market risk** *(Continued)**Currency risk (Continued)*

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2010: 5%) increase and decrease in the functional currency of each group entity against the above foreign currencies. 5% (2010: 5%) 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. 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% (2010: 5%) change in foreign currency rate. A positive number below indicates a decrease in losses where the above foreign currencies strengthen 5% (2010: 5%) against the functional currency of each group entity. For a 5% (2010: 5%) 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.

6. 金融工具 (續)**6B. 財務風險管理目標及政策** *(續)***市場風險 (續)***外匯風險 (續)*

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% (二零一零年: 5%) 之影響。5% (二零一零年: 5%) 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出現之合理變動而作出之評估。由於港幣與美元掛鈎, 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% (二零一零年: 5%) 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% (二零一零年: 5%) 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% (二零一零年: 5%), 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%。

6. FINANCIAL INSTRUMENTS*(Continued)***6B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(Continued)***Market risk** *(Continued)**Currency risk (Continued)**Sensitivity analysis (Continued)*

Decrease in loss for the year 本年度虧損減少

Interest rate risk

The Group's fair value interest rate risk primarily relate to convertible notes designated as at fair value through profit or loss, convertible notes, and obligations under a finance lease, as set out in notes 22, 25 and 26 respectively.

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

6. 金融工具 (續)**6B. 財務風險管理目標及政策** (續)**市場風險 (續)***外匯風險 (續)**敏感度分析 (續)***HK\$ Impact**
港幣影響

2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
366	445

利率風險

本集團之公平值利率風險主要與按公平值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22、25及26。

本集團亦承受就浮息銀行結餘承受現金流利率風險，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。

6. FINANCIAL INSTRUMENTS*(Continued)***6. 金融工具 (續)****6B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES***(Continued)***Market risk** *(Continued)**Interest rate risk (Continued)*

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 10 basis points (2010: 50 basis points) increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2011 would decrease/increase by HK\$65,000 (2010: HK\$149,000).

Equity and other price risk on investments held for trading

The Group is exposed to equity and other price risk through its investments held for trading. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity and other price risks are mainly concentrated on equity securities listed in the Stock Exchange, debentures quoted by certain financial institutions and the investments in wine future quoted by a well-known wine and spirit merchant.

6B. 財務風險管理目標及政策*(續)***市場風險 (續)***利率風險 (續)*

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報告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，分析乃假設於報告期末之相關資產金額於整個年度內均存在而作出。增加或減少10個基點（二零一零年：50個基點）代表管理層所評估利率可能出現之合理變動。

倘利率增加／減少10個基點，而所有其他變數維持不變，本集團截至二零一一年十二月三十一日止年度之虧損將增加／減少港幣65,000元（二零一零年：港幣149,000元）。

持作買賣投資之股本及其他價格風險

本集團就其持作買賣投資面對股本及其他價格風險。管理層透過維持包含不同風險之投資組合控制風險。本集團之股本及其他價格風險主要集中於在聯交所上市之股本證券、由若干金融機構報價之債權證，以及由知名酒商報價之酒類期貨投資。

6. FINANCIAL INSTRUMENTS

(Continued)

6B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market risk (Continued)

Equity and other price risk on investments held for trading (Continued)

Sensitivity analysis

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

If the prices of the respective equity investments had been 5% (2010: 5%) higher/lower, loss for the year ended 31 December 2011 would decrease/increase by HK\$1,122,000 (2010: decrease/increase by HK\$1,987,000) as a result of the changes in fair value of equity securities held by the Group was based on the quoted prices of the respective securities in active markets for identical assets.

If the prices of the respective debentures had been 5% (2010: nil) higher/lower, loss for the year ended 31 December 2011 would decrease/increase by HK\$704,000 (2010: nil) as a result of the changes in fair value of debentures.

If the underlying value of wine of the respective investments in wine future had been 5% (2010: 5%) higher/lower, loss for the year ended 31 December 2011 would decrease/increase by HK\$352,000 (2010: increase/decrease by HK\$351,000) as a result of the changes in investments in wine future.

The Group's sensitivity to equity and other price risks has decreased during the year mainly due to the decrease in investments held for trading. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent equity price risk as the year end exposure does not reflect the exposure during the year.

6. 金融工具 (續)

6B. 財務風險管理目標及政策 (續)

市場風險 (續)

持作買賣投資之股本及其他價格風險 (續)

敏感度分析

下文敏感度分析乃根據於呈報日期持作買賣投資所面對之股本及其他價格風險而釐定。

倘相關股本投資之價格上升/下跌5% (二零一零年: 5%)，截至二零一一年十二月三十一日止年度之虧損將因本集團所持股本證券之公平值變動 (根據各證券於相同資產之活躍市場之報價計算) 減少/增加港幣1,122,000元 (二零一零年: 減少/增加港幣1,987,000元)。

倘相關債權證價格上升/下跌5% (二零一零年: 無)，截至二零一一年十二月三十一日止年度之虧損將因債權證之公平值變動減少/增加港幣704,000元 (二零一零年: 無)。

倘酒類期貨相關投資之酒類相關價值上升/下跌5% (二零一零年: 5%)，截至二零一一年十二月三十一日止年度之虧損將因酒類期貨投資公平值變動減少/增加港幣352,000元 (二零一零年: 增加/減少港幣351,000元)。

本集團對股本及其他價格風險之敏感度於本年度下降，主要由於持作買賣之投資減少。管理層認為，敏感度分析對股本之內在價格風險並無代表意義，原因是於年終承擔之風險並不反映本年度承擔之風險。

6. FINANCIAL INSTRUMENTS*(Continued)***6. 金融工具 (續)****6B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(Continued)***Market risk** *(Continued)*

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 convertible 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 2011, 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.

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.

6B. 財務風險管理目標及政策 *(續)***市場風險 (續)**

指定按公平值計入損益之可換股票據之價格風險

就按公平值計入損益之可換股票據之價格風險而言，由於兌換權之行使價遠高於可換股票據之股份價格，因此可換股票據於報告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

於二零一一年十二月三十一日，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個已確認財務資產之賬面值。

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，本集團於報告期末檢討各個別債項之可收回款額，以確保就無法收回之款額作出足夠減值虧損。就此，本公司董事認為本集團之信貸風險已大為降低。

6. FINANCIAL INSTRUMENTS

(Continued)

6B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

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

The following table details the Group's remaining contractual maturity for its 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.

Liquidity risk tables

	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 31/12/2011
		須應要求償還或少於一個月	一至三個月	三個月至一年	一年至五年	未貼現現金流量總額	於二零一一年十二月三十一日之賬面值
	加權平均利率	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'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
2011							
Non-derivative financial liabilities							
Trade and other payables		42,202	-	-	-	42,202	42,202
Obligations under a finance lease	1.8	16	33	148	114	311	300
		42,218	33	148	114	42,513	42,502

6. 金融工具 (續)

6B. 財務風險管理目標及政策 (續)

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波動之影響。

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可能被要求作出還款之最早日期之財務負債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，則未貼現金額乃按報告期末之利率計算。

流動資金風險表

6. FINANCIAL INSTRUMENTS*(Continued)***6B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(Continued)***Liquidity risk** *(Continued)**Liquidity risk tables (Continued)*

	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
	加權平均利率	須應要求償還或少於一個月	一至三個月	三個月至一年	一年至五年	未貼現現金流量總額	於二零一零年十二月三十一日之賬面值
	%	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
2010							
Non-derivative financial liabilities							
Trade and other payables		46,506	-	-	-	46,506	46,506
Obligations under a finance lease	1.8	16	33	148	311	508	480
Convertible notes	2.0	-	-	71,400	-	71,400	68,411
		46,522	33	71,548	311	118,414	115,397

6C. FAIR VALUE

The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively.

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.

6. 金融工具 (續)**6B. 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 (續)***6C. 公平值**

設有標準條款及條件，並於活躍流動市場買賣之資產及金融負債之公平值，乃分別參考市場買入價及賣出價之報價釐定。

其他財務資產及財務負債之公平值乃採用可觀察市場交易之價格或費率作為輸入之貼現現金流量分析，以普遍採納之定價模式釐定。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與彼等之公平值相若。

6. FINANCIAL INSTRUMENTS

(Continued)

6D. 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).

6. 金融工具 (續)

6D. 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源自第一級所包括之報價外，資產或負債可直接（如：市場價格）或間接（如：源自價格）觀察所得之輸入數據。
- 第三級公平值計量指透過運用並非基於可觀察市場數據之資產或負債輸入數據（非觀察輸入數據）之估值方法進行之計量。

6. FINANCIAL INSTRUMENTS*(Continued)***6. 金融工具 (續)****6D. FAIR VALUE MEASUREMENTS
RECOGNIZED IN THE CONSOLIDATED
STATEMENT OF FINANCIAL POSITION***(Continued)***As at 31 December 2011****6D. 於綜合財務狀況表確認之
公平值計量 (續)**

於二零一一年十二月三十一日

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Financial assets	財務資產				
<i>Fair value through profit or loss</i>	<i>按公平值計入損益</i>				
- Investments held for trading	- 持作買賣投資	26,880	25,297	-	52,177

As at 31 December 2010

於二零一零年十二月三十一日

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Financial assets	財務資產				
<i>Fair value through profit or loss</i>	<i>按公平值計入損益</i>				
- 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 損益之可換股票據	-	-	16,153	16,153
		47,595	8,414	16,153	72,162

6. FINANCIAL INSTRUMENTS*(Continued)***6D. FAIR VALUE MEASUREMENTS
RECOGNIZED IN THE CONSOLIDATED
STATEMENT OF FINANCIAL POSITION***(Continued)*

There were no transfers between Level 1 and 2 in the current and prior years.

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

At 1 January 2010	於二零一零年一月一日	–
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)
		<hr/>
At 31 December 2010	於二零一零年十二月三十一日	16,153
Change in fair value in profit or loss	於損益之公平值變動	347
Settlements	結算	(16,500)
		<hr/>
At 31 December 2011	於二零一一年十二月三十一日	–

There is no transfer into/out of Level 3 in the current and prior years.

For the year ended 31 December 2011, the fair value gains of convertible notes designated as at profit or loss of HK\$347,000 (2010: HK\$8,619,000) were reported in "other (losses) gains" account balance in the consolidated statement of comprehensive income.

6. 金融工具 (續)**6D. 於綜合財務狀況表確認之
公平值計量 (續)**

於本年度及過往年度，第一級及第二級之間並無轉撥。

**第三級財務資產及財務負債公平
值計量之對賬**

**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
HK\$'000
港幣千元**

於本年度及過往年度，第三級並無任何撥入／撥出。

截至二零一一年十二月三十一日止年度，指定按公平值計入損益之可換股票據之公平值收益為港幣347,000元（二零一零年：港幣8,619,000元），已於綜合全面收益表中「其他（虧損）收益」之賬目結餘中呈列。

7. REVENUE

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

7. 收益

本集團之本年度收益分析如下：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Property agency commission and service income in Hong Kong	於香港之物業代理佣金及服務收入	51,263	88,078
Property agency commission and service income in the PRC	於中國之物業代理佣金及服務收入	9,436	—
Franchise income	特許經營權收入	6,489	5,317
Sales of goods	銷售貨品	196,111	126,565
Leasing management income	租賃管理收入	1,266	—
		264,565	219,960

8. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating and reportable segments, based on information provided to the chief operating decision maker ("CODM") representing the executive directors of the Company, for the purpose of resource allocation and assessment of segment performance on types of services provided and goods sold. This is also the basis upon which the Group is arranged and organised.

During the year, the Group acquired subsidiaries which are engaged in the property agency in the PRC, which resulted in a new operating segment. The results of these subsidiaries are presented as a new operating and reportable segment separate from the property agency operated in Hong Kong.

8. 分部資料

以下為本集團之收益及業績按經營及可呈報分部劃分之分析，而分析乃根據為分配資源及評估所提供服務及所銷售貨品之分部表現而向主要經營決策者（「主要經營決策者」，即本公司之執行董事）提供之資料進行。此亦為本集團安排及營運之基礎。

於本年度，本集團收購於中國從事物業代理業務之附屬公司，形成新的經營分部。該等附屬公司之業績已呈列作為獨立於在香港經營之物業代理業務之新增經營及可呈報分部。

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For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

8. SEGMENT INFORMATION (Continued) 8. 分部資料 (續)

The Group's operations are currently organised into four operating and reportable segments as follows:

Property agency in Hong Kong	-	Provision of property agency and related services, and franchise services in Hong Kong
Property agency in the PRC	-	Provision of property agency and related services, and leasing management services in the PRC
Toy products trading	-	Trading of toy, gift and premium products
Securities trading and investments	-	Securities trading and investments

The following is an analysis of the Group's revenue and results by operating and reportable segments:

本集團之業務現時分類為四個經營及可呈報分部，詳情如下：

香港物業代理	-	於香港提供物業代理及相關服務，以及特許經營服務
中國物業代理	-	於中國提供物業代理及相關服務，以及租賃管理服務
玩具產品買賣	-	玩具、贈品及精品買賣
證券買賣及投資	-	證券買賣及投資

本集團按經營及可呈報分部劃分之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	
		Hong Kong 香港		PRC 中國		2011 二零一一年	2010 二零一零年	2011 二零一一年	2010 二零一零年	2011 二零一一年	2010 二零一零年
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Segment revenue	分部收益										
- External sales	- 外部銷售	57,752	93,395	10,702	-	196,111	126,565	-	-	264,565	219,960
Segment (loss) profit	分部(虧損)溢利	(53,792)	(158,200)	(118,760)	-	(5,495)	(11,888)	(9,069)	13,163	(187,116)	(156,925)
Other information (included in measure of segment profit (loss))	其他資料(計入分部溢利(虧損))										
Net (loss) profit on investments held for trading	持作買賣投資(虧損)溢利淨額	-	-	-	-	-	-	(10,057)	2,506	(10,057)	2,506
Other income	其他收入	1,112	699	19	-	18	10	924	1,695	2,073	2,404
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	386	116	352	-	6	5	-	-	744	121
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	(23)	-	-	-	-	-	-	-	(23)
Impairment loss on trade receivables	應收賬款之減值虧損	60	77	-	-	-	-	-	-	60	77
Reversal of impairment loss on trade receivables	應收賬款之減值虧損之撥回	(18)	-	-	-	-	(820)	-	-	(18)	(820)
Additions to non-current assets during the year	年內添置非流動資產	718	1,137	1,289	-	4	4	5	-	2,016	1,141
Impairment loss on goodwill	商譽之減值虧損	54,000	164,000	93,309	-	-	-	-	-	147,309	164,000
Amortisation of intangible assets	攤銷無形資產	-	-	17,296	-	-	-	-	-	17,296	-

8. SEGMENT INFORMATION (Continued)**8. 分部資料** (續)

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

本集團經營及可呈報分部已呈列之總計與本集團於綜合財務報表呈報之除稅前虧損之對賬如下：

		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Aggregate of segments loss	分部虧損總額	(187,116)	(156,925)
Unallocated corporate income	未分配之企業收入	974	12,169
Unallocated corporate expenses	未分配之企業開支	(8,938)	(5,771)
Provision for losses on litigation	訴訟損失之撥備	(3,000)	(83,500)
Finance costs	財務費用	(264)	(5,854)
Consolidated loss before tax	除稅前綜合虧損	(198,344)	(239,881)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment (loss) profit represents the loss from each segment without allocation of unallocated corporate income (which mainly includes gain on redemption of convertible notes), unallocated corporate expenses (which mainly include administrative expenses) and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

經營分部之會計政策與附註3所述之本集團會計政策相同。分部(虧損)溢利指各分部在就未分配企業收入(主要包括贖回可換股票據之收益)、未分配企業開支(主要包括行政開支)及財務費用作出分配之情況下的虧損,乃用作為分配資源及評估表現而向主要經營決策者匯報的計量指標。

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8. SEGMENT INFORMATION (Continued) 8. 分部資料 (續)

SEGMENT ASSETS AND LIABILITIES

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

		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	
		Hong Kong 香港		PRC 中國		2011 二零一一年	2010 二零一零年	2011 二零一一年	2010 二零一零年	2011 二零一一年	2010 二零一零年	2011 二零一一年	2010 二零一零年
		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	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
ASSETS	資產												
Segment assets	分部資產	70,449	125,965	99,895	-	23,385	16,202	56,259	72,470	-	-	249,988	214,637
Unallocated assets	未分配資產	-	-	-	-	-	-	-	-	119,215	36,631	119,215	36,631
Consolidated total assets	綜合資產總值											369,203	251,268
LIABILITIES	負債												
Segment liabilities	分部負債	23,896	25,499	20,054	-	24,799	19,157	-	-	-	-	68,749	44,656
Unallocated liabilities	未分配負債	-	-	-	-	-	-	-	-	89,010	156,501	89,010	156,501
Consolidated total liabilities	綜合負債總額											157,759	201,157

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

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

分部資產及負債

按經營及可呈報分部劃分之本集團資產及負債分析如下：

為監察分部表現及在分部間分配資源：

- 所有資產分配至經營及可呈報分部，惟若干物業、廠房及設備、其他應收款項及銀行結餘及現金除外；及
- 所有負債分配至經營及可呈報分部，惟若干其他應付款項、可換股票據、應付稅項及融資租賃責任除外。

8. SEGMENT INFORMATION (Continued)**8. 分部資料** (續)**ENTITY-WIDE DISCLOSURES****Geographical information**

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

實體範圍內披露**地區資料**

本集團來自外部客戶之收益及其非流動資產按以下地區劃分：

		Revenue from external customers 來自外部客戶之收益		Non-current assets 非流動資產	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Hong Kong	香港	120,528	152,826	39,502	93,173
Japan	日本	82,641	39,659	-	-
PRC	中國	13,800	5,444	92,840	-
Europe	歐洲	45,561	17,105	-	-
Others	其他	2,035	4,926	-	-
		264,565	219,960	132,342	93,173

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

來自外部客戶之收益之地區分析乃根據客戶所在地理位置（不考慮貨品和服務之來源地）而劃分。非流動資產之地區分析是根據資產實際所在地而劃分。

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8. SEGMENT INFORMATION (Continued) 8. 分部資料 (續)

INFORMATION ABOUT MAJOR CUSTOMERS

For the year ended 31 December 2011 and 2010, revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

主要客戶資料

截至二零一一年及二零一零年十二月三十一日止年度，於相應年度為本集團貢獻逾10%總收益之客戶之收益如下：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Customer A ¹	客戶A ¹	28,622	-
Customer B ¹	客戶B ¹	27,307	-

¹ Revenue from toy products trading

¹ 玩具產品買賣收益

9. OTHER (LOSSES) GAINS

9. 其他(虧損)收益

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Net (loss) profit on investments held for trading	持作買賣投資(虧損)溢利淨額	(10,057)	2,506
Gain on convertible notes designated as at fair value through profit or loss (note 22)	指定按公平值計入損益之可換股票據收益(附註22)	347	8,619
Gain on redemption of convertible notes (note 25)	贖回可換股票據之收益(附註25)	835	8,059
		(8,875)	19,184

10. FINANCE COSTS

10. 財務費用

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Interest charges on:	下列各項之利息支出：		
Bank overdraft wholly repayable within five years	須於五年內悉數償還之銀行透支	1	2
Convertible notes	可換股票據	245	5,847
Finance lease	融資租賃	18	5
		264	5,854

11. INCOME TAX (CREDIT) EXPENSE

11. 所得稅(抵免)開支

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
The (credit) charge comprises:	(抵免)支出包括：		
Hong Kong Profits Tax:	香港利得稅：		
– Current year	– 本年度	183	2,608
– Underprovision in respect of prior years	– 過往年度撥備不足	–	16
		183	2,624
Deferred tax – current period (Note)	遞延稅項 – 即期(附註)	(4,324)	–
		(4,141)	2,624

Note: The deferred tax credit arises from the release of deferred tax liabilities upon the amortisation of intangible assets which arose from the acquisition of subsidiaries disclosed in note 27.

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

Under the Law of the PRC 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.

附註：遞延稅項抵免乃因遞延稅項負債於攤銷收購附屬公司所產生之無形資產時獲解除而產生(見附註27所披露)。

香港利得稅乃按兩個年度之估計應課稅溢利以稅率16.5%計算。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司之稅率為25%。

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11. INCOME TAX (CREDIT) EXPENSE 11. 所得稅(抵免)開支(續)

(Continued)

The income tax (credit) 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(抵免)開支與綜合全面收益表之除稅前虧損對賬如下:

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Loss before tax	除稅前虧損	(198,344)	(239,881)
Tax at the applicable rate of 16.5% (2010: 16.5%)	按適用稅率16.5% (二零一零年: 16.5%)計算之稅項	(32,727)	(39,580)
Tax effect of expenses not deductible for tax purpose	不可扣減開支之稅務影響	23,407	43,036
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(591)	(2,398)
Tax effect of tax loss not recognised	未確認稅務虧損之稅務影響	6,503	1,729
Utilisation of tax loss previously not recognised	動用先前未確認之稅務虧損	(85)	(179)
Underprovision in respect of prior years	過往年度撥備不足	-	16
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法管轄權區經營之 附屬公司不同稅率之影響	(648)	-
Income tax (credit) expense	所得稅(抵免)開支	(4,141)	2,624

Details of deferred taxation are set out in note 27.

遞延稅項載於附註27。

12. LOSS FOR THE YEAR

12. 本年度虧損

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Loss for the year has been arrived at after charging (crediting):	本年度虧損經扣除(計入)下列各項:		
Directors' remuneration, including retirement benefits scheme contributions	董事酬金(包括退休福利計劃供款)	1,719	2,275
Other staff costs	其他員工成本	19,104	10,413
Other retirement benefits scheme contributions	其他退休福利計劃供款	556	530
Total staff costs	員工成本總額	21,379	13,218
Auditor's remuneration	核數師酬金	1,030	708
Legal and professional fee on acquisition of subsidiaries	收購附屬公司之法律及專業費用	858	-
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	749	127
Impairment loss on trade receivables	應收賬款之減值虧損	60	77
Reversal of impairment loss on trade receivables	應收賬款之減值虧損之撥回	(18)	(820)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	(23)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	(50)	-
Operating lease payments for office premises, shops and photocopying machines	辦公室物業、商舖及複印機經營租賃付款	8,596	4,237
Cost of inventories recognised as expense	已確認為開支之存貨成本	188,308	122,804
Gain on disposal of investment properties	出售投資物業之收益	-	(4,084)
Dividend income from equity securities	股本證券之股息收入	(240)	(1,535)
Interest income	利息收入	(723)	(11)

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13. DIRECTORS' EMOLUMENTS

13. 董事酬金

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

已付或應付董事酬金列明如下：

For the year ended 31 December 2011

截至二零一一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	Mr. Cheng Yuk Wo 鄭毓和先生	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	Mr. Ding Chung Keung 丁仲強先生	Ms. Cheung Sze Man 張詩敏女士	Total
	HK\$'000 港幣千元	HK\$'000 港幣千元 (Note a) (附註a)	HK\$'000 港幣千元 (Note b) (附註b)	HK\$'000 港幣千元 (Note a) (附註a)	HK\$'000 港幣千元	HK\$'000 港幣千元 (Note c) (附註c)	HK\$'000 港幣千元 (Note d) (附註d)	HK\$'000 港幣千元 (Note e) (附註e)	HK\$'000 港幣千元
Fees	-	-	-	67	107	77	40	16	307
Salaries and other benefits	600	240	540	-	-	-	-	-	1,380
Retirement benefits scheme contributions	12	8	12	-	-	-	-	-	32
Total emoluments	612	248	552	67	107	77	40	16	1,719

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 吳先生	Mr. Ha Kee Choy, Eugene 夏其才先生	Ms. Ma Wai Man, Catherine 馬慧敏女士	Mr. Cheng Yuk Wo 鄭毓和先生	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	Total
	HK\$'000 港幣千元	HK\$'000 港幣千元 (Note a) (附註a)	HK\$'000 港幣千元 (Note f) (附註f)	HK\$'000 港幣千元 (Note b) (附註b)	HK\$'000 港幣千元 (Note a) (附註a)	HK\$'000 港幣千元	HK\$'000 港幣千元 (Note c) (附註c)	HK\$'000 港幣千元
Fees	-	-	-	33	100	100	31	264
Salaries and other benefits	600	360	655	360	-	-	-	1,975
Retirement benefits scheme contributions	12	12	4	8	-	-	-	36
Total emoluments	612	372	659	401	100	100	31	2,275

Notes:

附註：

- Resigned on 1 September 2011
- Re-designated as executive director on 1 May 2010
- Appointed on 9 September 2010 and resigned on 1 October 2011
- Appointed on 1 September 2011
- Appointed on 11 November 2011
- Resigned on 30 April 2010

- 於二零一一年九月一日辭任
- 於二零一零年五月一日調任為執行董事
- 於二零一零年九月九日獲委任，並於二零一一年十月一日辭任
- 於二零一一年九月一日獲委任
- 於二零一一年十一月十一日獲委任
- 於二零一零年四月三十日辭任

13. DIRECTORS' EMOLUMENTS*(Continued)*

For both 2011 and 2010, 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 2011 and 2010.

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2010: two) were directors of the Company, whose emoluments are included in note 13 above. The emoluments of the remaining three individuals (2010: three) were as follows:

Salaries and other benefits	薪金及其他福利
Retirement benefits scheme contributions	退休金計劃供款

13. 董事酬金 (續)

於二零一一年及二零一零年兩個年度內，本集團概無向任何董事支付任何酬金，作為加入本集團或加入本集團後之獎勵或作為離職補償。於二零一一年及二零一零年兩個年度內概無董事放棄任何酬金。

14. 僱員酬金

本集團五名最高酬金人士包括兩名(二零一零年：兩名)本公司董事，其酬金詳情已載於上文附註13。其餘三名(二零一零年：三名)人士之酬金如下：

	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
	1,600	2,020
	48	29
	1,648	2,049

Their emoluments were within the following band:

HK\$nil to HK\$1,000,000	港幣零元至港幣1,000,000元
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彼等酬金屬於下列範圍：

	Number of employees 僱員人數	
	2011 二零一一年	2010 二零一零年
	3	3

15. DIVIDENDS

No dividends were paid, declared or proposed for the year ended 31 December 2011 and 2010, nor has any dividend been proposed since the end of both reporting periods.

15. 股息

於截至二零一一年及二零一零年十二月三十一日止年度，並未派付、宣派或建議派付任何股息，而自該兩段報告期末後，亦未建議派付任何股息。

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16. LOSS PER SHARE

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

Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share 用以計算每股基本及攤薄虧損之本公司擁有人應佔年度虧損

Weighted average number of ordinary shares for the purposes of basic and diluted loss per share (Note)

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 December 2010 and May 2011, and the bonus elements of rights issue completed in January 2011 and July 2011, respectively (note 28).

The computation of diluted loss per share for the year ended 31 December 2010 and 2011 does not assume the conversion of the Company's outstanding convertible notes up to the date of redemption since their exercise would result in a decrease in loss per share.

16. 每股虧損

本公司擁有人應佔之每股基本及攤薄虧損乃根據以下數據計算：

2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
(189,511)	(242,505)

Number of ordinary share 普通股數目

2011 二零一一年 '000 千股	2010 二零一零年 '000 千股 (restated) (重列)
766,618	60,393

附註：

用以計算兩個年度之每股基本及攤薄虧損之普通股加權平均數，已就於二零一零年十二月及二零一一年五月進行之股份合併及於二零一一年一月及二零一一年七月完成之供股之紅利部分之影響，而分別作出追溯調整（附註28）。

計算截至二零一零年及二零一一年十二月三十一日止年度之每股攤薄虧損時，乃假設於截至贖回日期前並無兌換尚未行使之本公司可換股票據，因為可換股票據之行使會導致每股虧損減少。

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Furniture fixtures and equipments 傢具、裝置及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
COST	成本				
At 1 January 2010	於二零一零年一月一日	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
Additions	增購	1,068	498	450	2,016
Acquire on acquisition of subsidiaries	於收購附屬公司時購入	632	465	–	1,097
Exchange realignment	外匯調整	41	30	10	81
At 31 December 2011	於二零一一年十二月三十一日	1,809	1,399	1,763	4,971
DEPRECIATION	折舊				
At 1 January 2010	於二零一零年一月一日	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
Provided for the year	本年度撥備	277	229	243	749
Exchange realignment	外匯調整	4	6	1	11
At 31 December 2011	於二零一一年十二月三十一日	313	327	724	1,364
CARRYING VALUES	賬面值				
At 31 December 2011	於二零一一年十二月三十一日	1,496	1,072	1,039	3,607
At 31 December 2010	於二零一零年十二月三十一日	36	314	823	1,173

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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\$1,039,000 includes an amount of HK\$429,000 (31 December 2010: HK\$541,000) 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1,039,000元包括根據融資租賃下持有之資產之款項港幣429,000元(二零一零年十二月三十一日：港幣541,000元)。

18. GOODWILL

18. 商譽

		Property agency 物業代理		Toy products trading	Total 總計
		Hong Kong 香港 HK\$'000 港幣千元	PRC 中國 HK\$'000 港幣千元	玩具產品買賣 HK\$'000 港幣千元	
COST	成本				
At 1 January 2010 and 31 December 2010	於二零一零年一月一日及 二零一零年十二月三十一日	429,960	-	4,201	434,161
Arising on acquisition of subsidiaries	收購附屬公司所產生	-	110,443	-	110,443
Exchange realignment	外匯調整	-	4,976	-	4,976
At 31 December 2011	於二零一一年十二月三十一日	429,960	115,419	4,201	549,580
IMPAIRMENT	減值				
At 1 January 2010	於二零一零年一月一日	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
Impairment loss recognised in the year	本年度確認之減值虧損	54,000	93,309	-	147,309
Exchange realignment	外匯調整	-	2,166	-	2,166
At 31 December 2011	於二零一一年十二月三十一日	391,960	95,475	4,201	491,636
NET CARRYING AMOUNT	賬面淨值				
At 31 December 2011	於二零一一年十二月三十一日	38,000	19,944	-	57,944
At 31 December 2010	於二零一零年十二月三十一日	92,000	-	-	92,000

18. GOODWILL (Continued)

Goodwill is allocated to the groups of cash generating units ("CGU") identified according to operating segment. The entire net carrying amount of goodwill as at 31 December 2011 has been allocated to the groups of CGUs comprising the property agency segment in Hong Kong and PRC. The goodwill allocated to the toy products trading segment located in Hong Kong has been fully impaired in 2007.

PROPERTY AGENCY IN HONG KONG

The recoverable amount of the CGUs of property agency segment in Hong Kong was based on its value-in-use and was determined with reference to the valuation performed by an independent professional qualified valuer not connected with the Group. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and at a discount rate of 16.47% (2010: 15.94%). Cash flows beyond the five-year period were extrapolated using a 3% (2010: 3%) 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 related 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 deteriorating sentiment as a result of global economic turmoil and continued credit problems in the eurozone which resulted in significant decrease in property transaction volume in Hong Kong, 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\$54,000,000 (2010: HK\$164,000,000) 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)

商譽乃分配至根據經營分部而分類之現金產生單位(「現金產生單位」)組合。於二零一一年十二月三十一日，商譽之全部賬面淨值已被分配至現金產生單位組合(由於香港及於中國之物業代理分部組成)。已被分配至位於香港之玩具產品買賣分部之商譽，已於二零零七年全面減值。

於香港之物業代理

香港物業代理分部之現金產生單位之可收回金額按使用價值釐定，並已參考與本集團並無關連之獨立專業合資格估值師進行之估值釐定。該等計算方法以管理層所批准之五年期財政預算及16.47% (二零一零年：15.94%)之貼現率釐定之現金流量預測作為基準。考慮到市場之經濟環境，超過五年期之現金流量以3% (二零一零年：3%)增長率推定。

所使用之估計增長率與行業增長率相若。計算使用價值之其他主要假設與現金流量之估計(包括預算之銷售及毛利率)有關。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，包括全球經濟危機及歐元區信貸問題持續，令市場氣氛轉差，導致香港物業成交量大幅下跌，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54,000,000元(二零一零年：港幣164,000,000元)。減值虧損已全部分配予商譽及列示於綜合全面收益表內。

18. GOODWILL (Continued)

PROPERTY AGENCY IN THE PRC

Goodwill of HK\$110,443,000 arose from the acquisition of Vigour Well Limited and its subsidiaries ("Vigour Well") and was recognised at the date of acquisition, details of which are set out in note 30.

The recoverable amount of the CGUs of property agency in the PRC was based on its value-in-use and was determined with reference to the valuation performed by 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 19%. Cash flows beyond the five-year period were extrapolated using a 3.66% 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 related 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 the PRC property market development including deteriorated sentiment for property sales due to certain on-going regulatory policies implemented and severe enforcement in the second half of 2011 by the PRC government on tightening grip on mortgage loans and limiting the property purchase to curb the overheated PRC real estate market, which cast doubt on the potential profitability in the property agency in the PRC. The management of the Company therefore was of the opinion that their previous expectation during the time of acquisition of Vigour Well on expected revenue growth and market development of the property agency business in the PRC 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\$93,309,000 (2010: HK\$Nil) was recognised and allocated fully to goodwill.

18. 商譽 (續)

於中國之物業代理

收購收購康沛有限公司及其附屬公司(「康沛」)產生港幣110,443,000元之商譽，並已於收購日期按此金額確認，有關詳情載於附註30。

中國物業代理之現金產生單位之可收回金額按使用價值釐定，並經參考與本集團並無關連之獨立專業合資格估值師進行之估值釐定。該等計算方法以管理層所批准之五年期財政預算及19%之貼現率釐定之現金流量預測作為基準。考慮到市場之經濟環境，超過五年期間之現金流量以3.66%增長率推算。

所使用之估計增長率與行業增長率相若。計算使用價值之其他主要假設與現金流量之估計(包括預算之銷售及毛利率)有關。該等估計乃按該單位之過往表現及管理層對中國物業市場發展之預期而釐定，包括中國政府為抑制過熱之中國房地產市場，而於二零一一年下半年實施及嚴格執行以收緊按揭貸款及限制物業買賣之若干持續監管政策，導致物業銷情轉弱。該等措施使中國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在收購康沛時，對在中國之物業代理業務預期取得之收益增長及市場發展之期望，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93,309,000元(二零一零年：港幣零元)，且全數分配至商譽。

19. INTANGIBLE ASSETS**19. 無形資產**

The intangible assets were purchased as part of the acquisition of Vigour Well and are recognised at their fair value at the date of acquisition, details of which are set out in note 30. The intangible assets comprise of contracted and uncontracted customer relationship of which is calculated based on discounted cash flow.

The contracted and uncontracted customer relationship has an estimated useful life of five years and is amortised on a straight-line basis.

無形資產乃作為收購康沛之一部分而購入，並於收購日期按其公平值確認，有關詳情載於附註30。無形資產包括已訂約及未訂約之客戶關係，該金額乃按折現現金流量計算。

已訂約及未訂約之客戶關係之估計可使用年期為五年，並以直線法攤銷。

		HK\$'000 港幣千元
COST	成本	
At 1 January 2011	於二零一一年一月一日	—
Acquired on acquisition of subsidiaries	收購附屬公司取得	84,674
Exchange realignment	外匯調整	3,815
		<hr/>
At 31 December 2011	於二零一一年十二月三十一日	88,489
AMORTISATION	攤銷	
At 1 January 2011	於二零一一年一月一日	—
Provided for the year	本年度撥備	17,296
Exchange realignment	外匯調整	402
		<hr/>
At 31 December 2011	於二零一一年十二月三十一日	17,698
CARRYING VALUE	賬面值	
At 31 December 2011	於二零一一年十二月三十一日	70,791
		<hr/>
At 31 December 2010	於二零一零年十二月三十一日	—

Details of the impairment test on the recoverable amount of the CGUs of property agency in the PRC, which the intangible assets are allocated to, are set out in note 18.

有關獲分配無形資產之中國物業代理現金產生單位可收回款額減值測試之詳情載於附註18。

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For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

20. TRADE AND OTHER RECEIVABLES

20. 應收賬款及其他應收款項

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Trade receivables	應收賬款	40,025	37,156
Less: allowance for doubtful debts	減：呆賬撥備	(935)	(1,073)
		39,090	36,083
Deposits paid	已支付之按金	2,960	2,963
Prepayments	預付款	5,355	3,418
Other receivables	其他應收款項	2,624	428
Security paid	已支付之保證金	50,000	–
		100,029	42,892

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 in Hong Kong, the Group allows an average credit period of 60 to 90 days to property developers whilst the individual customers are obliged to settle the amounts upon completion of the relevant agreements and generally no credit terms are granted. For franchise income, the Group allows an average credit period of 7 days to its franchisee. For property agency segment in the PRC, the Group allows an average credit period of 30 to 60 days to property developers.

就玩具產品買賣分部而言，本集團給予貿易客戶之信貸期平均介乎三十至九十日。就香港物業代理分部而言，本集團給予物業發展商之信貸期平均為六十至九十日，而個人客戶則須於相關協議完成時清償金額，故一般不會給予信貸期。就特許經營收入而言，本集團給予其特許經營商之信貸期平均為七日。就中國物業代理分部而言，本集團給予物業發展商之信貸期平均為三十至六十日。

20. TRADE AND OTHER RECEIVABLES (Continued)**20. 應收賬款及其他應收款項**
(續)

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:

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Accounts receivables	應收賬款		
0 – 30 days	0至30日	15,816	10,486
31 – 60 days	31至60日	9,143	5,459
61 – 90 days	61至90日	4,094	5,107
91 – 180 days	91日至180日	5,332	7,915
Over 180 days	180日以上	4,705	7,116
		39,090	36,083

These receivables relate to a number of independent customers that have a good track record with the Group. The management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit risk and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

該等應收款項與多名與本集團有良好往績記錄之獨立客戶有關。管理層相信，毋須就該等結餘作出減值撥備，原因是信貸風險並無重大改變，而結餘仍被視為可全數收回。本集團並無就該等結餘持有任何抵押品。

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.

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。

As at 31 December 2011, included in the Group's accounts receivable balance are debtors with aggregate carrying amount of HK\$13,247,000 (2010: HK\$15,893,000) which are past due as at the reporting date for which the Group has not provided for impairment loss.

於二零一一年十二月三十一日，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13,247,000元(二零一零年：港幣15,893,000元)之應收賬款，本集團並無就此作出減值虧損撥備。

20. TRADE AND OTHER RECEIVABLES (Continued)**AGEING OF ACCOUNTS RECEIVABLES WHICH ARE PAST DUE BUT NOT IMPAIRED**

Overdue by:	逾期：
1 – 90 days	1至90日
91 – 180 days	91日至180日
Over 180 days	180日以上

20. 應收賬款及其他應收款項 (續)

已逾期但無減值之應收賬款賬齡

2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
9,657	13,959
2,759	1,546
831	388
13,247	15,893

MOVEMENTS IN THE ALLOWANCE FOR DOUBTFUL DEBTS

呆賬撥備變動

At 1 January	於一月一日
Impairment losses recognised on receivables	於應收賬款確認之減值虧損
Amounts recovered during the year	年內已收回金額
Amounts written off during the year	年內撤銷金額
At 31 December	於十二月三十一日

2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
1,073	1,816
60	77
(18)	(820)
(180)	-
935	1,073

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$935,000 (31 December 2010: HK\$1,073,000). The Group does not hold any collateral over these balances.

呆賬撥備包括個別已減值應收賬款，結餘總額為港幣935,000元（二零一零年十二月三十一日：港幣1,073,000元）。本集團並無就該等結餘持有任何抵押品。

Included in the Group's trade and other receivables is a security of HK\$50,000,000 which was paid to the High Court during the year for the stay of execution and enforcement of judgment. On 8 December 2011, the Court of Appeal ordered that the appeal be allowed and such security was released to the Company on 5 January 2012. Details of which are set out in note 35.

於本年度，繳存予高等法院以延遲執行判決及執法之港幣50,000,000元保證金，已計入本集團之應收賬款及其他應收款項。於二零一一年十二月八日，上訴法庭頒令接納上訴，而該等已繳存之保證金已於二零一二年一月五日發還本公司。有關詳情載於附註35。

21. INVESTMENTS HELD FOR TRADING**21. 持作買賣之投資**

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

於報告期末之持作買賣之投資包括：

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Listed securities:	上市證券：		
– equity securities listed in Hong Kong (Note a)	– 於香港上市之股本證券 (附註a)	26,880	47,595
Unlisted debentures (Note b)	非上市債權證 (附註b)	16,855	–
Wine future (Note c)	酒類期貨 (附註c)	8,442	8,414
		52,177	56,009

Notes:

- The fair value was based on the quoted prices of the respective securities in active markets.
- The debentures held by the Group carried fixed interest rate ranging from 8% to 11.25% per annum.
- The fair value of 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.

At 31 December 2011 and 2010, no investments held for trading have been pledged as security.

附註：

- 公平值乃根據相關證券於活躍市場之報價計算。
- 本集團持有按介乎8%至11.25%之固定年利率計息之債權證。
- 酒類期貨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。

於二零一一年及二零一零年十二月三十一日，並無持作買賣之投資已用作抵押擔保。

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

The balance as at 31 December 2010 represented the fair value of the convertible notes with principal amount of HK\$16,500,000 issued by Hanny Holdings Limited ("Hanny CN 2011"). Hanny CN 2011 carried interest at 2% per annum with maturity on 15 June 2011 at redemption price of 100% of the principal amount.

During the year, Hanny CN was redeemed on its maturity date, and therefore a gain on convertible notes designated as at fair value through profit or loss of HK\$347,000 (for the year ended 31 December 2010: 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 convertible notes designated at fair value through profit or loss Hanny CN 2011 as at 31 December 2010 are as follows:

VALUATION OF DEBT COMPONENT

The fair value of debt element 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 rating of the convertible notes issuer and remaining time to maturity.

The effective interest rate of the debt component of the convertible notes, is 9.46% as at 31 December 2010.

22. 指定按公平值計入損益之可 換股票據

於二零一零年十二月三十一日之結餘指由錦興集團有限公司發行本金額為港幣16,500,000元之可換股票據（「錦興二零一一年可換股票據」）之公平值。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到期時按本金額之100%贖回。

於本年度，錦興可換股票據已於其到期日贖回，因此已於損益內確認指定按公平值計入損益之可換股票據之收益港幣347,000元（截至二零一零年十二月三十一日止年度：港幣3,613,000元）。

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分。

估值指定按公平值計入錦興損益之可換股票據於二零一零年十二月三十一日之價值之方法及所採用之假設載列如下：

債務部分之估值

債務元素組成部分之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換股票據發行人之假設信用風險率及餘下年期而釐定。

於二零一零年十二月三十一日，可換股票據債務部分之實際利率為9.46%。

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

(Continued)

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%

23. BANK BALANCES AND CASH

Bank balances and cash comprises cash held by the Group and short-term bank deposits that are interest-bearing of ranging from 0.01% to 2.30% (2010: 0.01%) and have original maturity of three months or less.

22. 指定按公平值計入損益之可換股票據 (續)

兌換權部分之估值

可換股票據之兌換權部分使用二杈樹定價模型估值。於報告期末，可換股票據模型之輸入數據如下：

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%

23. 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介乎0.01%至2.30% (二零一零年：0.01%)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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For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

24. TRADE AND OTHER PAYABLES

24. 應付賬款及其他應付款項

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Trade payables	應付賬款	26,383	24,393
Other payables	其他應付款項	12,609	14,492
Amount due to a non-controlling shareholder of a subsidiary	應付一間附屬公司一位非控股股東款項	13,333	8,242
Provision for losses on litigation	訴訟損失之撥備	86,500	83,500
		138,825	130,627

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

應付賬款按發票日期呈列之賬齡分析如下。

		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
0 – 30 days	0至30日	8,031	5,006
31 – 60 days	31至60日	5,791	1,701
61 – 90 days	61至90日	3,584	4,353
91 – 180 days	91至180日	3,511	6,657
Over 180 days	180日以上	5,466	6,676
		26,383	24,393

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

採購貨品之信貸期平均為九十至一百二十日。

Other payables mainly comprise of deposits received, receipts in advance, accrued staff costs and other sundry creditors.

其他應付款項主要包括已收取訂金、預收款項、應計員工成本及其他雜項應付賬款。

The amount due to a non-controlling shareholder of a subsidiary is unsecured, non-interest bearing, non-trade nature and repayable on demand. The non-controlling shareholder of a subsidiary is a close family member of Mr. Ng (as defined in note 13), a director of the Company.

應付一間附屬公司一位非控股股東款項並無抵押、不計利息、非屬貿易性質及須於接獲通知時償還。該附屬公司之非控股股東為本公司董事吳先生（定義見附註13）之近親。

At 31 December 2011, included in the Group's trade and other payables was provision for losses on litigation of approximately HK\$86,500,000 (2010: HK\$83,500,000) made in accordance with the judgment, details of which are set out in note 35.

於二零一一年十二月三十一日，訴訟損失之撥備約港幣86,500,000元（二零一零年：港幣83,500,000元），已計入本集團之應付賬款及其他應付款項。有關詳情載於附註35。

25. CONVERTIBLE NOTES

25. 可換股票據

The carrying values of the liability and equity component of 2% convertible notes due July 2011 issued by the Company with aggregate principal amount of HK\$130,000,000 (the "July 2011 Convertible Notes") are as follows:

本公司於二零一一年七月到期而本金總額為港幣130,000,000元之2%可換股票據(「二零一一年七月可換股票據」)之負債及權益部分賬面值如下:

		Liability component	Equity component
		負債部分	權益部分
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Net carrying amounts at 1 January 2010	於二零一零年一月一日賬面淨值	122,054	14,679
Interest charge	利息支出	5,847	-
Interest paid	已付利息	(2,002)	-
Redemption of convertible notes	贖回可換股票據	(57,488)	(6,775)
Net carrying amounts at 31 December 2010	於二零一零年十二月三十一日 賬面淨值	68,411	7,904
Interest charge	利息支出	245	-
Interest paid	已付利息	(81)	-
Redemption of convertible notes	贖回可換股票據	(68,575)	(7,904)
Net carrying amounts at 31 December 2011	於二零一一年十二月三十一日 賬面淨值	-	-

On 21 January 2011, the Company completed redemption of the July 2011 Convertible Notes with outstanding principal amount of HK\$70,000,000, at HK\$67,900,000, being a discount of 3% of its outstanding principal amount. The consideration paid was first allocated to the liability component with the residual amount being assigned to the redemption of the equity component. A gain on early redemption of convertible notes of HK\$835,000 was recognised in the profit or loss. The transactions were completed on 21 January 2011. After the redemption, no convertible notes were outstanding.

於二零一一年一月二十一日，本公司以港幣67,900,000元(為未償還本金額折讓3%)贖回二零一一年七月可換股票據，當中未償還本金額為港幣70,000,000元。已付代價首先分配予負債部分，餘下金額被指定用以贖回權益部分。提早贖回可換股票據之收益港幣835,000元於損益確認。交易於二零一一年一月二十一日完成。於贖回後，概無尚未行使之可換股票據。

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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 (2010: 32 months). Interest rates underlying obligations under a finance lease are fixed at contract date of 1.8% (2010: 1.8%) per annum. The Group has an option to purchase the equipment 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賃租賃汽車。平均租期為三十二個月（二零一零年：三十二個月）。融資租賃責任有關利率已於合約日期固定為每年1.8%（二零一零年：1.8%）。本集團可選擇於租賃期末以面值購買設備。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	
		2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
Amounts payable under finance lease	根據融資租賃應付款項				
Within one year	一年內	197	197	187	179
In more than one year and not more than five years	超過一年，但不超過五年	114	311	113	301
		311	508	300	480
Less: future finance charges	減：日後融資費用	(11)	(28)	-	-
Present value of lease obligation	租賃責任之現值	300	480	300	480
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：於十二個月內到期清償之款項（呈列作流動負債）			(187)	(179)
Amount due for settlement after 12 months	於十二個月後到期清償之款項			113	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對所租賃資產之擁有權作抵押。

27. DEFERRED TAX LIABILITIES**27. 遞延稅項負債**

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior year.

以下為本年度及上年度已確認之主要遞延稅項負債及其變動。

		Fair value adjustments
		公平值調整
		HK\$'000
		港幣千元
At 1 January 2011	於二零一一年一月一日	—
Arising from acquisition of subsidiaries	收購附屬公司所產生	21,169
Credit to profit or loss	計入損益	(4,324)
Exchange realignment	外匯調整	853
At 31 December 2011	於二零一一年十二月三十一日	17,698

At the end of the reporting period, the Group has unused tax losses of HK\$92,337,000 (2010: HK\$53,440,000) 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.

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92,337,000元（二零一零年：港幣53,440,000元），該等稅項虧損可無限期結轉。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。

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28.SHARE CAPITAL

28.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 31 December 2010 and 31 December 2011, at HK\$0.01 each	於二零一零年十二月三十一日及 二零一一年十二月三十一日， 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 2010 at HK\$0.01 each	於二零一零年一月一日， 每股面值港幣0.01元	1,806,911	18,069
Issue of shares upon placing of shares (Note a)	因配售股份而發行股份（附註a）	447,000	4,470
Share consolidation of every 20 ordinary shares of par value HK\$0.01 each into 1 consolidated share of par value HK\$0.20 each and reduction of par value of each consolidated share from HK\$0.20 to HK\$0.01 (Note b)	每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元之合併股份；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b）	(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
Issue of shares under rights issues (Note c)	因供股而發行股份（附註c）	2,316,997	23,170
Issue of shares upon placing of shares (Note d)	因配售股份而發行股份（附註d）	247,900	2,479
Share consolidation of every 10 ordinary shares of par value HK\$0.01 each into 1 consolidated share of par value HK\$0.01 each and reduction of par value of each consolidated share from HK\$0.10 to HK\$0.01 (Note e)	每十股每股面值港幣0.01元之 普通股合併為一股每股面值 港幣0.01元之合併股份； 及每股經合併股份面值由 港幣0.10元削減至港幣0.01元 （附註e）	(1,338,796)	(13,388)
At 31 December 2011	於二零一一年十二月三十一日	1,338,797	13,388

28.SHARE CAPITAL (Continued)**28.股本** (續)

Notes:

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

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

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

- (i) every twenty issued shares of par value HK\$0.01 each be consolidated into one issued consolidated share of par value HK\$0.20;
- (ii) the issued share capital of the Company be reduced by cancelling HK\$0.19 of the paid-up capital on each issued consolidated shares such that the nominal value of each issued consolidated shares be reduced from HK\$0.20 to HK\$0.01;
- (iii) the entire amount standing to the credit of the share premium account of the Company be cancelled; and
- (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 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.

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

附註:

- a. 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配售價每股港幣0.15元配發及發行72,000,000股股份。

此外，根據日期為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元之配售價配發及發行375,000,000股股份。

- b. 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（「二零一零年股本重組」），其涉及：

- (i) 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元之已發行合併股份；
- (ii) 藉註銷每股已發行合併股份繳足股本中之港幣0.19元，削減本公司之已發行股本，使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) 註銷本公司股份溢價賬內之全數進賬金額；及
- (iv) 將股本削減及註銷股份溢價所產生之進賬計入本公司之實繳盈餘賬，並授權本公司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，毋須本公司股東再作授權。

二零一零年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。

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28. SHARE CAPITAL (Continued)

Notes: (Continued)

- c. (i) An ordinary resolution was passed in a special general meeting of the Company on 6 December 2010, which approved a rights issue on the basis of ten rights shares for every one share held at a subscription price of HK\$0.19 per rights share. The rights issue became unconditional on 10 January 2011 and 1,126,955,740 shares were allotted and issued on 13 January 2011. The gross proceeds from rights issue before share issue expenses, was approximately HK\$214,122,000.
- (ii) An ordinary resolution was passed in a special general meeting of the Company on 21 June 2011, which approved a rights issue on the basis of eight rights shares for every one share held at a subscription price of HK\$0.01 per rights share. The rights issue became unconditional on 20 July 2011 and 1,190,041,048 shares were allotted and issued on 22 July 2011. The gross proceeds from rights issue before share issue expenses, was approximately HK\$119,004,000.
- d. Pursuant to a placing agreement dated 25 March 2011, 247,900,000 shares were allotted and issued at a placing price of HK\$0.11 per share on 4 April 2011.
- e. Pursuant to a special resolution passed in a special general meeting of the Company, the Company effected a capital reorganisation (the "Capital Reorganisation 2011") on 22 June 2011.
- (i) every ten issued existing shares of par value HK\$0.01 each be consolidated into one issued consolidated share of par value HK\$0.10 each;
- (ii) the issued share capital of the Company be reduced by cancellation of HK\$0.09 of the paid-up capital on each issued consolidated shares such that the nominal value of each issued consolidated shares be reduced from HK\$0.10 to HK\$0.01;
- (iii) the entire amount standing to the credit of the share premium account of the Company be cancelled; and
- (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 be and are here by 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 Bermuda and the bye-laws of the Company without further authorisation from the shareholders of the Company.

Details of the Capital Reorganisation 2011 were set out in the circular of the Company dated 30 May 2011.

28. 股本 (續)

附註：(續)

- c. (i) 於二零一零年十二月六日之本公司股東特別大會通過一項普通決議案，批准按認購價每股供股股份港幣0.19元進行供股，基準為每持有一股股份獲發十股供股股份。供股於二零一一年一月十日成為無條件，並於二零一一年一月十三日配發及發行1,126,955,740股股份。扣除股份發行費用前之供股所得款項總額約為港幣214,122,000元。
- (ii) 於二零一一年六月二十一日之本公司股東特別大會上通過一項普通決議案，批准按認購價每股供股股份港幣0.01元進行供股，基準為每持有一股股份獲發八股供股股份。供股於二零一一年七月二十日成為無條件，並於二零一一年七月二十二日配發及發行1,190,041,048股股份，扣除股份發行費用前之供股所得款項總額約為港幣119,004,000元。
- d. 根據日期為二零一一年三月二十五日之配售協議，已於二零一一年四月四日，按配售價每股港幣0.11元配發及發行247,900,000股股份。
- e. 根據於本公司股東特別大會通過之特別決議案，本公司於二零一一年六月二十二日實行股本重組（「二零一一年股本重組」）。
- (i) 每十股每股面值港幣0.01元之已發行現有股份合併為一股面值港幣0.10元之已發行合併股份；
- (ii) 藉註銷每股已發行合併股份中之繳足股本港幣0.09元，削減本公司之已發行股本，使每股已發行合併股份之面值由港幣0.10元削減至港幣0.01元；
- (iii) 註銷本公司股份溢價賬內之全數進賬金額；及
- (iv) 將股本削減及註銷股份溢價所產生之進賬計入本公司之實繳盈餘賬，並授權本公司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，毋須本公司股東再作授權。

二零一一年股本重組之詳情載於本公司日期為二零一一年五月三十日之通函內。

29. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

29. 有關本公司財務狀況表之資料

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

有關本公司於報告期末財務狀況表之資料如下：

	Note 附註	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
TOTAL ASSETS			
Investments in subsidiaries		1	1
Amounts due from subsidiaries		235,824	158,504
Other receivables		50,312	556
Investments held for trading		–	8,414
Bank balances and cash		800	35,816
		286,937	203,291
TOTAL LIABILITIES			
Other payables		87,774	86,031
Convertible notes		–	68,411
		87,774	154,442
NET ASSETS		199,163	48,849
CAPITAL AND RESERVES			
Share capital (note 28)		13,388	1,127
Reserves	a	185,775	47,722
		199,163	48,849

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29. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

29. 有關本公司財務狀況表之資料 (續)

(Continued)

Notes:

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 2010	於二零一零年一月一日	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 expenses	股份發行費用	(1,272)	-	-	-	(1,272)
Capital reduction	削減股本	-	21,412	-	-	21,412
Share premium reduction	削減股份溢價賬	(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
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	-	-	-	(199,583)	(199,583)
Issue of shares under rights issue	因供股而發行股份	309,956	-	-	-	309,956
Issue of shares upon placing of shares	因股份配售而發行股份	24,790	-	-	-	24,790
Share issue expenses	股份發行費用	(10,338)	-	-	-	(10,338)
Capital reduction	削減股本	-	13,388	-	-	13,388
Share premium reduction	削減股份溢價賬	(221,600)	221,600	-	-	-
Redemption of convertible notes	贖回可換股票據	-	-	(7,904)	7,744	(160)
Transfer	轉撥	-	(242,166)	-	242,166	-
At 31 December 2011	於二零一一年十二月三十一日	102,808	323,917	-	(240,950)	185,775

29. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(Continued)

Notes: (Continued)

b. Contributed surplus

The contribution surplus represented reduction in issued share capital pursuant to a capital restructuring in 2004, Capital Reorganisation in 2010 and Capital Reorganisation in 2011. 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:

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

29. 有關本公司財務狀況表之資料 (續)

附註：(續)

b. 實繳盈餘

實繳盈餘指於二零零四年削減股本、二零一零年股本重組及二零一一年股本重組時所削減之已發行股本。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) 其現時不能或於派付後將不能償還到期負債；或
- (ii) 其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賬之總和。

30. ACQUISITION OF SUBSIDIARIES

On 14 September 2010, the Company through its indirect wholly-owned subsidiary, Asset Expert Limited, (the "Purchaser"), entered into a sale and purchase agreement with Prolific Wise Limited (the "Vendor") for the acquisition of the entire issued share capital of Vigour Well and shareholder's loan due to the Vendor at cash consideration of HK\$180,000,000. Vigour Well is engaged in provision of property agency services and related consultancy services to real estate developers on their residential, retail and commercial properties projects in the PRC.

The conditions for the acquisition were fulfilled or waived and the transaction was completed on 18 January 2011 on which the date control of the companies acquired was transferred to the Group.

30. 收購附屬公司

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」）訂立買賣協議，以收購康沛全部已發行股本及應付賣方之股東貸款，現金代價為港幣180,000,000元。康沛從事為中國房地產發展商之住宅、零售及商業物業項目提供物業代理服務及相關顧問服務。

收購事項之條件已獲達成或豁免，而交易已於二零一一年一月十八日完成，而所收購公司之控制權亦於該日轉移至本集團。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度

30. ACQUISITION OF SUBSIDIARIES 30. 收購附屬公司 (續)

(Continued)

Based on the sale and purchase agreement, the total consideration of HK\$180,000,000 shall be adjusted downward on a dollar for dollar basis if any liabilities as at the date of completion exceeds HK\$1,000,000 and the consideration shall be reduced by an amount equivalent to such excess. Upon completion, each of the liabilities did not exceed HK\$1,000,000 except the shareholder's loan amounted to approximately HK\$4,954,000, and therefore the liabilities in excess of HK\$1,000,000 amounted to HK\$3,954,000. Accordingly, the total consideration, which included the assignment of shareholder's loan to the Group of HK\$4,954,000, was adjusted downward to HK\$176,046,000.

The net assets acquired in the transactions and goodwill arising on the acquisition, are as follows:

根據買賣協議，倘任何負債於完成日期超過港幣10,000,000元，總代價港幣180,000,000元須按等額基準下調，而代價亦須扣減相等於有關超出部分之款額。於完成後，除股東貸款約港幣4,954,000元外，各項負債並無超出港幣1,000,000元，因此，超出港幣1,000,000元之負債為港幣3,954,000元。故此，總代價（包括轉讓予本集團之股東貸款港幣4,954,000元）已下調至港幣176,046,000元。

於交易中收購之資產淨值及收購產生之商譽如下：

		Fair value 公平值 HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	1,099
Intangible assets	無形資產	84,674
Trade and other receivables	應收賬款及其他應收款項	980
Bank balances and cash	銀行結餘及現金	736
Trade and other payables	應付賬款及其他應付款項	(701)
Tax payable	應付稅項	(16)
Amount due to shareholder	應付股東款項	(4,954)
Deferred tax liabilities	遞延稅項負債	(21,169)
		60,649
Assignment of shareholder's loan to the Group	轉讓至本集團之股東貸款	4,954
Goodwill	商譽	110,443
Total consideration	總代價	176,046
Consideration satisfied by:	代價以下列方式支付：	
Cash paid	已付現金	176,046
Net cash out flow arising on acquisition:	收購時產生之現金流出淨額：	
Cash and cash equivalents acquired	所收購之現金及現金等值	736
Cash consideration paid	已付現金代價	(176,046)
		(175,310)

30. ACQUISITION OF SUBSIDIARIES**30. 收購附屬公司 (續)***(Continued)*

The fair value and gross contractual amounts of trade and other receivables at the date of acquisition amounted to HK\$980,000. No expectation of uncollected contractual cash flows at the date of acquisition date.

The goodwill recognised was primarily due to the expected revenue growth and market development that is attributable to increased market penetration from future customers.

The intangible assets comprise of contracted and uncontracted customer relationship of which its fair value was calculated based on cash flow projection discounted at discount rates of 18.50% for the contracted customer relationship and 19% for the uncontracted customer relationship.

The subsidiaries acquired contributed HK\$10,702,000 and HK\$118,760,000 to the Group's revenue and loss for the year, respectively, between the date of acquisition and 31 December 2011.

Acquisition-related costs amounting to HK\$858,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within the administrative expenses in the consolidated statement of comprehensive income.

If the acquisition had been completed on 1 January 2011, the revenue of the Group for the year would have been HK\$264,759,000, and loss for the year would have been HK\$194,423,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2011, nor is it intended to be a projection of future results.

應收賬款及其他應收款項於收購日期之公平值及總合約金額為港幣980,000元。概無預期於收購日期有未收回合約現金流量。

已確認商譽乃主要來自因未來客戶之市場滲透率上升而預期取得之收益增長及市場發展相關。

無形資產包括已訂約及未訂約之客戶關係，其公平值乃按貼現率18.50%（就已訂約客戶關係而言）及19%（就未訂約客戶關係而言）貼現之現金流量預測計算。

所收購附屬公司於收購日期至二零一一年十二月三十一日分別為本集團之年度收益及虧損貢獻港幣10,702,000元及港幣118,760,000元。

收購相關成本港幣858,000元已自所轉讓代價中扣除，並於本年度內確認為開支，並計入綜合全面收益表內行政開支項下。

倘收購已於二零一一年一月一日完成，則本集團之年度收益將為港幣264,759,000元，而年度虧損將為港幣194,423,000元。該備考資料僅供說明之用，未必預示倘收購已於二零一一年一月一日完成，本集團將實際達致之經營收益及業績，亦不擬作為未來業績之預測。

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

The Group made minimum lease payments paid under operating leases in respect of office premises, shops and photocopying machines of approximately HK\$8,596,000 (2010: HK\$4,237,000).

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, shops and photocopying machines. Leases are negotiated and rentals are fixed for lease terms of one to five years (31 December 2010: one to five years).

31. 經營租賃**本集團為承租人**

本集團就辦公室物業、商舖及複印機根據經營租賃之最低租約付款為約港幣8,596,000(二零一零年:港幣4,237,000元)。

於報告期末,本集團就不可撤銷之經營租賃於下列期間到期應付之未來最低租約付款承擔如下:

2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
6,115	2,589
4,661	626
10,776	3,215

經營租約付款指本集團就若干辦公室物業、商舖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(二零一零年十二月三十一日:一至五年)。

32.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\$1.0 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.

32.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1.0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。

32. SHARE OPTIONS SCHEME

(Continued)

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.

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\$5,000,000 must be approved in advance by the Company's shareholders.

At 31 December 2011 and 2010, there were no outstanding share options and there were no share options granted for the years ended 31 December 2011 and 2010.

32. 購股權計劃 (續)

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%。

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。

於二零一一年及二零一零年十二月三十一日，概無尚未行使之購股權及截至二零一一年及二零一零年十二月三十一日止年度內亦無授出購股權。

33. 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.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute 20% of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

33. 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。

本集團於中國附屬公司之僱員為中國政府運作之國家退休福利計劃成員。有關附屬公司須向該退休福利計劃供款以作為福利資金，供款額為工資成本之20%。就該退休福利計劃而言，本集團之唯一責任為作出指定供款。

34. RELATED PARTY DISCLOSURES

(a) RELATED PARTY BALANCE

Detail of the Group's outstanding balance with a related party is set out in note 24.

(b) COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

Short-term benefits	短期福利
Post-employment benefits	退休福利

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

34. 關連人士披露

(a) 與關連人士之結餘

本集團與關連人士之未償還結餘載於附註24。

(b) 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：

	2011 二零一一年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元
	1,687	2,889
	32	60
	1,719	2,949

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。

34. RELATED PARTY DISCLOSURES

(Continued)

(c) REDEMPTION OF CONVERTIBLE NOTES

On 21 January 2011, the Group has completed redemption of the July 2011 Convertible Notes with outstanding principal amount of HK\$70,000,000 held by Mr. Ng (as defined in note 13) at HK\$67,900,000 in cash, being a discount of 3% of the outstanding principal amount. Details of which are set out in note 25.

35. LITIGATION

On 8 October 2004, a writ of summons was filed by a former director of the Company (the "Plaintiff"), 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\$44,500,000 (the "Principal Sum") together with accrued interests thereof (the "Action").

On 2 March 2011, judgment was handed down by the Court of First Instance of the High Court and was awarded in favour of the Plaintiff (the "Judgment"). It was adjudged that the Company shall pay the Plaintiff the sum of HK\$44,500,000 together with interest thereon and that there will be an order nisi for costs against the Company on a party and party basis. Provision for losses on litigation of approximately HK\$83,500,000 was made as at 31 December 2010.

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, the Company filed a Notice of Appeal against the Judgment with the Court of Appeal and served on the parties concerned ("CA Appeal").

34. 關連人士披露 (續)

(c) 贖回可換股票據

於二零一一年一月二十一日，本集團以現金港幣67,900,000元（為尚未償還本金額折讓3%）完成贖回吳先生（定義見附註13）持有尚未償還本金額為港幣70,000,000元之二零一一年七月可換股票據。有關詳情載列於附註25。

35. 訴訟

於二零零四年十月八日，本公司一名前董事（「原告人」）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（「本金額」）連應計利息向本公司發出傳訊令狀（「該訴訟」）。

於二零一一年三月二日，香港高等法院原訟法庭頒下判決，判原告人勝訴（「裁決」）。本公司被判定須支付原告人港幣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。於二零一零年十二月三十一日，訴訟損失約港幣83,500,000元已全數計提撥備。

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，並已指示其律師就上述裁決進行上訴。於二零一一年三月二十八日，本公司已就判決向上訴法庭提交上訴通知書並送達訴訟各方（「上訴法庭上訴」）。

35. LITIGATION (Continued)

A separate hearing was held on 11 April 2011 on the issues of interest and costs payable by the Company under the Judgment. Pending the hearing of CA Appeal, the Company's exposure on the costs of the action and the appeal payable to the Plaintiff would be approximately HK\$86,500,000 which is estimated based on the Principal Sum of HK\$44,500,000 together with accrued interest calculated up to the date of hearing of the CA Appeal as well as the costs of the Action and the cost of CA Appeal payable to the Plaintiff. In addition, on 18 April 2011, the Company and the Plaintiff had agreed that execution of the Judgment be stayed until the determination or other disposal of the CA Appeal or further order from the Court of Appeal subject to the conditions that the Company shall pay into the High Court a sum of HK\$25,000,000 as security on or before 25 April 2011 and another sum of HK\$25,000,000 or provide the Plaintiff with a bank guarantee for the same amount as further security before 17 July 2011 (as extended to 19 August 2011 by a court order dated 15 June 2011). Consent Order was granted by the High Court on the same terms, in compliance with which the Company has paid an aggregate amount of HK\$50,000,000 into the High Court on 21 April 2011 and 16 August 2011 respectively and such amount was classified as other receivables as at 31 December 2011.

The CA Appeal was heard by the Court of Appeal on 8 and 9 December 2011 and the Court of Appeal unanimously ordered that (a) the CA Appeal be allowed; (b) the Judgment be set aside and the Action be dismissed; and (c) the Plaintiff do pay the Company the costs of the CA Appeal and the costs at the court below to be taxed, if not agreed (the "CA Order"). The Court of Appeal further ordered that the security in the sum of HK\$50,000,000 paid by the Company into the High Court be released to the Company. The said security together with interest earned were released by the High Court to the Company on 5 January 2012.

35. 訴訟 (續)

法庭已於二零一一年四月十一日就本公司根據裁決應付之利息及訟費問題另行進行聆訊。上訴法庭上訴仍未進行聆訊之時，按照本金額港幣44,500,000元（連同計算至上訴法庭上訴聆訊日期止的應計利息，以及訴訟訟費及應付原告人的上訴法庭上訴訟費）作出的估計，本公司須承擔的訴訟訟費及應付原告人的訟費約為港幣86,500,000元。此外，本公司及原告人已於二零一一年四月十八日達成協議以延遲執行裁決，直至上訴法庭得出裁決或被另行處置或上訴法庭頒佈進一步法令，惟本公司須於二零一一年四月二十五日或之前向高等法院繳存港幣25,000,000元作為保證金，並於二零一一年七月十七日（根據日期為二零一一年六月十五日的法院頒令延期至二零一一年八月十九日）前再繳存港幣25,000,000元或向原告人提供相等金額的銀行擔保作為進一步保證金。高等法院就此等雙方同意的條款頒佈正式命令，而本公司已遵照頒令，分別於二零一一年四月二十一日及二零一一年八月十六日向高等法院繳存合共港幣50,000,000元，而截至二零一一年十二月三十一日有關款項已分類為其他應收款項。

上訴法庭上訴已於二零一一年十二月八日及九日由上訴法庭進行聆訊，上訴法庭一致頒令（「上訴法庭頒令」）：(a)上訴法庭上訴得直；(b)宣告裁決無效並撤銷該訴訟；及(c)原告人須向本公司支付上訴法庭上訴訟費及下級法院訟費，如有關費用未能議定，則由上訴法庭評定。上訴法庭進一步頒令，本公司向高等法院繳存的保證金港幣50,000,000元退還予本公司。高等法院已於二零一二年一月五日向本公司退還該筆保證金連同應得利息。

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35. LITIGATION (Continued)

On 22 December 2011, the Plaintiff launched an appeal to the Court of Final Appeal as of right under sections 22(1)(a) and 24 of the Hong Kong Court of Final Appeal Ordinance, Cap. 484. A Notice of Motion was filed by the Plaintiff with the Court of Appeal on 5 January 2012 for leave to appeal to the Court of Final Appeal and the Notice of Motion was fixed for hearing before the Court of Appeal on 10 May 2012.

After seeking advice of the counsels and solicitors acting for the Company, the directors of the Company formed the opinion that the Plaintiff did not have any valid claim against the Company, and therefore it is unlikely to have any adverse financial impact to the Company. Therefore, no further provision for any losses on litigation was made in the consolidated financial statements as at 31 December 2011. However, there are still uncertainties on the outcome of the Plaintiff's appeal to the Court of Final Appeal and the directors are of the opinion that the provision for losses on litigation previously made of HK\$86,500,000 (2010: HK\$83,500,000) is adequate and not excessive.

36. 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.

37. EVENT AFTER THE REPORTING PERIOD

On 5 January 2012, a security of HK\$50,000,000 was released and refunded to the Company by the High Court. Details of which are set out in note 35.

35. 訴訟 (續)

於二零一一年十二月二十二日，原告人根據香港法例第484章香港終審法院條例第22(1)(a)及24條項下的權利，向終審法院提出上訴。原告人於二零一二年一月五日向上诉法庭呈交動議通知書申請終審法院上訴許可，該動議通知書已訂於二零一二年五月十日於上诉法庭進行聆訊。

經徵詢代表本公司之大律師及律師之意見後，本公司董事認為，原告人並無有效理據向本公司申索，對本公司造成重大不利財務影響的機會不大。因此，並無就訴訟的任何損失於截至二零一一年十二月三十一日之綜合財務報表作進一步撥備。然而，原告向終審法院提出的上訴的結果仍存在變數，因此，董事認為早前就訴訟損失所作的撥備港幣86,500,000元（二零一零年：港幣83,500,000元）經已足夠且不會過多。

36. 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。

37. 報告期末後之事項

於二零一二年一月五日，高等法院已解除及退還港幣50,000,000元保證金予本公司。有關詳情載於附註35。

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

38. 本公司主要附屬公司詳情

Name of subsidiaries 附屬公司名稱	Place/country of incorporation/ operation 成立/經營地點/國家	Percentage of issued capital 已發行股本詳情	Particulars of issued capital held by the Company 本公司持有已發行股本百分比		Principal activities 主要業務
			2011 二零一一年	2010 二零一零年	
Beijing Kingstar Strategic Property Consultants Limited**	PRC	RMB2,000,000 of registered capital	100%	-	Provision of property project consulting, property agency and related services in the PRC 在中國提供物業項目諮詢、物業代理及有關服務
北京經策房地產經紀有限公司	中國	人民幣2,000,000元註冊股本			
Century 21 Hong Kong Limited	Hong Kong	3,880,000 ordinary shares of HK\$1 each	100%	100%	Provision of franchise, property agency and related services in Hong Kong and Macau 在香港及澳門提供特許經營權、物業代理及有關服務
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			
Century 21 Property Agency Limited	Hong Kong	2 ordinary shares of HK\$1 each	100%	100%	Provision of property agency and related services in Hong Kong 在香港提供物業代理及有關服務
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			
Century 21 Surveyors Limited	Hong Kong	100 ordinary shares of HK\$1 each	100%	100%	Provision of property project consulting, property agency and related services 提供物業項目諮詢、物業代理及有關服務
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			
Guangdong Kingstar Strategic Consultants Limited**	PRC	RMB10,000,000 of registered capital	100%	-	Provision of property project consulting, property agency and related services in the PRC 在中國提供物業項目諮詢、物業代理及有關服務
廣東經策房地產顧問有限公司	中國	人民幣10,000,000元註冊股本			
Guangzhou MAG Real Estate Investment Consultants Limited**	PRC	RMB2,000,000 of registered capital	100%	-	Provision of property project consulting, property agency and related services in the PRC 在中國提供物業項目諮詢、物業代理及有關服務
廣州美澳高房地產投資諮詢有限公司	中國	人民幣2,000,000元註冊股本			

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

38. 本公司主要附屬公司詳情 (續)

Name of subsidiaries 附屬公司名稱	Place/country of incorporation/ operation 成立/經營地點/國家	Percentage of issued capital 已發行股本詳情	Particulars of issued capital held by the Company 本公司持有已發行股本百分比		Principal activities 主要業務
			2011 二零一一年	2010 二零一零年	
Jet Fame Limited 梓豐有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值港幣1元之普通股	100%	100%	Trading of toy, gift and premium products 玩具、贈品及精品產品買賣
Kingbox Investments Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	1 ordinary share of US\$1 each 1股每股面值1美元之普通股	100%*	100%*	Investment holding 投資控股
Kingswick Strategy Limited 經緯策略有限公司	Hong Kong 香港	10 ordinary shares of HK\$1 each 10股每股面值港幣1元之普通股	100%	–	Provision of property agency and related services 提供物業代理及有關服務
Prosper Overseas Limited 興旺海外有限公司	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股每股面值港幣1元之普通股	100%*	100%*	Investment holding 投資控股
Smart Arrow Limited 駿銜有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值港幣1元之普通股	100%	100%	Provision of property agency and related services 提供物業代理及有關服務
Spring Merit Limited 彰運有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值港幣1元之普通股	100%	–	Security trading and investment 證券買賣及投資
Vantage Gain Investments Limited 互興投資有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值港幣1元之普通股	100%	–	Security trading and investment 證券買賣及投資

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

38. 本公司主要附屬公司詳情 (續)

Name of subsidiaries 附屬公司名稱	Place/country of incorporation/ operation 成立/經營地點/國家	Percentage of issued capital 已發行股本詳情	Particulars of issued capital held by the Company 本公司持有已發行股本百分比		Principal activities 主要業務
			2011 二零一一年	2010 二零一零年	
Wiz Investments Limited 慧師投資有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值港幣1元之普通股	100%#	100%#	Security trading and investment 證券買賣及投資
Wiz Limited 慧師有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值港幣1元之普通股	100%#	100%#	Provision of management services to the Group 向本集團提供管理服務
Yanyan Force Limited 欣科有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值港幣1元之普通股	60%	60%	Trading of toy, gift and premium products 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 English names of the PRC companies are transliteration of their respective Chinese names included for information only and are not their official names.

該等中國公司之英文名稱乃直譯自其中文名稱，僅供參考，並非其正式名稱。

The above table lists the subsidiaries of the Group as at 31 December 2011 and 2010 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二零一一年及二零一零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

財務概要

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止年度				
		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	2011 二零一一年 HK\$'000 港幣千元
RESULTS	業績					
Revenue	收益	132,987	119,586	179,550	219,960	264,565
Loss before tax	除稅前虧損	(74,799)	(205,937)	(143,729)	(239,881)	(198,344)
Income tax credit (expenses)	所得稅抵免(開支)	(171)	77	(559)	(2,624)	4,141
Loss for the year	本年度虧損	(74,970)	(205,860)	(144,288)	(242,505)	(194,203)
Attributable to:	應佔:					
Owners of the Company	本公司擁有人	(73,579)	(205,860)	(144,288)	(242,505)	(189,511)
Non-controlling interests	非控股權益	(1,391)	-	-	-	(4,692)
		(74,970)	(205,860)	(144,288)	(242,505)	(194,203)
		At 31 December 於十二月三十一日				
		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	2011 二零一一年 HK\$'000 港幣千元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總額	262,708	309,911	409,703	251,268	369,203
Total liabilities	負債總額	(15,074)	(253,458)	(170,054)	(201,157)	(157,759)
Total equity	權益總額	247,634	56,453	239,649	50,111	211,444
Attributable to:	應佔:					
Owners of the Company	本公司擁有人	247,634	56,453	239,649	50,111	216,136
Non-controlling interests	非控股權益	-	-	-	-	(4,692)
		247,634	56,453	239,649	50,111	211,444



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