

2011

Annual Report

年 報



中国网络教育集团有限公司

CHINA E-LEARNING GROUP LTD.

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：8055

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香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板的定位，乃為相比起其他在聯交所上市公司帶有較高投資風險的公司提供一個上市的市場。有意投資的人士應瞭解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他資深投資者。

由於創業板上市公司新興的性質所然，在創業板買賣的證券可能會較於主板買賣的證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

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本報告乃遵照香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）之規定提供有關中國網絡教育集團有限公司之資料。本公司各董事（「董事」）願對本報告所載資料共同及個別承擔全部責任。各董事在作出一切合理查詢後確認，就彼等所深知及確信：(1)本報告所載資料在各重大方面均屬準確及完整，且無誤導成份；(2)本報告並無遺漏其他事項致使本報告所載任何陳述有所誤導；及(3)本報告內表達的一切意見乃經審慎周詳的考慮後方作出，並以公平合理的基準和假設為依據。

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Corporate Information

Board of Directors

Executive Directors

Mr. Chen Hong (*Chairman*)
Ms. Wei Jianya

Independent Non-Executive Directors

Mr. Cheung Wai Tak
Dr. Huang Chung Hsing
Mr. Wu Tao

Company secretary

Mr. Chan Ka Kit Benny ACA CPA

Authorised representatives

Mr. Chen Hong
Mr. Chan Ka Kit Benny ACA CPA

Compliance officer

Mr. Chen Hong

Qualified accountant

Mr. Chan Ka Kit Benny ACA CPA

Registered office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business

Unit 3306, 33/F, West Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Principal bankers

Agricultural Bank of China
Bank of China (Hong Kong) Limited
China Construction Bank
Industrial and Commercial Bank of China Limited

Principal share registrar and transfer office in the Cayman Island

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
Grand Cayman KY1-1107
Cayman Islands

Branch share registrar and transfer office in Hong Kong

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

Auditor

Parker Randall CF (H.K) CPA Limited

Legal advisers

Conyers Dill & Pearman

Stock Code

8055

Company website

<http://www.chinae-learning.com>

公司資料

董事會

執行董事

陳宏先生 (主席)
韋健亞女士

獨立非執行董事

張偉德先生
黃崇興博士
武濤先生

公司秘書

陳家傑先生 ACA CPA

授權代表

陳宏先生
陳家傑先生 ACA CPA

監督主任

陳宏先生

合資格會計師

陳家傑先生 ACA CPA

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

總辦事處及主要營業地點

香港
干諾道中168-200號
信德中心
西座33樓3306室

主要往來銀行

中國農業銀行
中國銀行(香港)有限公司
中國建設銀行
中國工商銀行股份有限公司

開曼群島股份登記及過戶總處

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
Grand Cayman KY1-1107
Cayman Islands

香港股份登記及過戶分處

卓佳登捷時有限公司
香港
皇后大道東28號
金鐘匯中心26樓

核數師

暉誼(香港)會計師事務所有限公司

法律顧問

Conyers Dill & Pearman

股份代號

8055

本公司網站

<http://www.chinae-learning.com>

Chairman's Statement

On behalf of the Board, I am pleased to report the results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2011 to the shareholders.

REVIEW

The Group is principally engaged in the provision of an internet platform for the facilitation of education program in Chinese medicine and other advisory and training programs. This e-learning business remained our core activity. In order to improve the business model of the Group, we have been exploring into different business projects where we could extend our business strength in operating e-platform, by utilising our computer networking capability.

A letter of intent was entered into launching the "Medical Access Card Integrated Operation and Service Platform" in April 2011. As announced, another three letters of intent were separately entered into on 10 June, 1 September and 12 October, in order to connect our e-platform with an online sale of ticket system for cultural performance and sport games events.

COMMITMENTS

On 5 December 2011, the Group announced the signing of Cooperation Agreement between BJCHS and Lulutong in relation to the development, technical maintenance and operation of the 北京社區衛生服務網 (Beijing Community Health Services website), a website which will be based on the Medical Access Card Integrated Operation and Service Platform developed by Beijing Hua Tuo Education Technology Company Limited ("Hua Tuo"), a wholly owned subsidiary of the Company.

On 14 February 2012, the Group announced a major transaction on the acquisitions of 100% shareholding interest in Everjoy International Media Corporation and Everjoy Technology Development Corporation, subject to the approvals of the shareholders in EGM and the GEM Listing Committee of the Stock Exchange who will grant the listing of and permission to deal in the Conversion Shares which may be allotted and issued upon exercise of the conversion rights attaching to the convertible notes thereon.

OPERATIONAL RESULTS

Turnover for the year has increased by some 4% to HK\$40,140,000 as compared to HK\$38,575,000 in previous year. Of which the IIN Medical Group has contributed revenue of approximately HK\$39,968,000 and a net profit of approximately HK\$23,356,000 to our results. I expect that the IIN Medical Group will continue to contribute stable income as well as cash flows to the Group.

Though the overall position of the Group is a net loss for the year at HK\$32,266,000, it has improved by some 38% from a loss of approximately HK\$52,079,000 from previous year. A number of measures are taking effect and the policy to continue costs and overheads reduction will be upheld into the future while we continue to scale down non-profitable operations.

APPRECIATIONS

Finally, I would like to take this opportunity to express my sincere gratitude to the members of the Board of Directors, management team and our employees for their dedication and contribution to the Group. I would also like to express my appreciation to our shareholders and business partners for their enduring support and confidence in the Group.

Chen Hong
Chairman

Hong Kong, 26 March 2012

主席報告

本人謹代表董事會欣然向股東報告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業績。

回顧

本集團主要業務是為中醫藥教育項目及其他諮詢及培訓項目提供網絡輔助平台。此網絡教育業務一直是我們的核心業務。為改善本集團的業務模式，我們一直致力發掘不同的業務項目，以透過運用我們的電腦網絡能力，拓展我們在營運網絡平台方面的業務優勢。

於二零一一年四月，本集團通過簽訂一份意向書推出「醫通卡綜合運營服務平台」。誠如公佈所述，本集團於六月十日、九月一日及十月十二日分別訂立另外三份意向書，以將我們的網絡平台與文藝表演及體育賽事的在線票務銷售系統進行對接。

承擔

於二零一一年十二月五日，本集團宣佈，北京市社區衛生服務管理中心與祿路通已就北京社區衛生服務網的開發、技術維護及營運簽訂合作協議。該網站將建基於由本公司旗下全資附屬公司北京華拓教育科技有限公司(「華拓」)開發之醫通卡綜合運營服務平台。

於二零一二年二月十四日，本集團宣佈一項重大交易，內容乃有關收購永樂國際傳媒有限公司及永樂科技發展有限公司之全部股權，惟須待股東在股東特別大會上批准及聯交所創業板上市委員會批准因可換股票據所附帶之轉換權獲行使而可能配發及發行之換股股份上市及買賣後，方可作實。

營運業績

本年度營業額較上一年度的38,575,000港元上升約4%至40,140,000港元，其中國訊醫藥集團為本集團業績貢獻約39,968,000港元收益及約23,356,000港元淨利潤。本人預期，國訊醫藥集團將繼續為本集團帶來穩定收入及現金流。

雖然本集團於本年度錄得虧損淨額32,266,000港元，惟已較上一年度的虧損約52,079,000港元大幅改善38%。本集團正採取一系列改善措施，並會於日後繼續實施成本及經常性開支削減政策，同時將繼續縮減無溢利回報之業務。

致謝

最後，本人謹藉此機會對董事會成員、管理層及僱員之辛勤工作及對本集團之寶貴貢獻致以衷心感謝。本人亦藉此感謝股東及業務夥伴對本集團長久的支持及信任。

主席
陳宏

香港，二零一二年三月二十六日

Management Discussion and Analysis

FINANCIAL REVIEW

For the year ended 31 December 2011, the Group recorded revenue of approximately HK\$40,140,000 (2010: HK\$38,575,000) representing tuition fee revenue and sales of educational products. Gross profit for the year under review was approximately HK\$24,078,000 (2010: HK\$19,205,000), representing a gross profit margin of 60% for the year under review.

During the year, cost of sales was approximately HK\$16,062,000 (2010: HK\$19,370,000) representing the direct wages and overheads incurred in the distance learning courses.

Other income for the year under review was approximately HK\$3,188,000 (2010: HK\$20,634,000) representing a gain on redemption of convertible notes of approximately HK\$1,950,000 (2010: HK\$19,537,000), and a sundry income of approximately HK\$1,089,000 (2010: HK\$1,061,000).

Selling expenses for the year under review was approximately HK\$458,000 (2010: HK\$165,000) representing the overheads on promotional and advertising activities.

Administrative expenses for the year under review were approximately HK\$39,561,000 (2010: HK\$45,517,000), of which staff related costs were approximately HK\$7,997,000 (2010: 5,384,000) mainly attributed to the increase in lay-off payments in the process of scaling down. Consultancy fees were approximately HK\$7,497,000 (2010: HK\$3,002,000) representing the costs of conducting due diligences and obtaining financial advices with new business projects.

Impairment loss on goodwill for the year under review was nil (2010: HK\$31,506,000).

Other expenses for the year under review were approximately HK\$12,543,000 (2010: nil) representing a provision for compensation on default repayment of convertible notes for approximately HK\$10,860,000 (2010: nil) was made for prudence, the loss on investment in a subsidiary which was deregistered in 2010 for approximately HK\$1,107,000 (2010: nil), and the write-off of long outstanding debts for approximately HK\$576,000 (2010: nil).

Finance costs during the year were approximately HK\$6,970,000 (2010: HK\$14,730,000). They primarily consist of accretion of interest on the liability portion of convertible notes of approximately HK\$6,815,000 (2010: HK\$14,911,000) and fair value changes on the derivative portion of convertible notes of approximately HK\$155,000 loss (2010: HK\$181,000 gain).

As a result, the consolidated loss for the year under review was approximately HK\$32,266,000 (2010: loss of HK\$52,079,000).

管理層論述及分析

財務回顧

截至二零一一年十二月三十一日止年度，本集團錄得收益約40,140,000港元(二零一零年：38,575,000港元)，乃指教學課程之收入及教學產品之銷售額。回顧年度之毛利約為24,078,000港元(二零一零年：19,205,000港元)，而毛利率則為60%。

年內，銷售成本約為16,062,000港元(二零一零年：19,370,000港元)，乃指遠程教育課程所產生之直接工資及經常性開支。

回顧年度之其他收入約為3,188,000港元(二零一零年：20,634,000港元)，乃指贖回可換股票據之收益約1,950,000港元(二零一零年：19,537,000港元)及雜項收入約1,089,000港元(二零一零年：1,061,000港元)。

回顧年度之銷售開支約為458,000港元(二零一零年：165,000港元)，乃指推廣及宣傳活動之經常性開支。

回顧年度之行政開支約為39,561,000港元(二零一零年：45,517,000港元)。當中僱員成本約為7,997,000港元(二零一零年：5,384,000港元)，主要是由於縮減業務規模過程中之僱員解僱補償付款增加。顧問費約為7,497,000港元(二零一零年：3,002,000港元)，乃指就新業務項目開展盡職調查及獲取財務意見之費用。

回顧年度之商譽減值虧損為零(二零一零年：31,506,000港元)。

回顧年度之其他開支約為12,543,000港元(二零一零年：零)，乃指本公司為審慎起見就可換股票據償還違約作出補償撥備約10,860,000港元(二零一零年：零)、於一間附屬公司(已於二零一零年註銷)之投資虧損約1,107,000港元(二零一零年：零)及撇銷長期未償還債項約576,000港元(二零一零年：零)。

年內融資成本約為6,970,000港元(二零一零年：14,730,000港元)。融資成本主要包括可換股票據負債部分之利息增加額約6,815,000港元(二零一零年：14,911,000元)及可換股票據衍生工具部分之公平值變動虧損約155,000港元(二零一零年：盈利181,000港元)。

因此，回顧年度之綜合虧損約為32,266,000港元(二零一零年：虧損52,079,000港元)。

Capital structure, liquidity and financial resources

The Group financed its business operations mainly with cash revenue generated internally from operating activities and additional funds raised by issuance of shares. As at 31 December 2011, the Group has current assets of approximately HK\$116,219,000 (2010: HK\$97,367,000), including bank balances and cash of approximately HK\$19,459,000 (2010: HK\$33,717,000). Total non-current assets of the Group amounted to approximately HK\$7,569,000 (2010: HK\$14,033,000), which comprised property, plant and equipment, and available-for-sale financial assets. Total assets of the Group amounted to approximately HK\$123,788,000 (2010: HK\$111,400,000) as at 31 December 2011.

As at 31 December 2011, the Group did not have any outstanding bank borrowing. Total current liabilities of the Group were HK\$112,397,000 (2010: HK\$113,847,000), which mainly comprised trade and other payables, convertible notes and the related financial derivatives. Total non-current liabilities of the Group were approximately HK\$26,105,000 (2010: HK\$49,435,000), which comprised the convertible notes. Total liabilities of the Group were approximately HK\$138,502,000 (2010: HK\$163,282,000). As at 31 December 2011, the Group had net liabilities of HK\$14,714,000 (2010: HK\$51,882,000 net liabilities). Gearing ratio of the Group, as expressed as the ratio of total liabilities to total assets, was approximately 1.1 as at 31 December 2011 (2010: 1.5).

Share Capital

As at 1 January 2011, the authorised share capital of the Company was HK\$1,000,000,000 divided into 2,000,000,000 shares of HK\$0.50 each and the issued share capital of the Company was approximately HK\$655,385,000 divided into 1,310,770,439 shares of HK\$0.50 each.

During the year, shares were issued upon conversion of convertible notes as follows:

Date of conversion	Principal amount of convertible notes HK\$	Conversion price HK\$	Number of shares issued
14 January 2011	3,750,000	1.01	3,712,871
18 January 2011	3,154,106	1.01	3,122,877
21 April 2011	4,726,441	1.01	4,679,633
29 July 2011	30,000,000	0.50	60,000,000
22 August 2011	30,000,000	0.50	60,000,000
25 August 2011	19,500,000	0.50	39,000,000
	91,130,547		170,515,381

資本架構、流動資金及財務資源

本集團主要以內部營運活動產生之現金收入及發行股份所籌得之額外資金為業務融資。於二零一一年十二月三十一日，本集團擁有流動資產約116,219,000港元(二零一零年：97,367,000港元)，包括銀行結餘及現金約19,459,000港元(二零一零年：33,717,000港元)。本集團之非流動資產總值約為7,569,000港元(二零一零年：14,033,000港元)，包括物業、廠房及設備以及可供出售金融資產。於二零一一年十二月三十一日，本集團之總資產約為123,788,000港元(二零一零年：111,400,000港元)。

於二零一一年十二月三十一日，本集團並無任何未償還之銀行借貸。本集團之總流動負債為112,397,000港元(二零一零年：113,847,000港元)，主要包括貿易及其他應付賬款、可換股票據及相關金融衍生工具。本集團之非流動負債總額約為26,105,000港元(二零一零年：49,435,000港元)，主要為可換股票據。本集團之負債總額約為138,502,000港元(二零一零年：163,282,000港元)。於二零一一年十二月三十一日，本集團之負債淨額為14,714,000港元(二零一零年：負債淨額51,882,000港元)。於二零一一年十二月三十一日，本集團之負債比率(即總負債對總資產之比率)約為1.1(二零一零年：1.5)。

股本

於二零一一年一月一日，本公司之法定股本為1,000,000,000港元，分為2,000,000,000股每股面值0.50港元之股份，而本公司已發行股本約為655,385,000港元，分為1,310,770,439股每股面值0.50港元之股份。

年內，因轉換可換股票據而發行之股份如下：

轉換日期	可換股票據本金額 港元	換股價 港元	所發行股份數目
二零一一年一月十四日	3,750,000	1.01	3,712,871
二零一一年一月十八日	3,154,106	1.01	3,122,877
二零一一年四月二十一日	4,726,441	1.01	4,679,633
二零一一年七月二十九日	30,000,000	0.50	60,000,000
二零一一年八月二十二日	30,000,000	0.50	60,000,000
二零一一年八月二十五日	19,500,000	0.50	39,000,000
	91,130,547		170,515,381

The Company has repurchased a total of 16,944,000 shares on the Stock Exchange in October 2011, details of which are as follows:

Date of repurchase	Number of shares repurchased	Repurchase price	
		Price per share or highest price	Lowest price
		HK\$	HK\$
6/10/2011	152,000	0.240	0.240
7/10/2011	920,000	0.223	0.220
10/10/2011	9,232,000	0.210	0.195
11/10/2011	5,080,000	0.247	0.210
12/10/2011	1,560,000	0.249	0.240

All of these repurchased shares were subsequently cancelled on 18 October 2011.

As at 31 December 2011, the authorised share capital of the Company was HK\$5,000,000,000 divided into 10,000,000,000 shares of HK\$0.50 each and the issued share capital of the Company was approximately HK\$732,170,910 divided into 1,464,341,820 shares of HK\$0.50 each.

Convertible Notes

Convertible Notes 2008

The contractual obligation on these convertible notes extinguished on maturity on 28 February 2011, and was settled by issuing two tranches of new convertible notes. Please refer to Convertible Notes 2011 A and Convertible Notes 2011 B.

Convertible Notes 2009

Pursuant to the acquisition of 100% interest in IIN Medical (BVI) Group, the Company issued convertible notes ("Convertible Notes 2009") as partial settlement of the acquisition consideration on 23 April 2009. The aggregate principal of the Convertible Notes 2009 amounted to HK\$32,770,000. The Convertible Notes 2009 are interest free, with a principal amount of approximately HK\$20,150,000 maturing in 48 months from the date of issue and the remaining principal amount of approximately HK\$12,620,000 maturing in 24 months from the date of issue and convertible into ordinary shares at conversion price of HK\$1.01 (2010: HK\$1.57) per share, subject to adjustments.

On 15 July 2010, an aggregate principal of the Convertible Notes 2009 amounted to HK\$6,780,000 were issued as the final payment for the acquisition of the entire issued share capital of IIN Medical (BVI) Group. The Convertible Notes 2009 are interest free, with a principle amount of HK\$4,154,106 maturing in 48 months from the date of issue and the remaining principal amount of HK\$2,625,894 maturing in 24 months from the date of issue and convertible into ordinary shares at conversion price of HK\$1.01 per share, subject to adjustments.

於二零一一年十月，本公司已於聯交所購回合共16,944,000股股份，有關詳情載列如下：

購回日期	已購回 股份數目	購回價格	
		每股價格或 最高價 港元	最低價 港元
二零一一年十月六日	152,000	0.240	0.240
二零一一年十月七日	920,000	0.223	0.220
二零一一年十月十日	9,232,000	0.210	0.195
二零一一年十月十一日	5,080,000	0.247	0.210
二零一一年十月十二日	1,560,000	0.249	0.240

所有該等已購回之股份隨後已於二零一一年十月十八日註銷。

於二零一一年十二月三十一日，本公司之法定股本為5,000,000,000港元，分為10,000,000,000股每股面值0.50港元之股份，而本公司已發行股本約為732,170,910港元，分為1,464,341,820股每股面值0.50港元之股份。

可換股票據

二零零八年可換股票據

該等可換股票據之合約責任已於二零一一年二月二十八日到期時終止，並以發行兩批新可換股票據之方式結算。有關詳情請參閱二零一一年可換股票據A及二零一一年可換股票據B。

二零零九年可換股票據

因收購國訊醫藥(BVI)集團的100%權益，本公司於二零零九年四月二十三日發行可換股票據(「二零零九年可換股票據」)以償付收購的部份代價。二零零九年可換股票據之本金總額為32,770,000港元。二零零九年可換股票據為免息，本金額約20,150,000港元於發行日期起計48個月到期，剩餘本金額約12,620,000港元於發行日期起計24個月到期，並可按每股1.01港元(二零一零年：1.57港元)(可予調整)之換股價轉換為普通股。

本公司於二零一零年七月十五日發行本金總額為6,780,000港元之二零零九年可換股票據，作為收購國訊醫藥(BVI)集團的全部已發行股本之最後付款。二零零九年可換股票據為免息，本金額4,154,106港元於發行日期起計48個月到期，剩餘本金額2,625,894港元於發行日期起計24個月到期，並可按每股1.01港元(可予調整)之換股價轉換為普通股。

As at 1 January 2011, the aggregate outstanding principal amount of the Convertible Notes was HK\$25,620,217 (2010: HK\$32,770,000). The exercise in full of conversion rights vested with the Company's outstanding Convertible Notes 2009 would result in the issue and allotment of 25,366,551 new shares in the Company.

In addition to the conversion of the Convertible Notes 2009 as shown above, Convertible Note 2009 in the principal amount of HK\$3,827,515 were redeemed during the period under review. As at 31 December 2011, the aggregate outstanding principal amount of the Convertible Notes 2009 was approximately HK\$10,162,000. The exercise in full of conversion rights vested with the Company's outstanding Convertible Notes 2009 would result in the issue and allotment of 10,061,540 new shares of the Company.

Convertible Notes 2011

The Group had reached several agreements with the holders of the Convertible Notes 2008 which became mature on 28 February 2011, and a promissory note for approximately HK\$50 million for a settlement. In order to be able to raise sufficient fund for the settlement, the Group issued two tranches of convertible notes ("Convertible Notes 2011 A") on 9 May 2011 and ("Convertible Notes 2011 B") on 11 May 2011.

The aggregate principal of Convertible Notes 2011 A amounted to HK\$89,999,934, bearing an interest of 1% per annum, maturing in 36 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments.

The aggregate principal of Convertible Notes 2011 B amounted to HK\$36,200,000, bearing an interest of 1% per annum, initially maturing in 6 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments. On 11 November 2011, the maturity date was successfully postponed for another 6 months to 11 May 2012.

As at 31 December 2011, the aggregate outstanding principal amount of the Convertible Notes 2011 A and Convertible Notes 2011 B were HK\$66,199,934. The exercise in full of the vested conversion rights would result in the issue and allotment of 132,399,868 new shares of the Company.

On 21 July 2011, the Group entered into a subscription agreement with a group of independent subscribers for the issuance of some convertible notes in the aggregate principal amount of HK\$42,000,000, bearing an interest rate of 3% per annum, maturing in 12 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments. Subsequently, the Group issued two tranches of convertible notes ("Convertible Notes 2011 C") on 25 August 2011 for the principal amount of HK\$19,500,000 and ("Convertible Notes 2011 D") on 14 September 2011 for the principal amount of HK\$22,500,000.

As at 31 December 2011, the aggregate outstanding principal amount of the Convertible Notes 2011 C and Convertible Notes 2011 D were HK\$22,500,000. The exercise in full of the vested conversion rights would result in the issue and allotment of 45,000,000 new shares of the Company.

於二零一一年一月一日，可換股票據之未償還本金總額為25,620,217港元(二零一零年：32,770,000港元)。倘本公司之未償還二零零九年可換股票據所附轉換權獲悉數行使，將要發行及配發本公司25,366,551股新股份。

除如上文所述轉換二零零九年可換股票據外，本金額為3,827,515港元之二零零九年可換股票據已於回顧期間被贖回。於二零一一年十二月三十一日，二零零九年可換股票據之未償還本金總額約為10,162,000港元。倘本公司之未償還二零零九年可換股票據所附轉換權獲悉數行使，將要發行及配發本公司10,061,540股新股份。

二零一一年可換股票據

本集團已與二零零八年可換股票據(於二零一一年二月二十八日到期)之持有人，及與約50,000,000港元之本票持有人達成多項協議，以進行償付。為籌集足夠資金進行償付，本集團分別於二零一一年五月九日以及二零一一年五月十一日發行兩批可換股票據：「二零一一年可換股票據A」以及「二零一一年可換股票據B」。

二零一一年可換股票據A的本金額為89,999,934港元，利率為每年1%，於發行日期起計36個月到期，並可按每股0.50港元(可予調整)之換股價轉換為普通股。

二零一一年可換股票據B的本金額為36,200,000港元，利率為每年1%，初始於發行日期起計6個月到期，並可按每股0.50港元(可予調整)之換股價轉換為普通股。於二零一一年十一月十一日，到期日順利延後6個月至二零一二年五月十一日。

於二零一一年十二月三十一日，二零一一年可換股票據A及二零一一年可換股票據B的未償還本金總額為66,199,934港元。倘所附轉換權獲悉數行使，將要發行及配發本公司132,399,868股新股份。

於二零一一年七月二十一日，本集團與一組獨立認購人訂立認購協議，以發行本金額為42,000,000港元之可換股票據，可換股票據之利率為每年3%，於發行日期起計12個月到期，並可按每股0.50港元(可予調整)之換股價轉換為普通股。隨後，本集團分別於二零一一年八月二十五日以及二零一一年九月十四日發行兩批可換股票據：本金額為19,500,000港元之「二零一一年可換股票據C」以及本金額為22,500,000港元之「二零一一年可換股票據D」。

於二零一一年十二月三十一日，二零一一年可換股票據C及二零一一年可換股票據D的未償還本金總額為22,500,000港元。倘所附轉換權獲悉數行使，將要發行及配發本公司45,000,000股新股份。

Foreign exchange exposure

Most of the Group's assets, liabilities and transactions were denominated in Hong Kong dollars and Renminbi. Although the exchange rate between Hong Kong dollars and Renminbi has been moderately changing, it remains relatively stable. As the expenditure in PRC was covered by the sales in PRC, the management considers that the Group has no significant foreign exchange exposures. Foreign exchange risk arising from the normal course of operations is considered as minimal. As at 31 December 2011, the Group has no foreign currency borrowings and has not used any financial instrument for hedging the foreign exchange risk.

Significant investments

During the year ended 31 December 2011, no significant investments were made by the Group. (2010: nil)

Contingent liabilities and charges on the Group's assets

There were no significant contingent liabilities or charges on the Group's assets as at 31 December 2011. (2010: nil)

OPERATIONAL OVERVIEW

The Joint Construction of Network Education College of Beijing University of Chinese Medicine Agreement (共建北京中醫藥大學網路教育學院協議書) ("Joint Construction Agreement") entered into between Beijing University of Chinese Medicine (北京中醫藥大學) and Hunan IIN Medical Network Technology Development Co., Ltd. ("Hunan IIN Medical"), a subsidiary of IIN Medical (BVI), on 29 July 2009 was successfully renewed on 1 July 2010. In accordance with the Joint Construction Agreement, Hunan IIN Medical's entitlement to share 60% of the profits of Distance Education College of Beijing University of Chinese Medicine (北京中醫藥大學遠程教育學院) ("Distance Education College") is reduced to 51% profit-sharing percentage during the year 2010 while all other terms and conditions thereunder are no less favourable than those under the Joint Construction Agreement.

Employee Information

As at 31 December 2011, the Group had a total of 43 employees (2010: 64 employees) (including executive directors). For the year under review, the total staff costs amounted to approximately HK\$16,072,000 (2010: HK\$9,542,000), representing an increase of approximately 48.5% over the previous year. The increase in staff costs was mainly attributed to the increase in lay-off payments in the process of scaling down.

The salaries and benefits of the Group's employees were kept at a market level and employees were rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. Staff benefits include contribution to the mandatory provident fund and share options. No share options were granted to employees of the Group in the current year, whereby comparative details are set out in note 34 to the financial statements.

外匯風險

本集團大部份資產、負債及交易均以港元及人民幣計值。儘管港元兌人民幣之匯率正溫和變動，但仍保持相對平穩。於中國的支出由中國的銷售額支付，故管理層認為本集團並無重大外匯風險。由正常運營過程所產生之外匯風險被視為並不重大。於二零一一年十二月三十一日，本集團並無任何外幣借款，且並未使用任何金融工具對沖外匯風險。

重大投資

截至二零一一年十二月三十一日止年度，本集團並無作出任何重大投資(二零一零年：無)。

或然負債及本集團之資產抵押

於二零一一年十二月三十一日，本集團並無重大或然負債或資產抵押(二零一零年：無)。

營運回顧

北京中醫藥大學與湖南國訊醫藥網絡科技開發有限公司(「湖南國訊醫藥」，國訊醫藥(BVI)之附屬公司)於二零零九年七月二十九日訂立之「共建北京中醫藥大學網路教育學院協議書」(「共建協議」)已於二零一零年七月一日順利重續。於二零一零年，根據共建協議，湖南國訊醫藥有權分得北京中醫藥大學遠程教育學院(「遠程教育學院」)60%溢利之分成比例降至51%，而其下任何其他條款及條件均不遜於共建協議之條款及條件。

僱員資料

於二零一一年十二月三十一日，本集團共有43名僱員(二零一零年：64名僱員)(包括執行董事)。於回顧年內，僱員總成本約為16,072,000港元(二零一零年：9,542,000港元)，較上一年增加約48.5%。僱員成本增加，主要由於縮減業務規模過程中的僱員解僱補償付款增加。

本集團僱員之薪酬及福利維持於市場水平，僱員在本集團每年檢討之整體薪酬及花紅制度架構下，按其工作表現獲得報酬。僱員福利包括強制性公積金供款及購股權。於本年度，並無向本集團僱員授出購股權，有關比較詳情載於財務報表附註34。

PROSPECTS

During the year 2011, the Group has expanded its horizon into new business sectors, bringing new business elements into the existing technological base. The proposal for an extension to medical health services has been initiated and achieved progress. The Group will continue its efforts in 2012 and expect material outcome.

In the meanwhile, the Group's business strategy extending into the booming online ticketing sales sector has achieved significant progress and in its final stage. Subject to completion, the Group anticipates an increase in revenue and a sustainable growth in the new sector.

The new business challenges ahead rely on our technical team in developing high level computer software, not only that is capable of integrating new service platform in the internet, but also with an increasing demand to heighten security measures for comprehensive system integrity as well as protection of privacy for users of the systems.

Meanwhile, the Group will continue to look for opportunities for our existing business, particularly in developing both vertically and horizontally within the Group's medical education platform, expanding further into our service network, increase the shareholders' value and reduce business risk.

前景

於二零一一年，本集團開始向新業務領域擴張，為現有技術平台注入新的業務元素。本集團已經啟動向醫療衛生服務擴張之計劃，並已取得一定進展。本集團將於二零一二年繼續努力，預期將會取得重大成果。

與此同時，本集團向快速發展的在線票務銷售領域擴張的業務策略已經取得重大進展，目前已進入最後階段。待完成後，本集團預計收益將會上升，且將會在此新領域取得持續發展。

未來所面臨的新業務挑戰主要源於公司技術團隊研發高級電腦軟件方面，新軟件不僅能整合線上新服務平台，而且能迎合用戶在提升綜合系統整合的安全措施及系統用戶私隱保護方面不斷上升的需求。

同時，本集團將繼續為我們現有業務尋找新的發展機會，特別是同時對本集團的醫療教育平台進行橫縱向開發，進一步擴張我們的服務網絡，從而提升股東價值及降低業務風險。

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Chen Hong (“Mr. Chen”), aged 43, was appointed as an Executive Director and Chairman of the Company on 1 April 2008; and the authorised representative and compliance officer of the Company on 22 September 2008. Mr. Chen holds a Master of Business Administration from Peking University, China. Mr. Chen has previously worked in several technology companies and investment companies in China as senior management, and had extensive experience in corporate management and investment. Mr. Chen is mainly responsible for the strategy formulation of the Company.

Save as disclosed herein, Mr. Chen did not hold any directorships in any listed public company in the last four years.

Ms. Wei Jianya (“Ms. Wei”), aged 43, was appointed as an Executive Director on 22 September 2008. Ms. Wei holds a Bachelor’s degree in commerce and financial accounting from Zhejiang Gongshang University (formerly known as Hangzhou University of Commerce). Ms. Wei is a Certified Public Accountant registered in the PRC and Chinese Certified Public Tax Consultant. She previously worked in PRC accounting firms and PRC listed companies and has extensive experience in financial management and investment advisory.

Save as disclosed herein, Ms. Wei did not hold any directorship in any listed public company in the last four years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Wai Tak (“Mr. Cheung”), aged 59, was appointed as an independent non-executive director and the chairman of the audit committee on 11 June 2010. Mr. Cheung has more than twenty years of working experience in the investment banking and accounting field. Mr. Cheung is a Certified Public Accountant in California, United States of America, and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung graduated with an MBA degree from the University of California at Berkeley, the United States of America in 1981. Mr. Cheung was an executive director of China Grand Forestry Green Resources Group Limited (910) during the period from October 2007 to September 2009, and was an independent non-executive director of Hybrid Kinetic Group Limited (1188) during the period from April 2007 to November 2007.

Mr. Cheung is an independent non-executive director of Superb Summit International Timber Company Limited (1228). As at the date of this announcement, Mr. Cheung did not have, and was not deemed to have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

董事及高級管理人員履歷

執行董事

陳宏先生(「陳先生」)，43歲，於二零零八年四月一日獲委任為執行董事及本公司主席；及於二零零八年九月二十二日獲委任為本公司授權代表及監督主任。陳先生持有中國北京大學工商管理碩士學位。陳先生曾於中國多間科技公司及投資公司擔任要職，擁有多年豐富企業管理及投資經驗。陳先生主要負責制訂本公司之發展策略。

除本節所披露者外，陳先生於過往四年亦無於任何上市公司擔任任何董事職務。

韋健亞女士(「韋女士」)，43歲，於二零零八年九月二十二日獲委任為執行董事。韋女士持有浙江工商大學(原名杭州商學院)商學財務會計學士學位。韋女士乃中國註冊會計師及中國註冊稅務師。彼曾任職於中國的會計師事務所及國內上市公司，並於財務管理及投資顧問等方面擁有豐富經驗。

除本節所披露者外，韋女士於過往四年亦無於任何上市公司擔任任何董事職務。

獨立非執行董事

張偉德先生(「張先生」)，59歲，於二零一零年六月十一日獲委任為本公司獨立非執行董事及審核委員會主席。張先生於投資銀行及會計領域擁有超過二十年之工作經驗。張先生為美國加州之執業會計師，並為香港會計師公會之會員。張先生於一九八一年獲美國柏克萊加州大學頒授工商管理碩士學位。張先生過去曾於二零零七年十月至二零零九年九月期間擔任中國林大綠色資源集團有限公司(910)之執行董事，並於二零零七年四月至二零零七年十一月期間為正道集團有限公司(1188)之獨立非執行董事。

張先生為奇峰國際木業有限公司(1228)之獨立非執行董事。於本公佈日期，張先生並無於本公司股份中擁有及被視為擁有證券及期貨條例第XV部所界定之任何權益。

Dr. Huang Chung Hsing (“Dr. Huang”), aged 58, was appointed as an Independent Non-Executive Director and a member of audit committee of the Company on 14 August 2008. Dr. Huang holds a Ph.D. degree in Management Science and Information Systems from the University of Texas at Austin, U.S.A. and a Bachelor’s degree of Science in Electrical Engineering from National Taiwan University. Dr. Huang is the Associate Dean of College of Management, National Taiwan University. He is also the chairman of the Committee of Service Management of Chinese Management Association in Taiwan and the associate researcher of Health Management Center of National Taiwan University Hospital in Taiwan. He has previously held senior positions in various universities and banks such as Beijing University in China and Bank of SinoPac. Dr. Huang has extensive experience in service operation management, business decision making and management of innovation.

Dr. Huang does not hold any other position in the Company or any of its subsidiaries nor did he hold any directorship in any public listed company in the last three years. As at the Latest Practicable Date, Dr. Huang did not have, and was not deemed to have any interest in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Mr. Wu Tao (“Mr. Wu”), aged 39, was appointed as an independent non-executive director and a member of the audit committee of the Company on 24 June 2010. Mr. Wu is a practicing lawyer in China. Mr. Wu is a law graduate from Tsinghua University in 2006 with a master degree in law. Mr. Wu is currently a partner of Beijing Jian Hao Law Office. Previously, Mr. Wu worked with Bureau of Justice of Beijing, Steering Group’s Office of Ruling the City according to Law of Beijing (北京市依法治市領導小組辦公室) and Beijing Zhong Lun Law Firm. Mr. Wu was also the secretary-general of the profession committee for surety matters under Beijing Bar Association.

Save as disclosed above, Mr. Wu does not hold any other position in the Company or any of its subsidiaries nor did he hold any directorship in any public listed company in the last three years. As at the Latest Practicable Date, Mr. Wu did not have, and was not deemed to have any interest in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.

黃崇興博士 (「黃博士」)，58歲，於二零零八年八月十四日獲委任為獨立非執行董事及本公司審核委員會成員。黃博士持有美國奧斯汀德州大學商學院企業管理博士學位及國立台灣大學電子工程科學學士學位。黃博士為國立台灣大學管理學院副院長。彼也是台灣之中華民國管理科學學會的服務管理委員會會長及台灣之國立台灣大學醫學院附設醫院健康管理中心副研究員。彼曾經在多間大學和銀行擔任高級職位，例如中國北京大學及永豐銀行。黃博士於服務營運管理、商業決策及創意管理擁有豐富經驗。

黃博士並無於本公司或其任何附屬公司擔任任何其他職位，於過往三年亦無於其他上市公司擔任任何董事職務。於最後可行日期，黃博士並無於本公司任何股份或相關股份中擁有及被視為擁有證券及期貨條例第XV部所界定之任何權益。

武濤先生 (「武先生」)，39歲，於二零一零年六月二十四日獲委任為本公司獨立非執行董事及審核委員會成員。武先生為中國執業律師，法學專業本科學歷，二零零六年獲清華大學法律碩士學位。武先生現為北京建豪律師事務所合夥人，先後在北京市司法局、北京市依法治市領導小組辦公室及北京市中倫律師事務所任職。武先生亦曾擔任北京市律師協會擔保法律事務專業委員會秘書長。

除上文所披露者外，武先生並無於本公司或其任何附屬公司擔任任何其他職位，於過往三年亦無於其他上市公司擔任任何董事職務。於最後可行日期，武先生並無於本公司任何股份或相關股份中擁有及被視為擁有證券及期貨條例第XV部所界定之任何權益。

Report of the Directors

The board (the “Board”) of directors (the “Directors”) of China E-Learning Group Limited (the “Company”) presents herewith the 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 principal activity of the Company is investment holding. Details of the principal activities of the Company’s subsidiaries are set out in note 20 to the financial statements.

RESULTS AND DIVIDEND

The Group’s results for the year ended 31 December 2011 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 42 to 132.

The Directors do not recommend payment of any final dividend in respect of the reporting year (2010: HK\$nil).

SUMMARY FINANCIAL INFORMATION

The following is a summary of the audited consolidated results of the Group for each of the five years ended 31 December 2011 prepared on the basis set out in the note below:

	2011	2010	2009	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	40,140	38,575	23,253	26,692	2,756
Loss before tax	32,266	52,079	475,636	364,403	2,373
Net loss after tax	32,266	52,079	475,378	365,862	2,373
Total assets	123,788	111,400	94,556	457,127	22,626
Total liabilities	138,502	163,282	330,862	394,324	1,077

PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment are set out in note 18 to the financial statements.

SUBSIDIARIES

Particulars of the Company’s subsidiaries are set out in note 20 to the financial statements.

董事會報告

中國網絡教育集團有限公司(「本公司」)董事(「董事」)會(「董事會」)謹此提呈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年度報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股，本公司附屬公司之主要業務詳情載於財務報表附註20。

業績及股息

本集團截至二零一一年十二月三十一日止年度之業績及本公司與本集團於該日之財務狀況載於第42至132頁之財務報表。

董事不建議就報告年度派付任何末期股息(二零一零年：零港元)。

財務資料概要

以下為按下文附註所載基準編製之本集團截至二零一一年十二月三十一日止五個年度各年經審核綜合業績概要：

	二零一一年 千港元	二零一零年 千港元	二零零九年 千港元	二零零八年 千港元	二零零七年 千港元
營業額	40,140	38,575	23,253	26,692	2,756
除稅前虧損	32,266	52,079	475,636	364,403	2,373
除稅後虧損淨額	32,266	52,079	475,378	365,862	2,373
資產總值	123,788	111,400	94,556	457,127	22,626
負債總額	138,502	163,282	330,862	394,324	1,077

物業、廠房及設備

物業、廠房及設備之變動載於財務報表附註18。

附屬公司

本公司附屬公司之詳情載於財務報表附註20。

SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital and share options during the year are set out in notes 27 and 35 to the financial statements respectively.

CONVERTIBLE NOTES

Details of movements in the Company's convertible notes during the year are set out in note 30 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 46 and note 28 to the financial statement respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2011, the Company did not have any reserve available for cash distribution (2010: HK\$nil). In accordance with the laws of the Cayman Islands and the Company's Articles of Association, the Company's share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debt as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

PRE-EMPTIVE RIGHTS

There are no provisions of pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which oblige the Company to offer new shares on a pro rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2011.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

股本及購股權

年內，本公司股本及購股權之詳情分別載於財務報表附註27及35。

可換股票據

年內，本公司可換股票據之變動詳情載於財務報表附註30。

儲備

年內，本集團及本公司儲備之變動詳情分別載於第46頁之綜合權益變動表及財務報表附註28。

可供分派儲備

於二零一一年十二月三十一日，本公司並無任何可作現金分派之儲備(二零一零年：零港元)。根據開曼群島法例及本公司組織章程細則，倘於緊隨擬分派股息當日後，本公司有能力償還在日常業務中到期之債務，則本公司可向股東分派股份溢價賬。股份溢價也可以繳足紅股之方式分派。

優先認購權

本公司組織章程細則或開曼群島法例並無有關優先認購權之條文，規定本公司須按比例向現有股東發售新股份。

足夠公眾持股量

於截至二零一一年十二月三十一日止整個年度內，本公司一直維持足夠之公眾持股量。

購買、贖回或出售本公司之上市證券

本公司及其任何附屬公司於年內概無購買、贖回或出售本公司任何上市證券。

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

Sales

- the largest customer n/a
- five largest customer n/a

Purchases

- the largest supplier 52%
- five largest suppliers 83%

Students are our major customers. It is therefore not applicable to provide the largest and the five largest customers' percentages on our revenue income.

None of the Directors, their associates or shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in the major customers or suppliers noted above.

DIRECTORS

The Directors of the Company during the financial year and at the date of this report were:

Executive Directors

Mr. Chen Hong
Ms. Wei Jianya

Independent Non-Executive Directors

Mr. Cheung Wai Tak
Dr. Huang Chung Hsing
Mr. Wu Tao

The Company has received from each of the Independent Non-Executive Directors the annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers that all Independent Non-Executive Directors are independent to the Group in accordance with the terms of the guidelines as set out in Rule 5.09 of the GEM Listing Rules.

In accordance with Article 87 of the Company's Articles of Association, Mr. Cheung Wai Tak and Dr. Huang Chung Hsing will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

主要客戶及供應商

本集團之主要客戶及供應商於年內所佔銷售及採購百分比如下：

銷售

— 最大客戶	不適用
— 五大客戶	不適用

採購

— 最大供應商	52%
— 五大供應商	83%

學生為我們的主要客戶，因此不適用於提供最大及五大客戶於本集團收入所佔百分比。

各董事、彼等之聯繫人士或股東(據董事所知持有本公司5%以上之股本)概無於上述主要客戶或供應商中擁有任何權益。

董事

本公司於財政年度內及本報告日期之董事如下：

執行董事

陳宏先生
韋健亞女士

獨立非執行董事

張偉德先生
黃崇興博士
武濤先生

本公司已收到各獨立非執行董事按照創業板上市規則第5.09條就其獨立性而提交之年度確認函，並認為根據創業板上市規則第5.09條所載指引內之條款，全體獨立非執行董事均獨立於本集團。

根據本公司組織章程細則第87條，張偉德先生及黃崇興博士將於本公司應屆股東週年大會上退任，並符合資格及願意膺選連任。

DIRECTORS' SERVICE CONTRACTS

Mr. Chen Hong and Ms. Wei Jianya have entered into service contracts with the Company for a term of three years. These service contracts may be terminated by either party giving not less than three months' notice to the other party.

All the Independent Non-Executive Directors have entered into service contracts with the Company for a term of three years.

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

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the Directors and the five highest paid employees in the Group are set out in note 12 to the financial statements respectively.

REMUNERATION POLICY

The Group remunerates its employees, including its Directors, based on their performance, experience and prevailing market rate. Other employee benefits include insurance and medical cover as well as share option scheme. Details of share option scheme are set out in note 35 to the financial statements.

The determination of remuneration of the Directors of the Company had taken into consideration of their expertise and job specifications.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2011, the interests and short positions of the Directors or chief executive of the Company 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")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

董事服務合約

陳宏先生及韋健亞女士已與本公司訂立服務合約，年期為三年。該等服務合約可由其中一方向對方給予不少於三個月通知而終止。

所有獨立非執行董事均已與本公司簽訂服務合同，年期為三年。

在應屆股東週年大會上建議膺選連任之董事，概無與本公司訂立本公司於一年內不付賠償(法定賠償除外)則不得終止之服務合約。

董事之合約權益

本公司或其任何附屬公司概無訂立董事直接或間接於其中擁有重大權益，且於本年度完結時或年內任何時間有效之重大合約。

董事酬金及五名最高薪僱員

董事酬金及本集團五名最高薪僱員之詳情，分別載於財務報表附註12。

薪酬政策

本集團根據僱員(包括其董事)之工作表現、經驗及現行市場水平向彼等提供報酬。其他僱員福利包括保險和醫療保障及購股權計劃。購股權計劃之詳情載於財務報表附註35。

決定本公司董事之薪酬時，已考慮彼等之專業知識及詳細職務要求。

董事於證券之權益

於二零一一年十二月三十一日，本公司董事或主要行政人員於本公司及其相關法團(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持有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉；或(b)根據證券及期貨條例第352條規定須記錄於根據該條例所置存之登記冊之權益及淡倉；或(c)根據創業板上市規則第5.46條須知會本公司及聯交所之權益及淡倉如下：

Long position in shares or underlying shares of the Company

Name of Directors and officer	Capacity	Number of shares or underlying shares held		Total	Percentage of issued share capital
		Ordinary shares	Share options		
Chen Hong (Director)	Beneficial owner	79,510,480	6,377,306	85,887,786	5.87%
Wang Hui (Chief Executive)	Beneficial owner	–	6,377,306	6,377,306	0.44%
Wei Jianya (Director)	Beneficial owner	–	2,349,534	2,349,534	0.16%

Save as disclosed above, as at 31 December 2011, none of the other Directors or chief executive of the Company had any interest or short position in shares, debentures or underlying shares of the Company and its associated corporations which was required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

INTERESTS DISCLOSABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 31 December 2011, so far as known to any Director or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Long position in shares or underlying shares of the Company

Name of Shareholder	Capacity	Number of shares or underlying shares held	Percentage of issued share capital
Yang Dong Jun	Beneficial owner	207,554,896	14.17%
Atlantis Capital Holdings limited	Investment manager	88,002,000	6.01%
Liu Yang (note)	Interest of a controlled corporation	88,002,000	6.01%

Note: According to the disclosure of interests notice filed, Ms. Liu Yang is deemed to be in control of Atlantis Capital Holdings Limited, Ms. Liu Yang is deemed to be interested in the 88,002,000 shares of the Company.

於本公司股份或相關股份之好倉

董事及高級職員姓名	身份	所持股份或相關股份數目			佔已發行股本百分比
		普通股	購股權	總計	
陳宏(董事)	實益擁有人	79,510,480	6,377,306	85,887,786	5.87%
王慧(行政總裁)	實益擁有人	—	6,377,306	6,377,306	0.44%
韋健亞(董事)	實益擁有人	—	2,349,534	2,349,534	0.16%

除上文所披露者外，於二零一一年十二月三十一日，概無本公司董事或主要行政人員於本公司及其相關法團之股份、債權證或相關股份中持有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉；或(b)根據證券及期貨條例第352條須記錄於根據該條例所置存之登記冊之權益或淡倉；或(c)根據創業板上市規則第5.46條須知會本公司及聯交所之權益或淡倉。

根據證券及期貨條例須予披露之權益及主要股東

於二零一一年十二月三十一日，據本公司董事或主要行政人員所知，以下人士(本公司董事或主要行政人員除外)持有根據證券及期貨條例第XV部第2及3分部須予披露及須記入根據證券及期貨條例第336條置存之登記冊之本公司股份及相關股份之權益或淡倉：

於本公司股份或相關股份之好倉

股東姓名	身份	所持股份或相關股份數目	佔已發行股本百分比
楊東軍	實益擁有人	207,554,896	14.17%
Atlantis Capital Holdings limited	投資經理	88,002,000	6.01%
劉央(附註)	於受控法團之權益	88,002,000	6.01%

附註：根據披露權益通知文檔，劉央女士被視為Atlantis Capital Holdings Limited之控股股東，因此劉央女士被視為於本公司88,002,000股股份中擁有權益。

Save as disclosed above, as at 31 December 2011, the Directors were not aware of any other persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO.

INTEREST IN COMPETING BUSINESS

During the year under review, neither the Directors nor the substantial shareholders of the Company and their respective associates had any interest in business that competes, either directly or indirectly, with the business of the Group.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Parker Randall CF (H.K.) CPA Limited as auditors of the Company.

On Behalf of the Board

Chen Hong

Executive Director

Hong Kong

26 March 2012

除上文所披露者外，於二零一一年十二月三十一日，董事並不知悉任何其他人士（本公司董事及主要行政人員除外）於本公司股份及相關股份中擁有任何根據證券及期貨條例第XV部第2及3分部條文須予披露及須記入根據證券及期貨條例第336條置存之登記冊之權益或淡倉。

競爭業務之權益

於回顧年度內，本公司董事或主要股東及彼等各自之聯繫人士概無擁有任何與本集團業務直接或間接競爭之業務權益。

核數師

應屆股東週年大會上將提呈決議案，續聘暉誼（香港）會計師事務所有限公司為本公司核數師。

代表董事會

執行董事

陳宏

香港

二零一二年三月二十六日

Corporate Governance Report

The Company is committed to maintaining high standard of corporate governance and has applied the principles set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules by making its best effort (i) to respect the rights of the shareholders and fully recognise the legitimate interests of the shareholders; (ii) to disclose information to shareholders in a timely manner and to increase the transparency of the Company; (iii) to enhance the risk management and internal control policies of the Company; and (iv) to maintain responsible decision making so as to safeguard the interests of the shareholders and the Company as a whole.

Save as the deviations as disclosed in this report, the Company has complied with all the code provisions on corporate governance practices as set out in the GEM Listing Rules.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard as set out in the code of conduct regarding Directors’ securities transactions throughout the year ended 31 December 2011.

BOARD OF DIRECTORS AND BOARD MEETING

The Board of Directors, which currently comprises two Executive Directors, namely Mr. Chen Hong and Ms. Wei Jianya and three Independent Non-Executive Directors, namely Mr. Cheung Wai Tak, Dr. Huang Chung Hsing, and Mr. Wu Tao, is responsible for the overall management of the Group. It focuses on directing the corporate strategies and supervising the business and significant affairs of the Group while the duties of the daily operation management are delegated to the management of the Company.

Mr. Chen Hong and Ms. Wang Hui are the chairman and chief executive officer of the Company respectively and their roles are clearly segregated.

During the year ended 31 December 2011, the Company has complied with all the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules.

企業管治報告

本公司致力維持高水準之企業管治，且已採納創業板上市規則附錄15中企業管治常規守則（「企業管治守則」）所載之原則，致能盡力(i)尊重股東之權利，全面肯定股東之合法權益；(ii)適時地向股東披露資料，提高本公司之透明度；(iii)改善本公司之風險管理及內部監控政策；及(iv)維持負責任之決策，以保障股東與本公司之整體利益。

除本報告所披露之偏離情況外，本公司已遵守創業板上市規則所載有關公司管治常規之所有守則條文。

董事之證券交易

本公司已就董事進行證券交易採納一套操守守則，其條款不遜於創業板上市規則第5.48至5.67條所規定之買賣標準。經向所有董事作出特定查詢後，本公司並不知悉截至二零一一年十二月三十一日止年度內有任何不遵守董事進行證券交易之操守守則所規定標準之情況。

董事會及董事會會議

董事會目前由兩名執行董事陳宏先生及韋健亞女士，以及三名獨立非執行董事張偉德先生、黃崇興博士及武濤先生組成。董事會負責本集團之整體管理，主要工作為訂出公司策略並且監督本集團之業務及重大事宜，而日常營運之管理職務則交由本公司管理層負責。

陳宏先生及王慧女士分別為本公司之主席及行政總裁，而彼等之角色亦有清晰分工。

截至二零一一年十二月三十一日止年度，本公司已遵守創業板上市規則附錄15所載列之所有企業管治常規守則。

The Board held 26 meetings during the year ended 31 December 2011 and the attendance of each Director at the board meetings are set out as follows:

Executive Directors

Attendance

Mr. Chen Hong	26/26
Ms. Wei Jianya	26/26

Independent Non-Executive Directors

Attendance

Mr. Cheung Wai Tak	20/26
Dr. Huang Chung Hsing	16/26
Mr. Wu Tao	24/26

AUDIT COMMITTEE

The Company's audit committee was established on 26 November 2001 for the purpose of reviewing and supervising the Company's financial reporting and internal control procedures. The committee comprises three independent non-executive directors, namely Mr. Cheung Wai Tak (the chairman of the committee), Dr. Huang Chung Hsing and Mr. Wu Tao.

In 2011, the audit committee held 4 meetings and details of the attendance of each member of the committee are set out as follows:

Committee Members

Attendance

Mr. Cheung Wai Tak	4/4
Dr. Huang Chung Hsing	4/4
Mr. Wu Tao	4/4

During the year, the audit committee, together with the external auditors, have reviewed the accounting policies and methods adopted by the Group and discussed with the management of the Company, inter alia, the matters relating to internal control and financial statements of the Company. Relevant recommendations have been made to the management.

REMUNERATION COMMITTEE

The remuneration committee was established on 23 March 2005 with major functions of (i) making recommendations to the Board on the Company's policies and structure for the remuneration of Directors and senior management of the Group; and (ii) determining the remuneration packages of all Directors and senior management of the Group; and (iii) reviewing and approving the performance-based remuneration.

董事會於截至二零一一年十二月三十一日止年度曾舉行26次會議，每名董事之會議出席記錄如下：

執行董事

陳宏先生
韋健亞女士

出席記錄

26/26
26/26

獨立非執行董事

張偉德先生
黃崇興博士
武濤先生

出席記錄

20/26
16/26
24/26

審核委員會

本公司審核委員會於二零一一年十一月二十六日成立，負責檢討及監督本公司之財務申報及內部監控程序。委員會由三名獨立非執行董事張偉德先生(委員會主席)、黃崇興博士及武濤先生組成。

審核委員會於二零一一年內曾舉行4次會議，委員會各成員之會議出席記錄如下：

委員會成員

張偉德先生
黃崇興博士
武濤先生

出席記錄

4/4
4/4
4/4

審核委員會於年內已與外聘核數師審議本集團採納之會計政策和方法，並就(其中包括)本公司內部監控及財務報表之事宜與本公司管理層進行討論且已向管理層提供相關推薦意見。

薪酬委員會

薪酬委員會於二零零五年三月二十三日成立，其主要職能為(i)就本公司關於本集團董事及高級管理層之薪酬政策及架構向董事會提供建議；(ii)釐定本集團全體董事及高級管理層之薪酬待遇；及(iii)審議並批准績效酬金。

The remuneration committee of the Company is chaired by Mr. Chen Hong. Other members include Mr. Cheung Wai Tak and Mr. Wu Tao. The majority of the members of the remuneration committee are independent non-executive directors.

During the year ended 31 December 2011, a meeting of the remuneration committee was held. All members of the remuneration committee, at the time being, attended the meeting. The Company's policy for the remuneration of Directors was discussed in the meeting and no changes on the policy were recommended by the remuneration committee.

NOMINATION COMMITTEE

During the year, the Company has not yet set up a nomination committee, and Directors are nominated by existing member(s) of the Board. Board members, except the one who nominates the candidate, shall assess the candidate's suitability of becoming a board member with reference to the nominated candidate's qualification, working experience, past performance and requirements of the Company and relevant provisions in the GEM Listing Rules. The Company is well aware that there is a new Code requirement that a nomination committee must be set up before 1 April 2012. The Company therefore established the nomination committee on 23 March 2012.

AUDITOR'S REMUNERATION

An audit fee of approximately HK\$ 185,000 was charged to the Group's income statement for the year ended 31 December 2011.

INTERNAL CONTROL

The Company has conducted a review, which covered the major control procedures in areas of financial and operations of the Company, on the internal control system of the Group and was satisfied with the effectiveness of the Group's internal control procedures.

FINANCIAL STATEMENTS

The responsibilities of the Directors for preparing the financial statements and the auditor's reporting responsibilities on the financial statements are set out in the auditor's report contained in this annual report.

陳宏先生為本公司薪酬委員會之主席，其他成員包括張偉德先生及武濤先生。獨立非執行董事佔薪酬委員會成員之大多數。

於截至二零一一年十二月三十一日止年度，薪酬委員會已舉行一次會議。當時全體薪酬委員會成員均出席會議，會上曾討論本公司有關董事薪酬之政策，而薪酬委員會並無建議更改相關政策。

提名委員會

於年內，本公司並無成立提名委員會，董事由董事會之現任成員提名。除提名候選人之董事外，其他董事會成員將評審候選人是否具備成為董事會成員之資格，當中將考慮獲提名候選人之資格、工作經驗、過往之表現及本公司之要求，以及創業板上市規則之有關規定。本公司已知悉有關須於二零一二年四月一日前成立提名委員會之新守則規定。本公司已於二零一二年三月二十三日成立提名委員會。

核數師酬金

本集團截至二零一一年十二月三十一日止年度之收益表內，已扣除約185,000港元之核數費。

內部監控

本公司已對包括本公司財務及營運方面之主要監控程序在內之本集團內部監控系統進行檢討，並信納本集團之內部監控程序誠屬有效。

財務報表

董事編製財務報表之職責及核數師就財務報表發表報告之責任，已載於本年報內之核數師報告。

Independent Auditor's Report

**To the shareholders of
China E-Learning Group Limited**
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China E-Learning Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 42 to 132, which comprise the consolidated and company statements of financial position as at 31 December 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow 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 these consolidated financial statements that give a true and fair view in accordance with the 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.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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 Company and 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 the Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without qualifying our opinion, we draw your attention to Note 2 to the consolidated financial statements which indicate that the Group incurred a net loss of HK\$32,266,000 for the year ended 31 December 2011 and, as of that date, the Group had net liabilities of HK\$14,714,000. If the Group cannot materialise those expectations on improving the asset position and net operating cash flow in the forthcoming year as disclosed per Note 2 to the consolidated financial statements, there would be an uncertainty on having sufficient net cash inflow to support the Group's ability to continue its operation as a going concern.

Parker Randall CF (H.K.) CPA Limited
Certified Public Accountants

Seto Man Fai
Practising Certificate No.: P05229

Hong Kong
26 March 2012

獨立核數師報告

獨立核數師報告

致中國網絡教育集團有限公司股東

(於開曼群島註冊成立的有限公司)

本核數師已審核載於第42至132頁之中國網絡教育集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一一年十二月三十一日之綜合及公司財務狀況表及截至該日止年度的綜合收益表、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承擔的責任

貴公司董事負責遵照香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，編製及真實而公平地列報該等綜合財務報表，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

本核數師之責任乃根據審核工作的結果，對該等綜合財務報表表達意見，並僅向全體股東報告，除此以外本報告概不可用作其他用途。本核數師概不就本報告的內容向任何其他人士承擔或負上任何責任。

本核數師已根據香港會計師公會頒佈的香港審計準則進行審核。該等準則規定本核數師須遵守道德規範並進行規劃及進行審核，以合理確定該等綜合財務報表是否不存有重大錯誤陳述。

審核包括進行程序以取得與綜合財務報表所載金額及披露事項有關的審核憑證。選取的程序視乎核數師的判斷，包括評估綜合財務報表出現重大錯誤陳述(不論是否因欺詐或錯誤引起)的風險。在作出該等風險評估時，核數師考慮與公司編製及真實公平呈列綜合財務報表有關的內部監控，以設計適當的審核程序，但並非為對公司的內部監控是否有效表達意見。審核亦包括評價董事所採用的會計政策是否恰當及所作的會計估算是否合理，以及評價綜合財務報表的整體呈列方式。

本核數師相信，我們已取得充分恰當的審核憑證，為我們的審核意見建立合理之基礎。

意見

本核數師認為，按照香港財務報告準則編製的綜合財務報表真實公平地反映了貴公司及貴集團於二零一一年十二月三十一日之財政狀況及貴集團截至該日止年度之虧損及現金流量，並且已根據香港公司條例之披露規定而妥善編製。

強調事項

在不作出保留意見之情況下，本核數師謹請閣下垂注綜合財務報表附註2，其中載列貴集團於截至二零一一年十二月三十一日止年度產生淨虧損32,266,000港元，以及貴集團截至該日止之負債淨額為14,714,000港元。倘貴集團無法於來年落實綜合財務報表附註2所披露其有關改善資產狀況及經營現金流量淨值之預期，則會令貴集團於擁有足夠的淨現金流入以支持貴集團繼續持續經營之能力方面面臨不確定性。

暉誼(香港)會計師事務所有限公司

執業會計師

司徒文輝

執業證書編號：P05229

香港

二零一二年三月二十六日

Consolidated Income Statement

綜合收益表

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 千港元	2010 二零一零年 HK\$'000 千港元
Revenue	收益	8	40,140	38,575
Cost of sales	銷售成本		(16,062)	(19,370)
Gross profit	毛利		24,078	19,205
Other income	其他收益	9	3,188	20,634
Selling expenses	銷售開支		(458)	(165)
Administrative expenses	行政開支		(39,561)	(45,517)
Impairment losses on goodwill	商譽減值虧損		–	(31,506)
Other expenses	其他開支		(12,543)	–
Finance costs, net	融資成本淨額	10	(6,970)	(14,730)
Loss before tax	除稅前虧損	11	(32,266)	(52,079)
Income tax	所得稅	13	–	–
Loss for the year	本年度虧損		(32,266)	(52,079)
Loss for the year attributable to:	以下人士應佔本年度虧損：			
Owners of the Company	本公司持有人		(39,007)	(51,898)
Non-controlling interests	非控股權益		6,741	(181)
			(32,266)	(52,079)
Loss per share	每股虧損	15		
– Basic	– 基本		(2.83 cents 仙)	(5.18 cents 仙)
– Diluted	– 攤薄		N/A 不適用	N/A 不適用

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

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loss for the year	本年度虧損	(32,266)	(52,079)
Other comprehensive income	其他全面收益		
Changes in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	(4,742)	2,225
Exchange difference arising on translation of foreign operations	換算境外業務產生之匯兌差額	3,052	2,060
Other comprehensive income, net of income tax	其他全面收益 (扣除所得稅)	(33,956)	4,285
Total comprehensive loss for the year	本年度全面虧損總額	(33,956)	(47,794)
Attributable to:	以下人士應佔：		
Owners of the Company	本公司持有人	(40,697)	(47,613)
Non-controlling interests	非控股權益	6,741	(181)
		(33,956)	(47,794)

Consolidated Statement of Financial Position

綜合財務狀況表

As 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 千港元	2010 二零一零年 HK\$'000 千港元
Assets and liabilities			
Non-current assets			
Goodwill	16	-	-
Other intangible assets	17	-	-
Property, plant and equipment	18	3,769	4,783
Available-for-sale financial assets	19	3,800	9,250
		7,569	14,033
Current assets			
Inventories	21	-	103
Trade and other receivables	22	96,760	62,148
Financial derivatives	31	-	1,399
Cash and cash equivalents	23	19,459	33,717
		116,219	97,367
Total assets		123,788	111,400
Current liabilities			
Trade and other payables	24	45,330	30,792
Income tax payable		-	62
Amounts due to directors	25	-	116
Financial derivatives	30	250	1,955
Convertible notes	30	66,817	80,922
		112,397	113,847
Net current asset/(liabilities)		3,822	(16,480)
Total assets less current liabilities		11,391	(2,447)
Non-current liabilities			
Other loan	29	-	49,435
Convertible notes	30	26,105	-
		26,105	49,435
Total liabilities		138,502	163,282
Net liabilities		(14,714)	(51,882)
Capital and reserves			
Share capital	27	732,171	655,385
Reserves		(750,653)	(711,035)
Non-controlling interests		3,768	3,768
Total equity		(14,714)	(51,882)

The consolidated financial statement on pages 42 to 132 were approval and authorised for issue by the Board of Directors on 26 March 2012 and are signed on its behalf by

第42頁至第132頁的綜合財務報表於二零一二年三月二十六日獲董事會批准及授權刊發，並由下列董事代表簽署：

CHEN HONG
陳宏
Director
董事

WEI JIANYA
韋健亞
Director
董事

Statement of Financial Position

財務狀況表

As 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 千港元	2010 二零一零年 HK\$'000 千港元
Assets and liabilities			
Non-current assets			
Property, plant and equipment	18	53	6
Investments in subsidiaries	20	1	1
Available-for-sale financial assets	19	3,800	9,250
		3,854	9,257
Current assets			
Trade and other receivables	22	27,036	1,196
Amounts due from subsidiaries	20	136,388	165,942
Financial derivative	30	–	1,399
Cash and cash equivalents	23	1,673	15,368
		165,097	183,905
Total assets		168,951	193,162
Current liabilities			
Trade and other payables	24	11,166	1,068
Amounts due to directors	25	–	116
Amounts due to subsidiaries	20	70	80,165
Financial derivative	30	250	1,955
Convertible notes	30	66,817	80,922
		78,303	164,226
Net current asset		86,794	19,679
Total assets less current liabilities		90,648	28,936
Non-current liabilities			
Convertible notes	30	26,105	–
		26,105	–
Total liabilities		104,408	164,226
Net assets		64,543	28,936
Capital and reserves			
Share capital	27	732,171	655,385
Reserves	28	(667,628)	(626,449)
Total equity		64,543	28,936

CHEN HONG
陳宏
Director
董事

WEI JIANYA
韋健亞
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	Share-based payment reserve	Exchange fluctuation reserve	Convertible notes Equity reserve	Available-for-sale financial assets valuation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	以股支付儲備	匯率波動儲備	可換股票據權益儲備	可供出售金融資產估值儲備	累計虧損	合計	非控股權益	權益合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note 27)	(Note 28)	(Note 35)		(Note 30)					
		(附註27)	(附註28)	(附註35)		(附註30)					
At 1 January 2010	於二零一零年一月一日	236,282	229,144	43,483	4,054	137,964	-	(891,001)	(240,074)	3,768	(236,306)
(Loss) for the year	本年度(虧損)	-	-	-	-	-	-	(51,898)	(51,898)	(181)	(52,079)
Other comprehensive income for the year	本年度其他全面收益	-	-	-	2,060	-	2,225	-	4,285	-	4,285
Total comprehensive income (loss) for the year	本年度全面收益(虧損)總額	-	-	-	2,060	-	2,225	(51,898)	(47,613)	(181)	(47,794)
Non-controlling interests contributions	非控股權益注資	-	-	-	-	-	-	-	-	181	181
Issue of shares under open offer	根據公開發售發行股份	111,331	-	-	-	-	-	-	111,331	-	111,331
Issue of bonus shares	發行紅股	222,662	(222,662)	-	-	-	-	-	-	-	-
Share issue expenses	股份發行開支	-	(4,480)	-	-	-	-	-	(4,480)	-	(4,480)
Issue of convertible notes	發行可換股票據	-	-	-	-	4,561	-	-	4,561	-	4,561
Issue of shares by conversion of convertible notes	因可換股票據獲轉換而發行股份	85,110	128,352	-	-	(71,917)	-	-	141,545	-	141,545
Redemption of convertible notes	贖回可換股票據	-	-	-	-	(20,920)	-	-	(20,920)	-	(20,920)
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	655,385	130,354	43,483	6,114	49,688	2,225	(942,899)	(55,650)	3,768	(51,882)
(Loss) for the year	本年度(虧損)	-	-	-	-	-	-	(39,007)	(39,007)	6,741	(32,266)
Other comprehensive income for the year	本年度其他全面收益	-	-	(28,989)	3,052	-	(4,742)	30,740	61	-	61
Total comprehensive income (loss) for the year	本年度全面收益(虧損)總額	-	-	(28,989)	3,052	-	(4,742)	(8,267)	(38,946)	6,741	(32,205)
Non-controlling interests contribution	非控股權益注資	-	-	-	-	-	-	-	-	(6,741)	(6,741)
Being the cancellation of ordinary shares at par value HK\$0.50	註銷面值為0.50港元之普通股	(8,472)	4,835	-	-	-	-	-	(3,637)	-	(3,637)
Issue of convertible notes	發行可換股票據	-	-	-	-	17,623	-	-	17,623	-	17,623
Issue of shares by conversion of convertible notes	因可換股票據獲轉換而發行股份	85,258	5,873	-	-	(12,956)	-	-	78,175	-	78,175
Redemption of convertible notes	贖回可換股票據	-	-	-	-	(950)	-	-	(950)	-	(950)
Reclassification of settled convertible note equity component	重新分類已償付之可換股票據之股權部分	-	30,267	-	-	(30,267)	-	-	-	-	-
Being settlement of convertible notes	償付可換股票據	-	-	-	-	64,915	-	-	64,915	-	64,915
Reclassification of convertible notes	重新分類可換股票據	-	-	-	-	(80,012)	-	-	(80,012)	-	(80,012)
At 31 December 2011	於二零一一年十二月三十一日	732,171	171,329	14,494	9,166	8,041	(2,517)	(951,166)	(18,482)	3,768	(14,714)

Consolidated Statement of Cash Flow

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

	Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash flow from operating activities	經營業務產生之現金流量		
Loss before tax	除稅前虧損	(32,266)	(52,079)
Adjustments for:	以下各項之調整：		
Finance cost, net	融資成本淨額	6,970	14,730
Depreciation	折舊	1,741	2,088
Interest income	利息收入	(102)	(36)
Amortization of other intangible assets	攤銷其他無形資產	-	265
Amortization of prepaid land lease payments	攤銷預付土地租賃款項	-	59
Loss on disposal of available-for-sales financial assets	出售可供出售金融資產之虧損	106	-
Impairment losses on goodwill	商譽減值虧損	-	31,506
Impairment losses on inventories	存貨減值虧損	121	-
Impairment losses on trade and other receivables	貿易及其他應收賬款之減值虧損	6,971	18,642
(Gain) on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)	-	(1,043)
Gain on redemption of convertible notes	贖回可換股票據收益	(1,950)	(19,537)
Operating cash flows before movements in working capital	營運資金變動前經營業務之現金流量	(18,409)	(5,405)
(Increase) decrease in inventories	存貨(增加)減少	(16)	29
(Increase) in trade and other receivables	貿易及其他應收賬款(增加)	(40,341)	(26,061)
(Increase) decrease in amount due from non-controlling interests	應收非控股權益款項(增加)減少	(6,741)	181
Increase in trade and other payables	貿易及其他應付賬款增加	14,986	12,527
Cash (used in) operations	經營業務(所用)現金	(50,521)	(18,729)
Overseas taxes paid	已付海外稅項	(62)	(190)
Net cash (used in) operating activities	經營業務(所用)現金淨額	(50,583)	(18,919)

Consolidated Statement of Cash Flow

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

	Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash flow from investing activities	投資活動產生之現金流量		
Purchase of property, plant and equipment	購置物業、廠房及設備	(534)	(600)
Proceed from sales of property, plant and equipment	出售物業、廠房及設備之所得款項	8	4,627
Proceed from available-for-sale financial assets	可供出售金融資產之所得款項	602	(7,025)
Interest received	已收利息	102	36
(Increase) in deposits	按金(增加)	-	(39,422)
Net cash (used in) from investing activities	投資活動(所用)所得現金淨額	178	(42,384)
Financing activities	融資活動		
Proceeds from issue of placing shares	發行配售股份所得款項	27	111,331
Cancellation of ordinary shares	註銷普通股	(3,637)	-
Issue of convertible notes	發行可換股票據	118,201	-
Settlement of convertible notes	償付可換股票據	(76,200)	-
Shares issue expenses	股份發行開支	28	(4,480)
Redemption of convertible notes	贖回可換股票據	(3,825)	(51,007)
Net cash from financing activities	融資活動所得現金淨額	34,539	55,844
Net (decrease) in cash and cash equivalents	現金及現金等值項目之(減少)淨額	(15,866)	(5,459)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等值項目	33,717	37,218
Effect of foreign exchange rate changes	匯率變動之影響	1,608	1,958
Cash and cash equivalents at the end of the year	年終之現金及現金等值項目	19,459	33,717

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

China E-Learning Group Limited (the “Company”) is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands on 10 July 2001. The shares of the Company are listed on the Growth Enterprise Market (“GEM”) of 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 of “Corporate Information” in the annual report.

The consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when other indicated.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 20 to the consolidated financial statements.

2. ADOPTION OF GOING CONCERN BASIS

The consolidated financial statements have been prepared on a going concern basis notwithstanding the Group had net liabilities of approximately HK\$14,714,000 as at 31 December 2011 and incurred a net loss of HK\$32,266,000 for the year then ended. In the opinion of the directors of the Company, the Group is able to maintain itself as a going concern in the coming year by taking into consideration the arrangements which include, but are not limited to, the following:

1. The directors of the Company will continue to reduce overheads and costs, and are exploring opportunities for existing business with an aim to attain profitable operations with positive cash flows;
2. The directors of the Company are considering various alternatives to enlarge the capital base of the Company in order to provide additional funding to the Group and extend the maturity dates of convertible notes payables; and
3. The directors of the Company will continue to scale down the non-profitable operations.

1. 一般資料

中國網絡教育集團有限公司(「本公司」)為於二零零一年七月十日在開曼群島根據開曼群島公司法(經修訂)註冊成立之受豁免有限公司。本公司股份在香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。

本公司註冊辦事處及主要營業地點之地址載於年報「公司資料」一節。

綜合財務報表以港元列值。除另有指明者外，所有數值均四捨五入至最接近之千位數。

本公司之主要業務為投資控股。其主要附屬公司之主要業務載於綜合財務報表附註20。

2. 採用持續經營基準

儘管本集團於二零一一年十二月三十一日之負債淨額約為14,714,000港元以及截至該日止年度產生虧損淨額32,266,000港元，綜合財務報表已按持續經營基準而編製。本公司董事認為，考慮到包括(但不限於)以下各項在內之安排，本集團應能於來年維持本身作為持續經營實體：

1. 本公司董事將繼續降低經常性開支及成本，並積極為現有業務發掘機會，以取得獲利且產生正現金流量之業務；
2. 本公司董事正考慮擴大本公司資本基礎之不同方法，為本集團籌集更多資金以及延長應付可換股票據之到期日；及
3. 本公司董事將繼續縮減無溢利回報之業務。

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

2. ADOPTION OF GOING CONCERN BASIS *(Continued)*

Based on the aforesaid measures, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

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

In the current year, the Group has adopted all of the new and revised HKFRSs (which include all HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are relevant to its operations and effective for accounting periods beginning on or after 1 January 2011.

The adoption of the new and revised HKFRSs has had no significant financial effect on these consolidated financial statements.

2. 採用持續經營基準 (續)

基於上述措施，本公司董事信納綜合財務報表按持續經營基準編製乃屬合適。綜合財務報表並未包括本集團在無法繼續作為持續經營實體時可能對資產及負債之賬面值及重新分類所作出之任何必要調整。

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已應用以下由香港會計師公會（「香港會計師公會」）頒佈，與其營運相關並於二零一一年一月一日或之後開始的會計期間生效之所有新訂及經修訂香港財務報告準則（包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）。

採納新訂及經修訂香港財務報告準則對該等綜合財務報表並無重大財務影響。

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

4. ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective in these consolidated financial statements.

4. 已頒佈惟尚未生效之香港財務報告準則

本集團並無於綜合財務報表應用下列已頒佈惟尚未生效之新訂及經修訂香港財務報告準則。

**Effective for
annual periods
beginning on
or after
於下列日期或
其後開始之年度
期間生效**

HKFRS 1 (Amendment)	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>	1 July 2011
香港財務報告準則第1號 (修訂本)	嚴重惡性通脹及剔除首次採納者之固定日期	二零一一年七月一日
HKFRS 7 (Amendments)	<i>Transfers of Financial Assets</i>	1 July 2011
香港財務報告準則第7號 (修訂本)	轉讓金融資產	二零一一年七月一日
HKFRS 7 (Amendments)	<i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
香港財務報告準則第7號 (修訂本)	金融資產及金融負債之抵銷	二零一三年一月一日
HKFRS 9	<i>Financial Instruments</i>	1 January 2015
香港財務報告準則第9號	金融工具	二零一五年一月一日
HKFRS 10	<i>Consolidated Financial Statements</i>	1 January 2013
香港財務報告準則第10號	綜合財務報表	二零一三年一月一日
HKFRS 11	<i>Joint Arrangements</i>	1 January 2013
香港財務報告準則第11號	共同安排	二零一三年一月一日
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>	1 January 2013
香港財務報告準則第12號	披露於其他實體之權益	二零一三年一月一日
HKFRS 13	<i>Fair Value Measurement</i>	1 January 2013
香港財務報告準則第13號	公平值計量	二零一三年一月一日
HKAS 1 (Amendments)	<i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
香港會計準則第1號(修訂本)	其他全面收益項目之呈列	二零一二年七月一日
HKAS 12 (Amendments)	<i>Deferred Tax: Recovery of Underlying Assets</i>	1 January 2012
香港會計準則第12號(修訂本)	遞延稅項：收回相關資產	二零一二年一月一日

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

4. ISSUED BUT NOT YET EFFECTIVE HKFRSs (Continued)

4. 已頒佈惟尚未生效之香港財務 報告準則 (續)

Effective for
annual periods
beginning on
or after
於下列日期或
其後開始之年度
期間生效

HKAS 19 (2011) 香港會計準則第19號 (二零一一年)	<i>Employee Benefits</i> 僱員福利	1 January 2013 二零一三年一月一日
HKAS 27 (2011) 香港會計準則第27號 (二零一一年)	<i>Separate Financial Statements</i> 獨立財務報表	1 January 2013 二零一三年一月一日
HKAS 28 (2011) 香港會計準則第28號 (二零一一年)	<i>Investments in Associates and Joint Ventures</i> 於聯營公司及合資公司之投資	1 January 2013 二零一三年一月一日
HKAS 32 (Amendments)	<i>Presentation – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
香港會計準則第32號(修訂本)	呈列 – 金融資產及金融負債之抵銷	二零一四年一月一日
HK(IFRIC) Int – 20 香港(國際財務報告詮釋委員會) – 詮釋第20號	<i>Stripping Costs in the Production Phase of a Surface Mine</i> 露天礦場之生產階段之剝採成本	1 January 2013 二零一三年一月一日

The Group is in the process of making an assessment of what the impact of these new and revised HKFRSs is to be expected in the period of initial application. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

本集團已開始評估該等新訂及經修訂香港財務報告準則於首次應用期間的影響，惟在完成詳細檢討之前難以提供有關該影響的合理估計。

5. SIGNIFICANT ACCOUNTING POLICIES

5. 主要會計政策

These consolidated financial statements have been prepared in accordance with HKFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and the Hong Kong Companies Ordinance.

綜合財務報表乃按照香港財務報告準則編製而成。此外，綜合財務報表包括聯交所創業板證券上市規則及香港公司條例規定之適用披露資料。

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

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value, as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2011. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

5. 主要會計政策 (續)

綜合財務報表乃按過往成本法編製，惟如下文所載之會計政策所述，若干金融資產乃按公平值計算。

合併基準

綜合財務報表包括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財務報表。附屬公司的財務報表乃於與本公司相同的報告期間並採納一致的會計政策編製。附屬公司的業績由收購日期(即本集團取得控制權當日)起合併計算，並會繼續合併，直至該等控制權終止。所有集團內公司間結餘、交易以及因集團內公司間的交易而產生的未變現收益及虧損及股息，均於合併時悉數撇銷。

即使會產生虧蝕結餘，附屬公司的虧損仍會歸屬於非控股權益。

於附屬公司擁有權權益的變動(並無喪失控制權)於入賬時列作權益交易。

倘本集團失去對附屬公司的控制權，則會終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值；及(iii)計入權益的累計匯兌差額；並確認(i)已收代價的公平值；(ii)任何保留投資的公平值；及(iii)因此而計入損益的盈餘或虧蝕。先前已於其他全面收入確認的本集團應佔部分，乃在適當的情況下重新分類至損益或保留溢利。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed 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. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability is recognised in accordance with HKAS 39 Financial instruments: Recognition and measurement either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

5. 主要會計政策 (續)

附屬公司

附屬公司為本公司直接或間接控制其財務及經營政策，以從其活動中獲取利益之實體。

附屬公司之業績按已收及應收股息計入本公司之收益表。本公司於附屬公司的投資按成本減任何減值虧損列賬。

業務合併及商譽

業務合併採用收購法入賬。轉撥的代價按收購日期公平值計量，而計算方式為本集團轉撥的資產、本集團向被收購方的前擁有人承擔的負債及本集團就交換被收購方的控制權所發行的股權於收購日期的公平值總和。就各項業務合併而言，收購方按公平值或應佔被收購方可識別資產淨值的比例來計算被收購方之非控股權益。收購成本於產生時列作支出。

當本集團收購業務時，須根據合約條款、收購日期的經濟環境及相關條件對涉及的金融資產及承擔的金融負債進行評估，以合理分類及確認，其中包括將嵌入式衍生工具與被收購方的主合約分開。

倘業務合併分階段進行，收購方之前持有的被收購方股權於收購日期的公平值應按收購日期的公平值透過損益重新計量。

收購方將予轉讓的任何或然代價於收購日期按公平值確認。或然代價(被視為一項資產或負債)公平值的其後變動按香港會計準則第39號金融工具：確認及計量的規定，確認為損益或其他全面收入的變動。倘將或然代價分類為權益，則其於權益中最終結算前毋須重新計量。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination and goodwill (Continued)

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquire over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

5. 主要會計政策 (續)

業務合併及商譽 (續)

商譽初步按成本計量，即已轉讓代價、非控股權益之已確認金額及本集團之前持有的被收購方股權之任何公平值的總和，超出本集團購得的可識別資產淨值及所承擔負債的數額。倘此代價及其他項目之和低於購得的附屬公司的資產淨值的公平值，則其差額於重新評估後於損益確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽每年進行減值測試，而倘出現顯示賬面值可能減值的事件或情況變動，則會較頻密進行減值測試。本集團於十二月三十一日進行年度商譽減值測試。就減值測試而言，業務合併購入的商譽，由收購日期起分配到本集團各個預期會因合併的協同效應而得益的現金產生單位或現金產生單位組別，不論本集團的其他資產或負債有否分配至該等單位或單位組別。

減值乃透過評估與商譽有關的現金產生單位(或一組現金產生單位)的可收回金額釐定。倘現金產生單位(或一組現金產生單位)的可收回金額少於其賬面值，則確認減值虧損。已確認的商譽減值虧損不會於以後期間撥回。

當商譽構成一個現金產生單位(或一組現金產生單位)的一部分而該單位的某部分業務被出售時，於釐定出售該業務的收益或虧損時，與出售業務相關的商譽將包括在該業務的賬面值內。在此情況下出售的商譽將根據出售業務及現金產生單位的保留部分的相對價值計量。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Platform of network

Purchased platform of network is stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods and services, or for administrative purpose are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

5. 主要會計政策 (續)

無形資產 (商譽除外)

單獨購入之無形資產於初次確認時按成本計量。於業務合併中購入之無形資產之成本為收購日期之公平值。無形資產之可使用年期分為有限或無限。可使用年期有限之無形資產其後於可使用經濟年內攤銷，並在有跡象顯示無形資產可能出現減值時進行減值評估。可使用年期有限之無形資產的攤銷期限及攤銷方法至少於每個財政年度末檢討。

網絡平台

購入之網絡平台按成本減任何減值虧損列賬，並以直線法在其估計可使用年期10年內攤銷。

物業、廠房及設備

就生產或供應貨品及服務或就行政目的而持有之物業、廠房及設備按成本減其後之累計折舊及累計減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及使資產達至擬定用途的運作狀況及地點的任何直接應佔成本。

物業、廠房及設備項目投入運作後所產生之開支，如維修及保養等，一般均會於產生期間自收益表扣除。於屬符合確認條件之情況下，大型檢修之開支於資產賬面值中資本化為一項重置。倘物業、廠房及設備之重要部分須分階段重置，則本集團將該等部分確認為具有特定使用年期及折舊之個別資產。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Building	The shorter of the lease terms or 5%
Leasehold improvements	The shorter of the lease terms or 20%
Plant and equipment	20%
Furniture, fixtures and office equipment	20%
Motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

5. 主要會計政策 (續)

物業、廠房及設備 (續)

折舊乃就物業、廠房及設備各項目之估計可使用年期以直線法撇銷其成本至其剩餘價值計算。就此採用之主要折舊年率如下：

樓宇	租期或5% (以較短者為準)
租賃物業裝修	租期或20% (以較短者為準)
廠房及設備	20%
傢俬、裝置及辦公室設備	20%
汽車	20%

倘物業、廠房及設備項目不同部分之可使用年期不同，則該項目之成本按合理基準於不同部分間分配，而各部分會分開折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度末進行檢討及調整(如適用)。

物業、廠房及設備項目及初步確認之任何重大部分於出售時或預期使用或出售該項目將不會帶來未來經濟利益時取消確認。於資產取消確認之年度於收益表內確認之出售或報廢之收益或虧損指銷售所得款項淨額與相關資產賬面值之差額。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than trade and other receivables, inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises.

5. 主要會計政策 (續)

非金融資產減值

倘存在減值跡象，或需要對資產(貿易及其他應收賬款、存貨及金融資產除外)進行年度減值測試時，則會估計資產的可收回金額。資產的可收回金額乃以資產或現金產生單位的使用價值與其公平值減出售成本兩者中的較高者為準，並就個別資產作出釐定，惟倘資產並不產生基本上獨立於其他資產或資產組別的現金流入則當別論，在此情況下，可收回金額按資產所屬現金產生單位釐定。

僅當資產之賬面值超逾其可收回金額時，方予確認減值虧損。於評估使用價值時，估計未來現金流量會以除稅前折現率折讓至其現值，以反映當時市場對貨幣時間價值及該資產之特定風險的評估。減值虧損於其產生期間在收益表中與已減值資產功能一致之支出類別內扣除。

本集團於各報告期末評估是否有任何跡象顯示先前確認之減值虧損可能不再存在或可能已減少。倘任何該等現象發生，則會估計可收回金額。僅在用於釐定該資產之可收回金額之估計有所變動時，方撥回該資產(除商譽以外)先前確認之減值虧損，但撥回後的數額不得超逾假設於過往年度並無就該項資產確認減值虧損而應釐定的賬面值(扣除任何折舊/攤銷)。減值虧損之撥回乃計入其產生期間之收益表。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial asset

Initial recognition and measurement

Financial assets of the Group within the scope of HKAS 39 are classified as loans and receivables and available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or not, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include trade receivables, prepayments, deposits and other receivables, financial assets at fair value through profit or loss, amounts due from related companies and associates, client trust bank balances and cash and cash equivalents.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in interest income in the income statement. The loss arising from impairment is recognised in the income statement.

5. 主要會計政策 (續)

金融資產

初步確認及計量

香港會計準則第39號所界定之本集團金融資產分類為貸款及應收款項及可供出售金融資產(如適用)。本集團會於初步確認時釐定金融資產之分類。初步確認金融資產時，乃以公平值加(倘屬並非透過損益按公平值計量的金融資產)直接應佔交易成本計量。

所有正常情況下買入及出售之金融資產於交易日(即本集團承諾買入或出售資產之日)確認。正常情況下買入或出售指要求於規例或市場慣例一般設定之期間內交付資產之金融資產買入或出售。

本集團之金融資產包括貿易應收賬款、預付款項、按金及其他應收款項、透過損益按公平值計量之金融資產、應收關連公司及聯營公司的款項、客戶信託銀行結餘以及現金及現金等價物。

其後計量

金融資產其後按如下分類計量：

貸款及應收款項

貸款及應收款項指固定或可釐定付款金額而活躍市場中並無報價之非衍生金融資產。於初步計量後，該等資產隨後使用實際利率法在減去任何減值撥備後按攤銷成本計量。攤銷成本經計及任何收購折讓或溢價後計算，並包括屬於實際利率組成部分之費用或成本。實際利率攤銷會計入收益表之利息收入。減值虧損會於收益表確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial asset (Continued)

Subsequent measurement (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale assets valuation reserve until the assets is derecognised, at which time the cumulative gain or loss is recognised in the income statement in other income, or until the investment is determined to be impaired, at which time the cumulative gain or loss is recognised in the income statement in other operating expenses and removed from the available-for-sale investment valuation reserve. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as other income in accordance with the policies set out for “Revenue recognition” below.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

5. 主要會計政策 (續)

金融資產 (續)

其後計量 (續)

可供出售金融資產

可供出售金融資產乃屬於上市及非上市股權及債務證券之非衍生金融資產。分類為可供出售之股權投資指既非分類為持作買賣亦非指定為透過損益按公平值列賬之投資。該類別之債務證券指有意無限期持有及可能因應流動資金需求或市況變動而出售之投資。

於初步確認後，可供出售金融資產隨後按公平值計量，未變現盈虧於該資產取消確認前於可供出售資產估值儲備內確認為其他全面收入，屆時累計盈虧乃於收益表內確認為其他收入，或直至該投資被釐定為減值，屆時累計盈虧乃於收益表內確認為其他經營開支並從可供出售投資估值儲備中移除。所賺取之利息及股息分別以利息收入及股息收入呈報，並按照下文「收益確認」所載政策在收益表內確認為其他收入。

倘非上市股本證券因(a)該項投資之公平值合理估計範圍變化重大；或(b)無法合理評估該範圍內各種估計之可能性並用於估計公平值，致令無法可靠計量其公平值時，則有關證券按成本減任何減值虧損列賬。

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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

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial asset (Continued)

Subsequent measurement (Continued)

Available-for-sale financial assets (Continued)

The Group evaluates its available-for-sale financial assets whether the ability and intention to sell them in the near term are still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or to maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the ability and intent to hold until the maturity date of the financial asset.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

5. 主要會計政策 (續)

金融資產 (續)

其後計量 (續)

可供出售金融資產 (續)

本集團會評估近期出售其可供出售金融資產之能力及意向是否仍屬適宜。倘本集團於可見將來因市場不活躍及管理層出售資產之意向出現重大轉變而未能買賣該等金融資產，本集團或會選擇重新分類該等金融資產，惟此情況並不常見。當金融資產符合貸款及應收款項之定義，且本集團有意向及有能力於可見將來持有該等資產或持有至到期日，則該等資產獲准重新分類為貸款及應收款項。僅當實體有能力及有意向持有金融資產至其到期日時，該等資產方獲准重新分類為持有至到期之金融資產。

對於重新分類劃出可供出售類別之金融資產，該資產於權益內確認之任何過往盈虧須在該投資之剩餘年限內按實際利率攤銷入損益。新的已攤銷成本與預期現金流量間之任何差額亦將在該項資產之剩餘年限內按實際利率攤銷。倘該資產隨後釐定為減值，則原已計入權益之金額將重新分類至收益表。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when (i) the rights to receive cash flows from the asset have expired; or (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

5. 主要會計政策 (續)

取消確認金融資產

金融資產(或一項金融資產之一部分或一組類似金融資產之一部分,如適用)在下列情況將取消確認:(i)自該項資產獲取現金流量之權利經已屆滿;或(ii)本集團已轉讓其自該項資產獲取現金流量的權利,或已根據一項「轉付」安排承擔責任,在無重大延誤之情況下,將所得現金流量全數付予第三方;及(a)本集團已轉讓該項資產的絕大部分風險及回報;或(b)本集團並無轉讓亦無保留該項資產的絕大部分風險及回報,但已轉讓該項資產的控制權。

本集團凡轉讓其收取一項資產之現金流量的權利或訂立一項轉付安排,及並無轉讓亦無保留該項資產的絕大部分風險及回報,及並無轉讓該項資產的控制權,該項資產將按本集團持續涉及該項資產之程度確認入賬。在此情況下,本集團亦確認相關負債。已轉讓資產及相關負債乃按可反映本集團已保留之權利及義務的基準作計量。

持續涉及指本集團就已轉讓資產作出的一項保證,按該項資產的原賬面值及本集團或須償還的最高代價計算,以較低者為準。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Available-for-sale financial assets

For available-for-sale financial assets, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is removed from other comprehensive income and recognised in the income statement.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

5. 主要會計政策 (續)

金融資產減值

本集團於各報告期末評估一項或一組金融資產有否出現任何減值之客觀證據。當且僅當於初步確認一項或一組金融資產後發生一項或多項事件而產生減值之客觀證據(一項已發生之「虧損事件」)，而該項虧損事件對該項或該組金融資產之估計未來現金流量所造成之影響能夠可靠地估計，則該項或該組金融資產會被視作已減值。減值證據可包括一名或一群債務人正面臨重大財務困難、拖欠或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量減損，例如欠款數目變動或出現與違約相關之經濟狀況。

可供出售金融資產

就可供出售金融資產而言，本集團於各報告期末評估是否有客觀證據顯示一項投資或一組投資出現減值。

倘一項可供出售金融資產出現減值，其成本(扣除任何本金付款及攤銷)與其目前公平值之間的差額減去任何先前已於收益表確認的減值虧損乃於其他全面收益中移除並於收益表確認。

按成本列賬之資產

倘有客觀證據顯示，因公平值不能可靠計量而未按公平值列賬之無報價股本工具或與之掛鈎而必須以交收該無報價股本工具結清之衍生資產已發生減值虧損，則虧損之金額乃按該資產之賬面值與將該資產之估計未來現金流量按類似金融資產現時市場回報率折現之現值兩者之差額計算。該等資產之減值虧損不得撥回。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and comprises costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise cash on hand and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group within the scope of HKAS 39 are classified as financial liabilities at fair value through profit or loss and financial liabilities at amortised costs, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and accruals, amounts due to directors and derivative financial instruments.

5. 主要會計政策 (續)

存貨

存貨乃按成本及可變現淨值兩者中之較低者列賬。成本以先入先出基準釐定，包括購置成本及令存貨達致其現時位置及狀況所產生之其他成本。可變現淨值按估計售價減完成及出售產生之任何估計成本計算。

現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括手頭現金及短期高流動性投資(可隨時兌換為已知現金金額，價值變動風險不大，且期限短，一般為購入時起計三個月內)，減須按要求償還及構成本集團現金管理一部分的銀行透支。

就財務狀況表而言，現金及現金等值項目指手頭現金及銀行現金，包括並無使用限制之定期存款及類似現金性質的資產。

金融負債

初步確認及計量

香港會計準則第39號所界定的本集團金融負債分類為透過損益按公平值計量之金融負債以及按攤銷成本列賬之金融負債(如適用)。本集團會於初步確認時釐定其金融負債之分類。

所有金融負債初步按公平值，加直接應佔交易成本確認。

本集團之金融負債包括貿易及其他應付賬款及應計款項、應付董事款項及衍生金融工具。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the income statement. The net fair value gain or loss recognised in the income statement does not include any interest charged on these financial liabilities.

Financial assets at amortised cost

After initial recognition, financial assets at amortised cost are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

5. 主要會計政策 (續)

金融負債 (續)

其後計量

透過損益按公平值計量之金融負債

透過損益按公平值計量之金融負債包括持作買賣之金融負債及於初步確認時指定為透過損益按公平值計量之金融負債。

金融負債如以短期賣出為目的而購買，則分類為持作買賣之金融負債。該分類包括本集團訂立未被指定為香港會計準則第39號所界定對沖關係中對沖工具之衍生金融工具。獨立的嵌入式衍生工具同樣歸類為持作買賣，除非其被指定為有效的對沖工具。持作買賣之負債所產生的收益或虧損在收益表內確認。在收益表中確認的淨公平值收益或虧損不包括就該等金融負債所收取之任何利息。

按攤銷成本列賬之金融資產

初步確認後，按攤銷成本列賬之金融資產其後會以實際利率法按攤銷成本計量，惟倘折現影響並不重大，則會按成本列賬。當負債終止確認及已透過實際利率法攤銷時，收益及虧損會於收益表中確認。

攤銷成本經計及任何收購折讓或溢價及屬於實際利率之組成部分之費用或成本後計算。實際利率攤銷會計入收益表之融資成本。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Convertible notes

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

At the date of issue, both the liability and early redemption option components are measured at fair value. The difference between the gross proceeds of the issue of the convertible notes and the fair value assigned to the liability and early redemption option components respectively, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible notes equity reserve).

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The early redemption option is measured at fair value with changes in fair value recognised in consolidated income statement.

The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes equity reserve until the embedded conversion option is exercised (in which case the balance stated in convertible notes equity reserve will be transferred to share premium). Where the conversion option remains unexercised at the expiry date, the balance stated in convertible notes equity reserve will be released to retained profits. No gain or loss is recognised in consolidated income statement upon conversion or expiration of the conversion option.

5. 主要會計政策 (續)

金融負債 (續)

其後計量 (續)

可換股票據

本公司發行之可換股票據包含負債、換股期權及提早贖回選擇權，並於初步確認時分開歸類於各自之項目。換股期權由固定金額之現金或另一項金融資產轉換為本公司本身固定數目之股本工具交付，即歸類為股本工具。

於發行當日，負債及提早贖回選擇權部分按公平值計量。發行可換股票據所得款項總額與分別歸入負債及提早贖回選擇權部分之公平值（即持有人將貸款票據轉換為權益之換股期權）之差額計入權益（可換股票據權益儲備）。

於往後期間，可換股票據之負債部分採用實際利息法以攤銷成本入賬。提早贖回選擇權按公平值計量，公平值之變動於綜合收益表確認。

股權部分（即將負債部分轉換為本公司普通股之期權）將保留於可換股票據權益儲備內，直至嵌入式換股期權獲行使為止（屆時於可換股票據權益儲備內列示之結存將轉撥至股份溢價）。倘換股期權於到期日仍未獲行使，則於可換股票據權益儲備內呈列之結存將撥入保留溢利。換股期權於獲轉換或到期時之收益或虧損不會於綜合收益表確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Convertible notes (Continued)

Transaction costs that relate to the issue of the convertible notes are allocated to the liability, 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 component and amortised over the period of the convertible notes using the effective interest method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

5. 主要會計政策 (續)

金融負債 (續)

其後計量 (續)

可換股票據 (續)

有關發行可換股票據之交易成本乃按所得款項總額之分配比例，分配至負債及股權部分。有關股權部分之交易成本直接於股權扣除。有關負債部分之交易成本則列入負債部分之賬面值內，並於可換股票據之期限內按實際利息法攤銷。

取消確認金融負債

倘負債項下之責任被解除、取消或到期，則會取消確認金融負債。

倘現有金融負債被來自同一貸款人之另一項負債按實質上不相同之條款替代，或現有負債之條款大部分被修訂，該項交換或修訂視作取消確認原有負債及確認新負債處理，各自賬面值之差額於收益表內確認。

抵銷金融工具

僅當現時存在一項可依法強制執行之權利可抵銷已確認金額，且亦有意以淨額結算或同時變現資產及償付債務時，則金融資產及金融負債可予抵銷，而其淨額於財務狀況表內呈報。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

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. Provisions are measured at the best estimate of 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 obligations, its carrying amount is the present value of those cash flow (where the effect is material).

Revenue recognition

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

- (i) Tuition revenue from educational programs is recognised on a time-proportion basis, using the straight-line method, over the duration of the relevant educational programs.
- (ii) Revenue from sales of educational materials and products is recognised when the products are delivered and title has passed to customers.
- (iii) Interest income is recognised as it accrues using the effective interest method.

5. 主要會計政策 (續)

金融工具之公平值

在活躍市場中買賣之金融工具，其公平值參考所報市價或交易商報價（好倉之買入價及淡倉之賣出價）及在並無就交易成本作任何扣減下釐定。對於沒有活躍市場之金融工具，其公平值運用適當估值方法釐定。估值方法包括利用近期之公平市場交易、參照另一項大致相同工具之現行市值、折現現金流量分析及期權定價模型。

撥備

當本集團因過往事件而存有現行責任及本集團可能需要履行該責任，則確認撥備。撥備以作出於報告期末履行現行責任所需代價之最佳估計計量，並計及履行責任之風險及不明朗因素。倘撥備按履行現行責任估計所需之現金流量計量，則其賬面值為有關現金流量之現值（如影響重大）。

收入確認

收入於經濟利益將可能流入本集團且能可靠計算有關收入時按下列基準確認：

- (i) 教學課程之收入按時間比例基準以直線法於相關教學課程之期間內確認。
- (ii) 教學材料及產品之銷售收入於送達產品及將擁有權轉交客戶時確認。
- (iii) 利息收入於應計時使用實際利息法確認。

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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

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits

(i) *Short term employee benefits and contributions to defined contribution retirement plans*

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in the consolidated income statement as incurred. The assets of the scheme are held separately from those of the Group in an independent administered fund.

Employee entitlements to annual leave and long service payments are recognised when they accrue to employees. A provision will be made for the estimated liability for annual leave and long service payments as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

(ii) *Share-based payments*

The Group operates equity-settled share-based compensation scheme ("Scheme") to remunerate its employees.

For share options granted under the Scheme, the fair value of the employees' services rendered in exchange for the grant of the options is recognised as an expense immediately and credited to the share-based payment reserve under equity. Where the employees are required to meet vesting conditions before they become entitled to the options, the Group recognises the fair value of the options granted over the vesting periods. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of the original estimates, if any, in the consolidated income statement, and a corresponding adjustment to the share-based payment reserve.

5. 主要會計政策 (續)

僱員福利

(i) *短期僱員福利及定額供款退休計劃之供款*

定額供款退休計劃之供款責任於產生時在綜合收益表確認為開支。該計劃之資產與本集團之資產分開持有，存放於獨立管理之基金。

僱員應得之年假及長期服務金於應計予僱員時確認。本集團將就僱員於報告期末前提供服務所得之年假及長期服務金涉及之估計負債作出撥備。

僱員應得之病假及產假或陪產假於休假時確認。

(ii) *以股支付款項*

本集團設有以股權結算之以股支付薪酬計劃（「計劃」），藉以向僱員提供獎賞。

就根據該計劃授出之購股權而言，僱員就獲授購股權而提供之服務之公平值乃即時確認為開支並撥入權益項下之以股支付儲備。如僱員須達到歸屬條件才可享有購股權，本集團將會於歸屬期內確認所授購股權之公平值。於各報告期末，本集團修訂其預期可獲行使之購股權數目之估計。其於綜合收益表確認修訂原先估計（如有）之影響，並在以股支付儲備中作出相應調整。

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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

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits (Continued)

(ii) Share-based payments (Continued)

Upon exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price over the nominal value of the shares is recorded by the Company in the share premium account. The equity amount is recognised in the share-based payment reserve until the option is exercised when it is transferred to the share premium account if the options lapse unexercised, the related share-based payment reserve is transferred directly to retained profits.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

5. 主要會計政策 (續)

僱員福利 (續)

(ii) 以股支付款項 (續)

於購股權獲行使後，本公司將把因此發行之股份按股份之面值記錄為額外股本，而行使價超出股份面值之數額則記入本公司股份溢價賬。權益金額於以股支付儲備內確認，直至購股權被行使，在此情況下將轉撥至股份溢價賬內。倘購股權失效而未有行使，相關以股支付儲備則會直接轉撥入保留溢利。

租賃

凡將資產所有權之絕大部分回報及風險(法定所有權除外)轉移至本集團之租約，均視作融資租賃。融資租賃開始時，租賃資產之成本即按最低應付租金之現值資本化，並連同負債(不計利息部分)一併記錄，以反映購置及融資。根據已資本化之融資租賃持有之資產(包括融資租賃項下之預付土地租賃款項)會列入物業、廠房及設備，並按該等資產之租賃期限及估計可用年期兩者中之較短者進行折舊。該等租約之融資成本自收益表中扣除，以得出一個於租約期間內之固定週期支銷率。

凡根據具備融資性質之租購合約購入之資產皆被列為融資租賃，惟須按彼等估計之可用年期予以折舊。

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綜合財務報表附註

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

5. 主要會計政策 (續)

租賃 (續)

凡資產所有權之絕大部分回報及風險仍由出租人承擔之租約，均視為經營租賃。倘本集團為出租人，本集團根據經營租賃出租之資產列入非流動資產內，而經營租賃之應收租金乃按租賃期以直線法列入收益表；倘本集團為承租人，經營租賃之應付租金於扣除自出租人收取的任何獎勵後在租賃期內乃按直線法計入收益表。

經營租賃項下之預付土地租賃款項初步按成本列賬，其後乃在租賃期內按直線法確認。

借貸成本

所有借貸成本乃於其產生之期間於綜合收益表確認並計入融資成本。

所得稅

所得稅包括即期及遞延稅項。與於損益外確認之項目有關之所得稅於損益外，在其他全面收益或直接於權益確認。

本期間及過往期間之即期稅項資產及負債乃按預期自稅務機關退回或向稅務機關支付之金額根據於報告期末已頒佈或實際上已頒佈之稅率（及稅法），並計及本集團經營所在國家當前之詮釋及慣例計量。

遞延稅項乃採用負債法，就於報告期末之資產及負債之計稅基準及該等項目就財務申報之賬面值之所有暫時差額作出撥備。

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綜合財務報表附註

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

5. 主要會計政策 (續)

所得稅 (續)

一切應課稅暫時差額均確認為遞延稅項負債，惟：

- 業務合併以外之交易中初步確認之商譽或資產或負債所產生，且於交易時並不應影響會計溢利或應課稅損益之遞延稅項負債除外；及
- 就與於附屬公司、聯營公司及合資公司之投資有關之應課稅暫時差額而言，若撥回暫時差額之時間可以控制及暫時差額可能不會在可見之將來撥回除外。

所有可予扣減暫時差額、未動用稅項抵免結轉及未動用稅項虧損於可能獲得應課稅溢利作為抵銷該等可予扣減暫時差額、未動用稅項抵免結轉及未動用稅項虧損之情況下，均確認為遞延稅項資產，惟：

- 關乎業務合併以外之交易中初步確認之資產或負債所產生，且於交易時並不影響會計溢利或應課稅損益之可予扣減暫時差額之遞延稅項資產除外；及
- 就與於附屬公司、聯營公司及合資公司之投資有關之可予扣減暫時差額而言，僅於暫時差額可能會在可見之將來撥回及將有應課稅溢利抵銷暫時差額之情況下，才確認遞延稅項資產除外。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to the income statement.

5. 主要會計政策 (續)

所得稅 (續)

遞延稅項資產之賬面值乃於各報告期末進行審閱，並予以相應扣減，直至不可能有足夠應課稅溢利以動用全部或部分遞延稅項資產為止。未確認遞延稅項資產於各報告期末重新評估，並於可能存有足夠應課稅溢利可供收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃根據於報告期末前已頒佈或實質頒佈之稅率(及税法)，按變現資產或清償負債期間預期適用之稅率予以計量。

遞延稅項資產可與遞延稅項負債抵銷，惟必須存在容許將即期稅項資產抵銷即期稅項負債的可合法執行權利，且遞延稅項與同一應課稅實體及同一稅務當局有關，方可實行。

外幣

該等財務報表均以港元呈列，而港元乃本公司之功能及呈報貨幣。本集團旗下各實體自行決定功能貨幣，而各實體財務報表中包含之項目以其功能貨幣計量。本集團之實體記錄之外幣交易按交易日期適用之各自功能貨幣匯率初步入賬。以外幣為單位之貨幣資產及負債以報告期末適用之功能貨幣匯率換算，差額一律記入收益表。

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綜合財務報表附註

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated statement of cash flow, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

5. 主要會計政策 (續)

外幣 (續)

以歷史成本計量之外幣列值非貨幣項目，按初步交易日期之匯率換算。以外幣公平值計量之非貨幣項目，則以公平值釐定日期之匯率換算。

若干海外附屬公司及聯營公司之功能貨幣乃港元以外貨幣。於報告期末，該等實體之資產及負債以報告期末適用之匯率換算為本公司之呈報貨幣，其收益表則以全年加權平均匯率換算為港元。

所產生之匯率差額於其他全面收益內確認並於匯兌波動儲備內累計。出售海外業務時，與該特定海外業務有關之其他全面收入部分，在收益表中予以確認。

就綜合現金流量表而言，海外附屬公司之現金流量均按現金流量日期之匯率換算為港元。海外附屬公司在年內經常出現之現金流量均按年內加權平均匯率換算為港元。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

A party is considered to be related to the Group if:

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

5. 主要會計政策 (續)

關連方

在下列情況下，有關方將被視為與本集團有關連：

- (a) 有關方直接或間接透過一名或多名中介人(i)控制本集團、受本集團控制，或與本集團受到共同控制；(ii)於本集團擁有的權益足以令其對本集團造成重大影響；或(iii)擁有對本集團的共同控制權；
- (b) 有關方為聯營公司；
- (c) 有關方為共同控制實體；
- (d) 有關方為本集團或其母公司之主要管理層人員；
- (e) 有關方為(a)或(d)項所述任何個人之近親；
- (f) 有關方屬於被(d)或(e)項所述任何個人直接或間接控制、共同控制、或實施重大影響，或對該實體有重大投票權之實體；或
- (g) 有關方為就本集團或屬本集團關連方之任何實體的僱員的利益而設的離職後福利計劃。

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6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual value. The Company assesses annually the residual value and the useful lives of the property, plant and equipment and if the expectation differs from the original estimates, such differences from the original estimates will affect the depreciation charges in the year in which the estimates change.

Estimation uncertainty

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, are discussed below.

6. 關鍵會計判斷及估計

編製本集團財務報表須由管理層於報告期末作出影響收入、開支、資產及負債之報告金額及或然負債之披露之判斷、估計及假設。然而，有關該等假設及估計之不明朗因素會導致可能須對日後受到影響之資產或負債賬面值進行重大調整之後果。

判斷

於應用本集團之會計政策過程中，除涉及估計者外，管理層作出以下對在財務報表中已確認之數額具有重大影響之判斷：

物業、廠房及設備之折舊

物業、廠房及設備於考慮估計剩餘價值後按直線法於彼等之估計使用期限內計提折舊。本公司每年評估物業、廠房及設備之剩餘價值及使用期限，倘預期偏離原先估計，則與原先估計之差異將影響估計改變年度之折舊費用。

估計不明朗因素

具有重大風險而可導致對下一財政年度資產及負債賬面值作出重大調整之有關未來之主要假設及於報告期末估計不明朗因素之其他主要來源，茲論述如下。

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. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS

(Continued)

Estimation uncertainty (Continued)

Impairment loss on trade and other receivables

Management regularly reviews the recoverability and age of the trade and other receivables. Appropriate impairment for estimated irrecoverable amounts is recognised in the consolidated income statement when there is objective evidence that the asset is impaired.

In determining whether impairment on trade and other receivables is required, the Company takes into consideration the current creditworthiness, the past collection history, age status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive of which discounted by using the original effective interest rate and its carrying value. If the financial conditions of customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

Valuation of share options granted

The fair value of share options granted was calculated using the Black-Scholes valuation model which requires the management's estimates and assumptions on significant calculation inputs, including the estimated life of share options granted, the volatility of share price and expected dividend yield. Change in the subjective input assumptions could materially affect the fair value estimate.

6. 關鍵會計判斷及估計 (續)

估計不明朗因素 (續)

貿易及其他應收賬款之減值虧損

管理層定期檢討貿易及其他應收賬款之可收回情況及賬齡。當有客觀證據顯示資產減值時，會在綜合收益表中確認適當的估計不可收回金額減值。

在決定是否需要計提貿易及其他應收賬款減值時，本公司會考慮客戶當時之信譽、過往收賬記錄、賬齡狀況及收回的可能性。特定撥備只會在不大大可能收回應收款項時作出，並按運用原實際利率對預期可收取估計未來現金流量折現後的金額與其賬面值兩者的差額確認。倘本公司客戶之財政狀況轉壞，以致削弱其付款能力時，則可能須作出額外減值。

已授出購股權之估值

已授出購股權之公平值乃使用柏力克—舒爾斯期權定價模式計算，該模式要求管理層對重大計算參數作出估計及假設，當中包括已授出購股權之估計期限、股價波幅及預期股息率。倘主觀輸入參數假設有任何改變，可能對公平值估計造成重大影響。

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. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS

(Continued)

Estimation uncertainty (Continued)

Impairment loss of goodwill

Determining whether goodwill needs impairment 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 entity 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 flow is less than expected, a material impairment loss may arise.

As at 31 December 2011, the carrying amount of goodwill is nil (2010: nil) after an impairment loss of nil (2010: HK\$31,506,000) was recognised during 2010. Details of the impairment loss calculation are disclosed in note 16 to the consolidated financial statements.

7. OPERATING SEGMENT INFORMATION

Business segments

Over 99% of the Group's revenue, results, assets and liabilities are derived from the provision of occupational education, industry certification course, skills training and education consultation, no detailed analysis of the Group's operating segments is disclosed.

Geographical segments

The Group's operations are situated in the People's Republic of China (the "PRC") in which its revenue was derived principally therefrom. Accordingly, no geographical segments are presented.

Information about a major customer

No transactions with a single external customer amount to 10% or more of the Group's revenue during the year 2011 and 2010.

6. 關鍵會計判斷及估計 (續)

估計不明朗因素 (續)

商譽減值虧損

釐定商譽是否需要減值時須對獲分配商譽之現金產生單位之使用價值作出估計。計算使用價值時實體須估計預期未來來自現金產生單位之現金流量及適用折現率以計算現值。倘實際未來現金流量較預期少，則會產生重大減值虧損。

於二零一一年十二月三十一日，商譽之賬面值為零(二零一零年：零)，二零一零年確認減值虧損零(二零一零年：31,506,000港元)。減值虧損之計算詳情披露於綜合財務報表附註16。

7. 經營分類資料

業務分類

本集團超過99%之收入、業績、資產及負債乃源自提供職業教育、行業認證課程、技能培訓及教育諮詢，故並無披露本集團經營分類之詳細分析。

地區分類

本集團之業務位於中華人民共和國(「中國」)，其收入亦主要源自該地區。因此，並無呈列地區分類。

主要客戶之資料

於二零一一年及二零一零年，概無單一外部客戶之交易額佔本集團收入10%或以上。

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

8. REVENUE

An analysis of the Group's turnover for the years is as follows:

8. 收入

本集團於年內之營業額分析如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Tuition fee revenue	教學課程之收入	39,968	37,082
Sales of educational products	教學產品銷售	172	1,172
Operational software application products	營運應用軟件產品	-	321
		40,140	38,575

9. OTHER INCOME

Exchange gains, net
Interest income
Sundry income
Gain on redemption of convertible notes
Rental income

匯兌收益淨額
利息收入
雜項收入
贖回可換股票據之收益
租賃收入

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
	1	-
	102	36
	1,089	1,061
	1,950	19,537
	46	-
	3,188	20,634

9. 其他收入

10. FINANCE COSTS

Interest expenses on financial liabilities measured
at amortised cost (note 30)
Fair value changes on financial derivative (note 30)

按攤銷成本計量之金融負債
之利息開支(附註30)
金融衍生工具之公平值變動
(附註30)

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
	6,815	14,911
	155	(181)
	6,970	14,730

10. 融資成本

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

11. LOSS BEFORE TAX

11. 除稅前虧損

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loss before tax has been arrived at after charging (crediting):	除稅前虧損已扣除(計入)下列各項:		
Staff costs (including directors' emoluments (note 12))	僱員成本(包括董事酬金(附註12))		
– basic salaries and allowances	– 基本薪金及津貼	15,772	9,489
– contributions to defined contribution plans	– 定額供款計劃之供款	300	53
– share-based payment expense (note 35)	– 以股支付開支(附註35)	–	–
Total staff costs	總僱員成本	16,072	9,542
Auditors' remuneration:	核數師酬金:		
– Audit service	– 核數服務	185	170
– Non-audit service	– 非核數服務	18	19
Professional fee	專業費用	7,497	3,002
Depreciation of property, plant and equipment	物業、廠房及設備之折舊		
– included in cost of sales	– 包括於銷售成本內	16	736
– included in selling expenses	– 包括於銷售開支內	218	228
– included in administrative expenses	– 包括於行政開支內	1,507	1,183
		1,741	2,147
Amortisation of other intangible assets	其他無形資產之攤銷	–	265
Impairment losses on goodwill	商譽減值虧損	–	31,506
Impairment losses on inventories	存貨減值虧損	121	–
Impairment losses on trade receivables	貿易應收賬款減值虧損	407	–
Impairment losses on other receivables	其他應收款項減值虧損	6,564	18,642
Losses on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	–	(1,043)
Loss on disposal of available-for-sales financial asset	出售可供出售金融資產之虧損	106	–
Compensation of convertible notes	可換股票據之補償	10,860	–
Payments under operating lease for land and buildings	土地及樓宇經營租約項下付款	3,108	4,950
		3,108	4,950
Exchange (gains) losses, net	匯兌(收益)虧損, 淨額	(1)	138

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

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

a. Directors' emoluments

		Fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Share-based payment	Performance related bonuses	Total
		袍金	薪金、津貼及實物利益	退休計劃供款	以股支付款項	表現相關花紅	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
For the year ended 31 December 2011	截至二零一一年十二月三十一日止年度						
Executive Directors	執行董事						
Mr. Chen Hong	陳宏先生	-	2,000	-	-	-	2,000
Ms. Wei Jianya	韋健亞女士	-	1,150	-	-	-	1,150
Independent Non-Executive Directors	獨立非執行董事						
Dr. Huang Chung Hsing	黃崇興博士	60	-	-	-	-	60
Mr. Cheung Wai Tak David (note i)	張偉德先生(附註i)	100	-	-	-	-	100
Mr. Wu Tao (note ii)	武濤先生(附註ii)	100	-	-	-	-	100
		260	3,150	-	-	-	3,410

12. 董事及僱員酬金

a. 董事酬金

		Fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Share-based payment	Performance related bonuses	Total
		袍金	薪金、津貼及實物利益	退休計劃供款	以股支付款項	表現相關花紅	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
For the year ended 31 December 2010	截至二零一零年十二月三十一日止年度						
Executive Directors	執行董事						
Mr. Chen Hong	陳宏先生	-	1,000	-	-	-	1,000
Ms. Wang Hui (note iii)	王慧女士(附註iii)	-	447	-	-	-	447
Ms. Wei Jianya	韋健亞女士	-	400	-	-	-	400
Independent Non-Executive Directors	獨立非執行董事						
Ms. Chan Hoi Ling (note iv)	陳凱寧女士(附註iv)	27	-	-	-	-	27
Dr. Wong Yun Kuen (note v)	黃潤權博士(附註v)	29	-	-	-	-	29
Dr. Huang Chung Hsing	黃崇興博士	60	-	-	-	-	60
Mr. Cheung Wai Tak David (note i)	張偉德先生(附註i)	56	-	-	-	-	56
Mr. Wu Tao (note ii)	武濤先生(附註ii)	41	-	-	-	-	41
		213	1,847	-	-	-	2,060

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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

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

a. Directors' emoluments (Continued)

Notes:

- (i) Mr. Cheung Wai Tak was appointed on 11 June 2010.
- (ii) Mr. Wu Tao was appointed on 24 June 2010.
- (iii) Ms. Wang Hui was resigned on 10 June 2010.
- (iv) Ms. Chan Hoi Ling was resigned on 11 June 2010.
- (v) Dr. Wong Yun Kuen was resigned on 24 June 2010.

In 2011, the amounts of share-based payments were measured according to the Group's accounting policies for share-based payment transactions as set out in note 5 to the financial statements. Particulars of share options to the directors under the Company's share option scheme are set out in note 35 to the financial statements.

None of the directors of the Company waived or agreed to waive any emoluments paid by the Company and no incentive payment for joining the Company or compensation for loss of office was paid or payable to any director of the Company during the two years ended 31 December 2011 and 2010.

12. 董事及僱員酬金 (續)

a. 董事酬金 (續)

附註：

- (i) 張偉德先生於二零一零年六月十一日獲委任。
- (ii) 武濤先生於二零一零年六月二十四日獲委任。
- (iii) 王慧女士於二零一零六月十日辭任。
- (iv) 陳凱寧女士於二零一零六月十一日辭任。
- (v) 黃潤權博士於二零一零六月二十四日辭任。

於二零一一年，以股支付金額乃根據財務報表附註5所載本集團有關以股支付交易之會計政策計量。根據本公司購股權計劃授予董事之購股權詳情載於財務報表附註35。

截至二零一一年及二零一零年十二月三十一日止兩個年度，概無本公司董事放棄或同意放棄任何由本公司支付之酬金，亦無就加入本公司支付或應付任何獎賞款項或就離職支付或應付補償予本公司任何董事。

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

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

b. Five highest paid individuals

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

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Salaries allowances and benefits in kind	薪金、津貼及實物利益	1,043	702
Retirement scheme contributions	退休計劃供款	55	312
Share-based payment	以股支付款項	-	-
		1,098	1,014

Their remunerations were within the following band:

彼等之薪酬處於下列範圍內：

		Number of individuals 人數	
		2011 二零一一年	2010 二零一零年
HK\$ Nil to HK\$1,000,000	零至1,000,000港元	2	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元 至1,500,000港元	-	1

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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

13. INCOME TAX (CREDIT) EXPENSE

During the year ended 31 December 2011, no Hong Kong profits tax has been provided for as the Group did not generate any taxable profits in Hong Kong (2010: nil).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. 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% (2010: 25%).

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

13. 所得稅(抵免)開支

截至二零一一年十二月三十一日止年度，由於本集團並無於香港產生任何應課稅溢利，故並無作出香港利得稅撥備(二零一零年：無)。

其他司法權區產生之稅項按各個司法權區之現行稅率計算。根據《中國企業所得稅法》(「企業所得稅法」)及企業所得稅法之實施條例，中國附屬公司之稅率為25%(二零一零年：25%)。

本年度的所得稅與綜合收益表之除稅前虧損對賬如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loss before tax	除稅前虧損	(32,266)	(52,079)
Tax at respective applicable tax rates	按相關適用稅率計算之稅項	(5,324)	(8,593)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	1,152	6,180
Tax effect of income not taxable for tax purposes	毋須課稅收入之稅務影響	(5,900)	(1,701)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	10,072	4,114
Income tax for the year	本年度的所得稅	-	-

14. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2011, nor has any dividend been proposed since the end of the reporting period (2010: Nil).

14. 股息

截至二零一一年十二月三十一日止年度並無派付或擬派付任何股息，於報告期末後亦無建議派付任何股息(二零一零年：無)。

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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

15. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to the owners of the Company of approximately HK\$39,007,000 (2010: HK\$51,898,000), and based on the weighted average number of shares in issue during the year of approximately 1,377,821,471 ordinary shares (2010: 1,001,205,000), as adjusted to reflect the issue of new shares, bonus shares and shares by conversion of convertible notes during the year.

No diluted loss per share has been presented for 2011 and 2010 as the share options and convertible notes outstanding have anti-dilutive effects on the basic loss per share amounts presented.

16. GOODWILL

15. 每股虧損

每股基本虧損乃根據本年度本公司持有人應佔虧損約39,007,000港元(二零一零年: 51,898,000港元), 以及經調整以反映年內發行新股份、紅股及因可換股票據獲轉換而發行股份之年內已發行股份加權平均數目約1,377,821,471股(二零一零年: 1,001,205,000股) 普通股計算。

因尚未行使之購股權及可換股票據對所呈列之每股基本虧損金額具有反攤薄效果, 故並無呈列二零一一年及二零一零年之每股攤薄虧損。

16. 商譽

The Group
本集團
HK\$'000
千港元

Cost	成本	
At 1 January 2010, 31 December 2010 and 2011	於二零一零年一月一日、二零一零年及二零一一年十二月三十一日	679,104
Accumulated Impairment	累計減值	
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日	647,598
Impairment losses recognised during the year	年內確認之減值虧損	31,506
At 31 December 2010 and 2011	於二零一零年及二零一一年十二月三十一日	679,104
Carrying amounts	賬面值	
At 31 December 2011	於二零一一年十二月三十一日	-
At 31 December 2010	於二零一零年十二月三十一日	-

Note:

- Goodwill arose on acquisition of subsidiaries, IIN Medical (BVI) Group Limited ("IIN Medical (BVI)") and its subsidiaries on 23 April 2009.
- Goodwill arose on acquisition of non-controlling interests of Hunan IIN Medical Network Technology Development Company Limited, a subsidiary of IIN Medical (BVI), in May 2009.

附註:

- 商譽乃於二零零九年四月二十三日收購附屬公司國訊醫藥(BVI)集團有限公司(「國訊醫藥(BVI)」)及其附屬公司時產生。
- 商譽乃於二零零九年五月收購國訊醫藥(BVI)之附屬公司—湖南國訊醫藥網絡科技開發有限公司之非控股權益時產生。

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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

16. GOODWILL (Continued)

Impairment testing of goodwill

i. *Acquisition of New Beida Business Study Net Group Limited ("New Beida")*

As at the year ended 31 December 2009, the Group had performed an impairment testing of goodwill arose on acquisition of New Beida with reference to a valuation carried out by LCH (Asia-Pacific) Surveyors Limited ("LCH"), an independent qualified valuer. As New Beida sustained a negative cash flow for the year ended 31 December 2009 and such position was expected to continue in the foreseeable future, the directors of the Company were of the opinion that the income approach was inappropriate to reflect the value of New Beida as at 31 December 2009. The asset-based approach had been adopted for the valuation for the year ended 31 December 2009, as opposed to the valuation carried out by LCH for the year ended 31 December 2008 where the income approach was adopted. Based on the business valuation, the Group had recognised an impairment loss of HK\$326,115,000 in relation to goodwill arose on acquisition of New Beida for the year ended 31 December 2009 (2008: HK\$321,483,000). As a result, the goodwill arose on acquisition of New Beida was identified to be fully impaired.

16. 商譽 (續)

商譽減值測試

i. *收購新北大商學網集團有限公司 (「新北大」)*

截至二零零九年十二月三十一日止年度，本集團參考獨立合資格估值師利駿行測量師有限公司 (「利駿行」) 所作之估值，進行因收購新北大所產生商譽的減值測試。由於新北大於截至二零零九年十二月三十一日止年度持續錄得負現金流量，而該狀況預期於可見未來仍然持續，本公司董事認為，收入法不適合反映新北大於二零零九年十二月三十一日之價值。資產基準法已採納作為截至二零零九年十二月三十一日止年度之估值方法，而利駿行則於截至二零零八年十二月三十一日止年度採納收入法進行估值。基於上述業務估值，本集團於截至二零零九年十二月三十一日止年度確認有關因收購新北大而產生商譽之減值虧損326,115,000港元 (二零零八年：321,483,000港元)。因此，因收購新北大而產生之商譽已視為獲全數減值。

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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

16. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

ii. Acquisition of IIN Medical (BVI)

As at the year ended 31 December 2010, the Group has performed an impairment testing of goodwill arose on acquisition of IIN Medical (BVI) with reference to a valuation carried out by Grant Sherman Appraisal Limited, based on cash flow forecasts derived from the most recent financial budgets for the next five years with a discount rate of 17.83%. The directors of the Company were of the opinion, based on the business valuation, that there the group had recognised an impairment loss of HK\$31,506,000 in relation to goodwill arose from the acquisition of IIN Medical (BVI) as at 31 December 2010. As a result, the goodwill of HK\$31,506,000 on acquisition of IIN Medical (BVI) was identified to be fully impaired.

The recoverable amount of the goodwill has been determined on the basis of value in use calculation. The key factors for the value in use calculation are discount rates, growth rates and expected changes in revenue and direct costs. Capital Asset Pricing Model has been adopted to estimate the discount rate by using market data of other companies with business similar to IIN Medical (BVI). The growth rate is based on the historical Consumer Price Index of the PRC. Changes in revenue and direct costs are based on past performance of IIN Medical (BVI) and management's expectation of the market development.

16. 商譽 (續)

商譽減值測試 (續)

ii. 收購國訊醫藥(BVI)

截至二零一零年十二月三十一日止年度，本集團參照中証評估有限公司作出之估值，就因收購國訊醫藥(BVI)而產生之商譽進行減值測試。有關估值乃根據從最新未來五年財政預算(貼現率17.83%)而進行之現金流量預測進行。本公司董事認為，根據該業務估值，本集團已就於二零一零年十二月三十一日因收購國訊醫藥(BVI)而產生之商譽確認減值虧損31,506,000港元。因此，因收購國訊醫藥(BVI)而產生之商譽31,506,000港元已視為獲全數減值。

商譽之可收回金額已按使用價值計算基準釐定。使用價值計算之主要因素為收益及直接成本之貼現率、增長率及預期變動。資本資產定價模式已獲採納，以採用與國訊醫藥(BVI)從事類似業務之其他公司之市場數據估計貼現率。增長率乃基於中國之過往消費物價指數計算。收益及直接成本之變動乃根據國訊醫藥(BVI)之過往表現及管理層對市場發展之預期而作出。

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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

17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

The Group
本集團
HK\$'000
千港元

Cost	成本	
At 1 January 2010	於二零一零年一月一日	45,504
Exchange realignment	匯兌調整	2,690
At 31 December 2010	於二零一零年十二月三十一日	48,194
Exchange realignment	匯兌調整	2,401
At 31 December 2011	於二零一一年十二月三十一日	50,595
Accumulated Amortisation and Impairment	累計攤銷及減值	
At 1 January 2010	於二零一零年一月一日	45,239
Charge for the year	年內計提	265
Exchange realignment	匯兌調整	2,690
At 31 December 2010	於二零一零年十二月三十一日	48,194
Exchange realignment	匯兌調整	2,401
At 31 December 2011	於二零一一年十二月三十一日	50,595
Carrying amounts	賬面值	
At 31 December 2011	於二零一一年十二月三十一日	-
At 31 December 2010	於二零一零年十二月三十一日	-

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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

18. PROPERTY, PLANT AND EQUIPMENT

a. The Group

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Building 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本						
At 1 January 2010	於二零一零年一月一日	3,077	1,428	10,031	3,719	-	18,255
Additions	添置	-	-	-	222	378	600
Disposal	出售	(1,807)	(1,443)	-	(4)	-	(3,254)
Reclassification	重新分類	-	-	(10,031)	10,031	-	-
Exchange realignment	匯兌調整	25	15	-	151	-	191
At 31 December 2010	於二零一零年十二月三十一日	1,295	-	-	14,119	378	15,792
Additions	添置	137	-	-	397	-	534
Disposal	出售	-	-	-	(677)	-	(677)
Reclassification	重新分類	(416)	-	-	416	-	-
Exchange realignment	匯兌調整	24	-	-	696	19	739
At 31 December 2011	於二零一一年十二月三十一日	1,040	-	-	14,951	397	16,388
Accumulated depreciation and impairment	累計折舊及減值						
At 1 January 2010	於二零一零年一月一日	620	349	6,075	2,479	-	9,523
Charge for the year	年內計提	615	60	-	1,288	125	2,088
Disposal	出售	(290)	(412)	-	-	-	(702)
Reclassification	重新分類	-	-	(6,075)	6,075	-	-
Exchange realignment	匯兌調整	-	3	-	97	-	100
At 31 December 2010	於二零一零年十二月三十一日	945	-	-	9,939	125	11,009
Charge for the year	年內計提	223	-	-	1,305	213	1,741
Disposal	出售	-	-	-	(669)	-	(669)
Reclassification	重新分類	(187)	-	-	187	-	-
Exchange realignment	匯兌調整	10	-	-	517	11	538
At 31 December 2011	於二零一一年十二月三十一日	991	-	-	11,279	349	12,619
Carrying amounts	賬面值						
At 31 December 2011	於二零一一年十二月三十一日	49	-	-	3,672	48	3,769
At 31 December 2010	於二零一零年十二月三十一日	350	-	-	4,180	253	4,783

18. 物業、廠房及設備

a. 本集團

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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

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

18. 物業、廠房及設備 (續)

b. The Company

b. 本公司

		Furniture, fixtures and office equipment 傢俬、裝置及辦公室設備 HK\$'000 千港元
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	11
Additions	添置	57
At 31 December 2011	於二零一一年十二月三十一日	68
Accumulated depreciation and impairment	累計折舊及減值	
At 1 January 2010	於二零一零年一月一日	3
Charge for the year	年內計提	2
At 31 December 2010	於二零一零年十二月三十一日	5
Charge for the year	年內計提	10
At 31 December 2011	於二零一一年十二月三十一日	15
Carrying amounts	賬面值	
At 31 December 2011	於二零一一年十二月三十一日	53
At 31 December 2010	於二零一零年十二月三十一日	6

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

19. 可供出售金融資產

		The Group and the Company 本集團及本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Listed equity securities at fair value – In Hong Kong	上市股權證券，按公平值 – 香港	3,800	9,250

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20. INVESTMENTS IN SUBSIDIARIES

20. 於附屬公司之投資

		The Company 本公司	
		2011 二零一一年	2010 二零一零年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	800,012	800,012
Less: impairment losses on investment costs	減：投資成本之減值虧損	(800,011)	(800,011)
		1	1

The balances with subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of these amounts approximate to their fair value.

與附屬公司之結餘乃無抵押、免息及無固定還款期。該等款項之賬面值與其公平值相若。

Particulars of the principal subsidiaries at 31 December 2011 are as follows:

主要附屬公司於二零一一年十二月三十一日之詳情如下：

Name of company 公司名稱	Place of incorporation/ registration/operations 註冊成立/註冊/經營地點	Issue and fully paid up share capital/ registered capital 發行及繳足股本/ 註冊資本	Proportion ownership interest held by the Company 本公司持有擁有權權益比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
China E-Learning (Hong Kong) Limited 中國網絡教育(香港)有限公司	Hong Kong 香港	Ordinary shares HK\$1 1港元普通股	100%	-	Provision of management services to group companies 向集團公司提供管理服務
Happy Victory Investments Limited (note a) Happy Victory Investments Limited (附註a)	BVI 英屬處女群島	Ordinary shares US\$10 10美元普通股	100%	-	Dormant 暫無業務
New Beida Business StudyNet Group Limited 新北大商學網集團有限公司	BVI 英屬處女群島	Ordinary shares US\$10,000 10,000美元普通股	100%	-	Investment holding 投資控股
Best Boom Enterprises Limited Best Boom Enterprises Limited	BVI 英屬處女群島	Ordinary shares US\$10 10美元普通股	-	100%	Investment holding 投資控股
Beijing Hua Tuo Education Technology Company Limited (note b) 北京華拓教育科技有限公司 (附註b)	PRC 中國	Registered capital HK\$40,000,000 40,000,000港元註冊資本	-	100%	Provision of occupational education, industry certification course, skills training and education consultation 提供職業教育、 行業認證課程、 技能培訓及教育諮詢

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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

20. INVESTMENTS IN SUBSIDIARIES

(Continued)

20. 於附屬公司之投資 (續)

Name of company 公司名稱	Place of incorporation/ registration/operations 註冊成立/註冊/經營地點	Issue and fully paid up share capital/ registered capital 發行及繳足股本/ 註冊資本	Proportion ownership interest held by the Company 本公司持有擁有權權益比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Beijing Ke Xiong Education Company Limited (note b) 北京科雄教育有限公司(附註b)	PRC 中國	Registered capital RMB5,000,000 人民幣5,000,000元註冊資本	-	100%	Provision of occupational education, industry certification course, skills training and education consultation 提供職業教育、 行業認證課程、 技能培訓及教育諮詢
Beijing Yi You Xing Service and Technology Development Company Limited (note b and c) 北京怡友興科技發展有限公司 (附註b及c)	PRC 中國	Registered capital RMB2,000,000 人民幣2,000,000元註冊資本	-	100%	Provision of occupational education, industry certification course, skills training and education consultation 提供職業教育、 行業認證課程、 技能培訓及教育諮詢
IIN Medical (BVI) Group Limited 國訊醫藥(BVI)集團有限公司	BVI 英屬處女群島	Ordinary shares HK\$13,677,288 13,677,288港元普通股	-	100%	Investment holding 投資控股
IIN Medical Group Limited 國訊醫藥實業有限公司	Hong Kong 香港	Ordinary shares HK\$3,000,000 3,000,000港元普通股	-	100%	Investment holding 投資控股
Hunan IIN Medical Network Technology Development Company Limited (note b) 湖南國訊醫藥網絡科技開發 有限公司(附註b)	PRC 中國	Registered capital RMB14,530,808 人民幣14,530,808元 註冊資本	-	100%	Investment holding 投資控股
Distance Education College of Beijing University of Chinese Medicine 北京中醫藥大學北京遠程 教育學院	PRC 中國	Registered capital RMB900,000 人民幣900,000元 註冊資本	-	51%	Provision of distance learning program in Chinese medicine 提供中醫藥遠程教育課程

Notes:

- This subsidiary was transferred to executive directors Mr. Chen Hong on 14 April 2010.
- These are wholly-foreign owned enterprises established in the PRC.
- This subsidiary was deregistered on 21 October 2010.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

附註：

- 該附屬公司已於二零一零年四月十四日轉讓予執行董事陳宏先生。
- 該等為在中國成立之外商獨資企業。
- 該附屬公司已於二零一零年十月二十一日注銷。

於年終或年內任何時候，該等附屬公司並無任何債務證券。

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21. INVENTORIES

21. 存貨

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK\$'000 千港元	HK\$'000 千港元
Finished goods	製成品	-	103

22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收賬款

		The Group 本集團		The Company 本公司	
		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 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade receivables	貿易應收賬款	1,391	1,313	-	-
Less: impairment losses	減：減值虧損	(1,391)	(916)	-	-
		-	397	-	-
Deposits and other receivables	按金及其他應收款項	97,404	39,664	1,276	12
Less: impairment losses	減：減值虧損	(27,613)	(19,818)	-	-
Prepayments	預付款項	26,969	41,905	25,760	1,184
		96,760	62,148	27,036	1,196

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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

22. TRADE AND OTHER RECEIVABLES

(Continued)

22. 貿易及其他應收賬款 (續)

An aging analysis of trade receivables as at the end of the reporting period is as follows:

貿易應收賬款於報告期末之賬齡分析如下：

	The Group 本集團		The Company 本公司	
	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within 30 days	30日內	-	-	-
31 to 60 days	31日至60日間	-	-	-
61 to 90 days	61日至90日間	-	-	-
Over 90 days	超過90日	-	397	-
		-	397	-

General credit term that the Group offers to customers is 30 days from billing. Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

本集團一般向客戶提供自交單日起計30日的信貸期。上文披露之貿易應收賬款包括於報告期末已逾期之款項，由於信貸質素並無重大變化及該等款項仍被視為可收回，故本集團並無確認呆賬撥備。

At the end of each reporting period, the Group's trade and other receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of customers, such as financial difficulties or default in payments, and current market conditions. The Group does not hold any collateral over these balances.

於各報告期末，本集團之貿易及其他應收賬款乃個別釐定是否需要減值。個別減值之應收款項乃根據其客戶之信貸紀錄(如財政困難或拖欠款項)及現行市況確認。本集團並無就該等結餘持有任何抵押品

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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

22. TRADE AND OTHER RECEIVABLES

(Continued)

The Group's movement for provision of impairment of trade receivables is as follows:

		The Group 本集團		The Company 本公司	
		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 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	916	916	-	-
Impairment losses	減值虧損	407	-	-	-
Exchange realignment	匯兌調整	68	-	-	-
At 31 December	於十二月三十一日	1,391	916	-	-

22. 貿易及其他應收賬款 (續)

本集團有關貿易應收賬款減值撥備之變動如下：

The Group's movement for provision of impairment of other receivables is as follows:

		The Group 本集團		The Company 本公司	
		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 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	19,818	1,176	-	-
Impairment losses	減值虧損	6,564	18,642	80,207	-
Exchange realignment	匯兌調整	1,231	-	-	-
At 31 December	於十二月三十一日	27,613	19,818	80,207	-

本集團有關其他應收款項減值撥備之變動如下：

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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

23. CASH AND CASH EQUIVALENTS

23. 現金及現金等值項目

		The Group 本集團		The Company 本公司	
		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 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Bank balances	銀行結餘	18,685	29,226	980	10,985
Cash balances	現金結餘	95	175	14	67
Cash in licensed corporation	於持牌法團之現金	679	4,316	679	4,316
Cash and cash equivalents in the consolidated statement of cash flow	於綜合現金流量表之現金及現金等值項目	19,459	33,717	1,673	15,368

Cash and deposits with banks of HK\$17,786,000 (2010:HK\$15,981,000) for the Group are denominated in Renminbi, which is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange control imposed by the PRC government.

本集團之現金及銀行存款17,786,000港元(二零一零年：15,981,000港元)乃以人民幣列值，而人民幣並非自由兌換貨幣，向中國國外匯款受到中國政府的外匯管制規限。

Deposits with banks are interest bearing at the prevailing market rates.

銀行存款按現行市場利率計息。

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

24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付賬款

		The Group 本集團		The Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade payables	貿易應付賬款	13	28	-	-
Other payables	其他應付款項	25,422	5,570	10,960	100
Receipt in advance	預收款項	19,689	21,786	-	-
Accrued charges	應計費用	206	3,408	206	968
		45,330	30,792	11,166	1,068

An aging analysis of the trade payables as at the end of reporting period is as follows:

貿易應付賬款於報告期末之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within 30 days	30日內	-	-	-	-
31 to 60 days	31日至60日間	-	-	-	-
61 to 90 days	61日至90日間	-	1	-	-
Over 90 days	超過90日	13	27	-	-
		13	28	-	-

25. AMOUNTS DUE TO DIRECTORS

25. 應付董事款項

The Group and the Company

本集團及本公司

The amounts are unsecured, interest-free and repayable on demand. In the opinion of the directors of the Company, the fair value of the amounts due to directors approximates to its corresponding carrying amount.

有關款項為無抵押、免息及須於要求時償還。本公司董事認為，應付董事款項之公平值與其相應賬面值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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26. DEFERRED TAXATION

(a) The Group

The components of deferred tax (assets) liabilities recognised in the consolidated statement of financial position and the movements during the years are as follows:

		Accelerated tax Depreciation 加速稅項折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2009 and 31 December 2009	於二零零九年一月一日及 二零零九年十二月三十一日	8	(8)	-
Movement for the year	年內變動	20	(20)	-
At 31 December 2010	於二零一零年十二月三十一日	28	(28)	-
Movement for the year	年內變動	42	(42)	-
At 31 December 2011	於二零一一年十二月三十一日	70	(70)	-

At the end of the reporting date, the Group had estimated the unused tax losses of approximately HK\$127,486,000 (2010: HK\$92,825,000) available for offset against future profits. No deferred tax assets have been recognised in respect of such losses due to the unpredictability of future profit streams. The tax losses can be carried forward indefinitely.

(b) The Company

At the end of the reporting date, the Company had unused tax losses of approximately HK\$110,391,940 (2010: HK\$88,766,262) available for offset against future profits. No deferred tax assets have been recognised in respect of such losses due to the unpredictability of future profit streams. The tax losses can be carried forward indefinitely.

26. 遞延稅項

(a) 本集團

於綜合財務狀況表內確認之遞延稅項(資產)負債組成部分及於年內之變動如下：

於報告期末，本集團估計可用作對銷未來溢利之未動用稅項虧損約為127,486,000港元(二零一零年：92,825,000港元)。由於未能預測未來溢利來源，故並無就該等虧損確認遞延稅項資產。該等稅項虧損可無限期結轉。

(b) 本公司

於報告期末，本公司有未動用之稅項虧損約110,391,940港元(二零一零年：88,766,262港元)可用作抵銷未來溢利。由於未能預測未來溢利來源，故並無就該等虧損確認遞延稅項資產。該等稅項虧損可無限期結轉。

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27. SHARE CAPITAL

The Group and the Company

27. 股本

本集團及本公司

			Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Authorised:	法定：			
Ordinary shares of HK\$0.5 each at 31 December 2009	於二零零九年十二月三十一日 每股面值0.5港元之普通股		2,000,000,000	1,000,000
Increase of authorized capital	法定股本增加	a	8,000,000,000	4,000,000
Ordinary shares of HK\$0.5 each at 31 December 2010 and 2011	於二零一零年及二零一一年 十二月三十一日每股面值 0.5港元之普通股		10,000,000,000	5,000,000
Issued and fully paid:	已發行及繳足股本：			
Ordinary shares of HK\$0.5 each at 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日 每股面值0.5港元之普通股		472,563,895	236,282
Issue of shares by conversion of convertible notes	因可換股票據獲轉 換而發行股份	b	170,220,799	85,110
Issue of shares by open offer	因公開發售發行股份	c	222,661,915	111,331
Issue of shares by bonus issue	因發行紅利股份而發行股份	c	445,323,830	222,662
Ordinary shares of HK\$0.5 each at 31 December 2010	於二零一零年十二月三十一日 每股面值0.5港元之普通股		1,310,770,439	655,385
Issue of shares by conversion of convertible notes	因可換股票據獲 轉換而發行股份	d	170,515,381	85,258
Being the cancellation of ordinary shares at par value HK\$0.50	註銷面值0.50港元之普通股	e	(16,944,000)	(8,472)
Ordinary shares of HK\$0.5 each at 31 December 2011	於二零一一年十二月三十一日 每股面值0.5港元之普通股		1,464,341,820	732,171

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

27. SHARE CAPITAL (Continued)

The Group and the Company (Continued)

Notes:

- (a) Pursuant to an ordinary resolution passed on 11 May 2010, the authorised share capital of the Company was increased from HK\$1,000,000,000 divided into 2,000,000,000 shares to HK\$5,000,000,000 divided into 10,000,000,000 shares by the creation of additional 8,000,000,000 shares.
- (b) During the year ended 31 December 2010, convertible notes in the principal amount of HK\$168,423,879 were converted by holders to subscribe for 170,220,799 shares. Details of the conversion during the year are set out in note 31.
- (c) On 31 May 2010, the open offer of 222,661,915 offer shares at HK\$0.50 on the basis of 7 offer shares for every 20 shares with bonus issue on the basis of 2 bonus shares for every offer share taken up became unconditional.
- (d) During the year ended 31 December 2011, convertible notes in the principal amount of HK\$91,130,547 were converted by holders to subscribe for 170,515,381 shares. Details of the conversion during the year are set out in note 30.
- (e) On 18 October 2011, the Company repurchased 16,944,000 shares at par value of HK\$0.50.

28. RESERVES

(a) The Group

The amounts of the Group's reserves and movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 46 of the annual report.

27. 股本 (續)

本集團及本公司 (續)

附註：

- (a) 根據於二零一零年五月十一日通過之普通決議案，本公司之法定股本藉增設8,000,000,000股股份，由1,000,000,000港元(分為2,000,000,000股股份)增加至5,000,000,000港元(分為10,000,000,000股股份)。
- (b) 截至二零一零年十二月三十一日止年度，可換股票據持有人轉換本金額168,423,879港元之可換股票據，以認購170,220,799股股份。年內之換股詳情載於附註31。
- (c) 於二零一零年五月三十一日，按每二十股股份獲配七股發售股份及每承購一股發售股份獲配兩股紅利股份之基準，以每股股份0.50港元公開發售222,661,915股發售股份之公開發售成為無條件。
- (d) 截至二零一一年十二月三十一日止年度，可換股票據持有人轉換本金額91,130,547港元之可換股票據，以認購170,515,381股股份。年內之換股詳情載於附註30。
- (e) 於二零一一年十月十八日，本公司購回16,944,000股每股面值0.50港元之股份。

28. 儲備

(a) 本集團

本年度及以往年度本集團儲備之數額及其變動於年報第46頁之綜合權益變動表中呈列。

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

28. RESERVES (Continued)

(b) The Company

	Notes 附註	Share premium 股份溢價 HK\$'000 千港元	Share-based payment reserve 以股支付儲備 HK\$'000 千港元	Conversion note equity reserve 可換股票據 HK\$'000 千港元	Accumulated losses 權益儲備 HK\$'000 千港元	Total cumulative losses 累計虧損合 HK\$'000 千港元
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	229,144	43,483	137,964	(844,409)	(433,818)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	(5,565)	(5,565)
Equity component of convertible notes	可換股票據之股權部分 30	-	-	4,561	-	4,561
Issue of new shares by top-up placing	根據補足配售發行新股份 27	(222,662)	-	-	-	(222,662)
Issue of shares by conversion of convertible notes	因可換股票據獲 轉換而發行股份 30	128,352	-	(71,917)	-	56,435
Share issue expenses	股份發行開支	(4,480)	-	-	-	(4,480)
Redemption of convertible note	贖回可換股票據 30	-	-	(20,920)	-	(20,920)
At 31 December 2010	於二零一零年十二月三十一日	130,354	43,483	49,688	(849,974)	(626,449)
Total comprehensive loss for the year	本年度全面虧損總額	-	(28,989)	-	(11,518)	(40,507)
Reclassification of settled convertible notes	重新分類已償付 之可換股票據 30	30,267	-	(30,267)	-	-
Reclassification of settled convertible notes	重新分類已償付 之可換股票據 30	-	-	(80,012)	-	(80,012)
Settlement of convertible note	償付可換股票據 30	-	-	64,915	-	64,915
Equity component of convertible notes	可換股票據之股權部分 30	-	-	17,623	-	17,623
Issue of shares by conversion of convertible notes	因可換股票據獲 轉換而發行股份 30	5,873	-	(12,956)	-	(7,083)
Redemption of convertible note	贖回可換股票據 30	-	-	(950)	-	(950)
Being cancellation of ordinary shares at par value HK\$0.50	註銷面值0.50港元之普通股 27	4,835	-	-	-	4,835
At 31 December 2011	於二零一一年十二月三十一日	171,329	14,494	8,041	(861,492)	(667,628)

28. 儲備 (續)

(b) 本公司

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

28. RESERVES (Continued)

(b) The Company (Continued)

The capital reserve of the Group represents the excess of the nominal value of the share capital and the share premium account of the subsidiaries acquired pursuant to the Group reorganisation over the nominal value of the share capital of the Company issued in exchange therefore.

Pursuant to the Companies Law of the Cayman Islands and the Company's Articles of Association, the share premium of the Company is distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay its debts as they fall due in the ordinary course of business. At 31 December 2011, in the opinion of the directors of the Company, the Company did not have any reserve available for distribution to shareholders (2010: Nil).

The share-based payment reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 34 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to accumulate losses should the related options expire or be forfeited.

29. OTHER LOAN

The amount represents an amount due to the former shareholder of New Beida which is unsecured, interest-free. In the opinion of the directors of the Company, the fair value of other loan approximates to its carrying amount. This amount has been fully settled by issuing Convertible note 2011 A during year of 2011.

28. 儲備

(b) 本公司 (續)

本集團資本儲備指根據集團重組而收購之附屬公司之股本面值及股份溢價賬超逾本公司就此發行之股本面值之差額。

根據開曼群島公司法及本公司組織章程細則，倘於緊隨擬派股息當日後，本公司有能力償還於日常業務中到期之債項，則本公司可向股東分派股份溢價。於二零一一年十二月三十一日，本公司董事認為本公司並無任何可向股東分派之儲備(二零一零年：無)。

以股支付儲備包括已授出但尚未行使之購股權之公平值，詳見財務報表附註34有關以股支付交易之會計政策。若相關購股權獲行使，相關數額將轉撥入股份溢價賬，若相關購股權屆滿或作廢，相關數額將轉撥入累計虧損。

29. 其他貸款

該款項指應付新北大前股東之款項，為無抵押、免息。本公司董事認為，其他貸款之公平值與其賬面值相若。於二零一一年，該款項已透過發行二零一一年可換股票據A悉數償付。

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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. CONVERTIBLE NOTES

The Group and the Company

Acquisition of 100% interest in New Beida

On 27 February 2008, pursuant to the acquisition of 100% interest in New Beida from Sino Tactic Group Limited (the "Vendor"), the Company issued zero coupon convertible notes (the "Convertible Notes 2008") as partial settlement of the acquisition consideration.

The principal terms of the Convertible Notes 2008 are as follows:

Date of issue	27 February 2008
Aggregate principal amount	HK\$720,000,000
Denomination in multiple of	HK\$20,000,000
Interest rate	Nil
Adjusted conversion price (previously reported)	HK\$0.98 (HK\$0.20)
Maturity date	36 months from the date of issue

(a) Conversion period

Apart from the portion of Restricted Convertible Notes (as described below), the holders of the Convertible Notes 2008 shall have the rights at any time and from time to time, following the date of issue of the Convertible Notes 2008, to convert the whole or any part of the outstanding principal amount into new ordinary shares in the Company. The shares to be issued and allotted upon conversion shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue.

(b) Restricted convertible notes

Part of the Convertible Notes 2008 in principal amount of HK\$150 million (the "Restricted Convertible Notes") was under security to the Company for the purpose of ensuring that the Profit Guarantee (as described below) is fulfilled.

30. 可換股票據

本集團及本公司

收購新北大之100%權益

於二零零八年二月二十七日，因向Sino Tactic Group Limited (「賣方」) 收購新北大之100%權益，本公司發行零息可換股票據 (「二零零八年可換股票據」) 支付部分收購代價。

二零零八年可換股票據之主要條款如下：

發行日期	二零零八年二月二十七日
本金總額	720,000,000港元
面額	20,000,000港元之倍數
息率	無
經調整換股價 (先前匯報)	0.98港元 (0.20港元)
到期日	發行日期起計36個月

(a) 換股期

除受限制可換股票據 (說明見下文) 之部分外，二零零八年可換股票據持有人於二零零八年可換股票據之發行日期後，有權隨時及不時將全部或任何部分之未償還金額轉換為本公司之新普通股。於轉換後將予發行及配發之股份彼此及與本公司於該個配發及發行日期所有其他已發行普通股在各方面均享有同等地位。

(b) 受限制可換股票據

二零零八年可換股票據中本金額為150,000,000港元之部分 (「受限制可換股票據」) 已給予本公司保管，作為確保可履行利潤保證 (說明見下文) 之抵押。

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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. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Acquisition of 100% interest in New Beida (Continued)

(c) Issuer early redemption option

The Company shall have the right to redeem any portion of the Convertible Notes 2008 outstanding at an amount equals to the principal amount of the Convertible Notes 2008 in its sole and absolute discretion at any time prior to the maturity date.

The Convertible Notes 2008 contain liability component, equity component and early redemption option derivatives. The issuer early redemption option derivative is not closely related to the host contract as the early redemption amount is not close to the amortised cost of the liability on the redemption date. Issuer early redemption option derivative are measured at fair value with change in fair value recognised in consolidated income statement.

(d) Profit guarantee

The Vendor undertakes to the Company that the aggregate profits after tax shown in the audited consolidated accounts of New Beida prepared in accordance with Hong Kong Generally Accepted Accounting Principles for the financial year ended 31 December 2008 shall not be less than HK\$150 million and will compensate the Company for any shortfall between the guaranteed profits and the actual aggregate profits after tax shown in the audited consolidated accounts of New Beida prepared in accordance with Hong Kong Generally Accepted Accounting Principles for the financial year ended 31 December 2008.

30. 可換股票據 (續)

本集團及本公司 (續)

收購新北大之100%權益 (續)

(c) 發行人提早贖回選擇權

本公司有權於到期日前任何時間全權及絕對酌情決定贖回任何部分之尚未行使之二零零八年可換股票據，金額相等於二零零八年可換股票據之本金額。

二零零八年可換股票據包含負債部分、股權部分及提早贖回選擇權衍生工具。發行人提早贖回選擇權衍生工具與主合約並無密切關係，乃由於提早贖回金額並不接近負債於贖回日之攤銷成本。發行人提早贖回選擇權衍生工具乃按公平值計算，公平值之變動於綜合收益表確認。

(d) 利潤保證

賣方向本公司承諾，新北大按照香港公認會計原則編製之截至二零零八年十二月三十一日止財政年度經審核綜合賬目內顯示之除稅後溢利總額，將不會少於150,000,000港元，並會就保證利潤與新北大按照香港公認會計原則編製之截至二零零八年十二月三十一日止財政年度經審核綜合賬目所示實際除稅後溢利總額之間的任何不足之數，補償予本公司。

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30. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Acquisition of 100% interest in New Beida (Continued)

(d) Profit guarantee (Continued)

The Restricted Convertible Notes will be stake held by the Company for the purpose of ensuring the Profit Guarantee requirement is fulfilled according to the acquisition agreement entered into by the Company and the Vendor on 16 October 2007 while the Vendor undertakes not to exercise the conversion rights attaching on the Restricted Convertible Notes during the Profit Guarantee Period and up to 31 March 2009. In the event that the Restricted Convertible Notes under security to the Company is not sufficient to cover the compensation amount due to the shortfall from the Profit Guarantee, the Vendor will be liable to pay the Company in cash for any outstanding compensation amount on a dollar for dollar basis after offsetting the amount represented by the Restricted Convertible Notes.

Based on the 2008 audited financial results of New Beida, the profit guarantee requirement was not fulfilled and the Group had set off the amount of the shortfall as calculated in accordance with the acquisition agreement dated 16 October 2007 against the principal amount of the Restricted Convertible Notes, with the remaining balance of approximately HK\$565,000 against the other loan as at 31 December 2008.

The directors of the Company have assessed the fair value of the Convertible Notes 2008 with embedded derivative. At 31 December 2010, the liability component of the Convertible Notes is approximately HK\$75,102,000 which is stated at amortised cost using the effective interest method and the fair value of the derivative component of the Convertible Notes 2008 is approximately HK\$316,000 of asset and HK\$315,000 of liability (2009: HK\$316,000 of asset). The effective interest expenses of Convertible Notes 2008 amounting to approximately HK\$14,267,000 have been recognised in the consolidated income statement for the year ended 31 December 2010.

30. 可換股票據 (續)

本集團及本公司 (續)

收購新北大之100%權益 (續)

(d) 利潤保證 (續)

受限制可換股票據將由本公司保管，以確保按照本公司與賣方於二零零七年十月十六日訂立之收購協議，履行利潤保證之要求。賣方同時承諾，於利潤保證期內及直至二零零九年三月三十一日為止，不會行使受限制可換股票據所附轉換權。倘抵押予本公司之受限制可換股票據不足以彌償因利潤保證短欠而須予補償的款額，則賣方將要負責按等額之基準以現金向本公司支付任何尚未償還補償額（經抵銷受限制可換股票據所代表之金額後）。

於二零零八年十二月三十一日，根據新北大的二零零八年經審核財務業績，並未達到利潤保證要求，因此本集團已按照二零零七年十月十六日之收購協議的計算方式，將受限制可換股票據之本金額用作抵銷不足的金額，並於其他貸款中抵銷餘額約565,000港元。

本公司董事已評估包含嵌入式衍生工具之二零零八年可換股票據的公平值。於二零一零年十二月三十一日，可換股票據之負債部分約為75,102,000港元，乃使用實際利息法按攤銷成本列賬，而二零零八年可換股票據之衍生工具部分的公平值約為資產316,000港元及負債315,000港元（二零零九年：資產316,000港元）。二零零八年可換股票據之實際利息開支約14,267,000港元，已於截至二零一零年十二月三十一日止年度之綜合收益表內確認。

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. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Acquisition of 100% interest in New Beida (Continued)

(d) Profit guarantee (Continued)

The methods and assumptions applied for the valuation of the Convertible Notes 2008 are as follows:

Valuation of liability component

At the date of issue, the liability component was recognised at fair value. The fair value of liability component was calculated based on the present value of the initial recognition contractually determined stream of future cash flows discounted at the required yield, which was determined with reference to the average yield of notes with similar credit rating and remaining time to maturity. In subsequent periods, the liability component is carried at amortised cost using the effective interest method. The effective interest rate of the liability component is 12.29%.

Valuation of issuer early redemption option derivative

Binomial model is used for valuation of issuer early redemption option derivative. The inputs into the model were as follows:

	27 February 2008 二零零八年二月二十七日	31 December 2008 二零零八年十二月三十一日	31 December 2009 二零零九年十二月三十一日	31 December 2010 二零一零年十二月三十一日
Stock Price 股價	HK\$0.93 0.93港元	HK\$0.50 0.50港元	HK\$0.30 0.30港元	HK\$0.31 0.31港元
Exercise price 行使價	HK\$0.20 0.20港元	HK\$0.20 0.20港元	HK\$0.98 (adjusted due to the placing of shares and share consolidation) 0.98港元(因配售股份 及進行股份合併而調整)	HK\$0.63 0.63港元
Volatility 波幅	57.77%	67.15%	50.67%	41.59%
Option life 購股權期限	36 months 36個月	26 months 26個月	14 months 14個月	2 months 2個月
Risk free rate 無風險利率	2.009%	0.567%	0.27%	0.22%

30. 可換股票據 (續)

本集團及本公司 (續)

收購新北大之100%權益 (續)

(d) 利潤保證 (續)

為二零零八年可換股票據估值時應用之方法及假設如下：

負債部分之估值

於發行日期，負債部分乃按公平值確認。負債部分之公平值乃根據初步確認訂約時釐定之未來現金流量的現值而計算，按規定收益率折現，而規定收益率則參照信貸評級及距離到期日剩餘時間類似之票據的平均收益率而釐定。於往後期間，負債部分使用實際利息法按攤銷成本列賬。負債部分之實際利率為12.29%。

發行人提早贖回選擇權衍生工具之估值

為發行人提早贖回選擇權衍生工具估值時已使用二項式模型。模型之輸入參數如下：

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. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Acquisition of 100% interest in IIN Medical (BVI)

On 23 April 2009, pursuant to the acquisition of 61.27% interest in IIN Medical (BVI) from Multico Holdings Limited (“Vendor A”) and 38.73% from a group of minority shareholders (“Vendor B”), the Company issued convertible notes (the “Convertible Notes 2009”) as partial settlement of the acquisition consideration.

The principal terms of the Convertible Notes 2009 are as follows:

Date of issue	23 April 2009
Aggregate principal amount	HK\$32,770,000
Denomination in multiple of	HK\$200,000
Interest rate	Nil
Adjusted conversion price (previously reported)	HK\$1.01 (HK\$1.57)
Maturity dates	Principal amount approximately HK\$20,150,000 matured in 48 months from the date of issue and the remaining principal amount of approximately HK\$12,620,000 matured in 24 months from the date of issue

(a) Conversion period

The holders of the Convertible Notes 2009 shall have the rights to convert the whole or any part of the outstanding principal amount into new ordinary shares in the Company. The commencement dates of conversion fall within the period from 31 December 2009 to 30 June 2012. The shares to be issued and allotted upon conversion shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue.

30. 可換股票據 (續)

本集團及本公司 (續)

收購國訊醫藥(BVI)之100%權益

於二零零九年四月二十三日，因向Multico Holdings Limited (「賣方甲」) 收購國訊醫藥(BVI)之61.27%權益及向一群少數股東「賣方乙」收購38.73%權益，本公司發行可換股票據(「二零零九年可換股票據」)支付部分收購代價。

二零零九年可換股票據之主要條款如下：

發行日期	二零零九年四月二十三日
本金總額	32,770,000港元
面額	200,000港元之倍數
息率	無
經調整換股價 (先前匯報)	1.01港元(1.57港元)
到期日	本金額約20,150,000港元自發行日期起計48個月內到期，其餘本金額約12,620,000港元自發行日期起計24個月內到期

(a) 換股期

二零零九年可換股票據之持有人有權將全部或任何部分之未償還本金額轉換為本公司之新普通股。換股期由二零零九年十二月三十一日開始，至二零一二年六月三十日為止。於轉換後將予發行及配發之股份彼此及與本公司於該個配發及發行日期所有其他已發行普通股在各方面均享有同等地位。

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. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Acquisition of 100% interest in IIN Medical (BVI) (Continued)

(b) Redemption option

The holders of Convertible Notes 2009 shall have the rights to redeem up to 25% of the principal amount of the Convertible Notes 2009 outstanding at an amount equals to the principal amount of the Convertible Notes 2009. The commencement dates of redemption fall within the period from 31 December 2009 to 30 June 2012. The Company is not required, at the maturity of the Convertible Notes 2009, to redeem or pay any amount of the Convertible Notes 2009.

The Convertible Notes 2009 contains liability component, equity component and redemption option derivatives. The holders' redemption option derivative is not closely related to the host contract as the redemption amount is not close to the amortised cost of the liability on the redemption date. Holders' redemption option derivative is measured at fair value with change in fair value recognised in consolidated income statement.

(c) Profit guarantee

Certain members of Vendor B undertake to the Group that the profits after tax shown in the audited consolidated financial statements of Hunan IIN Medical, prepared in accordance with Hong Kong Generally Accepted Accounting Principles for the year ending 31 December 2009 should not be less than RMB8.5 million and will compensate the Group for any shortfall, in proportion of their respective shareholding in IIN Medical (BVI) to the extent of an aggregate 17.31% thereof, between the guaranteed profit and the actual profit.

Based on the audited financial results of Hunan IIN Medical, the profit guarantee requirement is fulfilled.

30. 可換股票據 (續)

本集團及本公司 (續)

收購國訊醫藥(BVI)之100%權益(續)

(b) 贖回選擇權

二零零九年可換股票據持有人有權按相當於二零零九年可換股票據本金額之金額，贖回二零零九年可換股票據之尚未贖回本金額之最多25%。贖回日期由二零零九年十二月三十一日至二零一二年六月三十日止。本公司無須於二零零九年可換股票據屆滿時，就二零零九年可換股票據贖回或支付任何金額。

二零零九年可換股票據包含負債部分、股權部分及贖回選擇權衍生工具。持有人贖回選擇權衍生工具與主合約並無密切關係，乃由於贖回金額並不接近負債於贖回日期之攤銷成本。持有人的贖回選擇權衍生工具乃按公平值計算，公平值之變動於綜合收益表確認。

(c) 利潤保證

賣方乙之若干成員向本集團承諾，湖南國訊醫藥截至二零零九年十二月三十一日止年度之經審核綜合財務報表(根據香港公認會計原則編製)所示之除稅後溢利不應少於人民幣8,500,000元，並將於實際溢利低於保證利潤之情況下，按彼等於國訊醫藥(BVI)之各自股權比例，向本集團作出有關差額合計17.31%之補償。

根據湖南國訊醫藥之經審核財務業績，已符合利潤保證要求。

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. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Acquisition of 100% interest in IIN Medical (BVI) (Continued)

(c) Profit guarantee (Continued)

The directors of the Company have assessed the fair value of the Convertible Notes 2009 with embedded derivative. At 31 December 2011, the liability component of the Convertible Notes 2009 is approximately HK\$9,481,000 which is stated at amortised cost using the effective interest method and the fair value of the derivative component of the Convertible Notes 2009 is approximately HK\$nil of asset (2010: HK\$1,083,000 and HK\$250,000 of liability (2010: HK\$1,640,000)). The effective interest expenses of Convertible Notes 2009 amounting to approximately HK\$462,000 have been recognised in the consolidated income statement for the year ended 31 December 2011.

The methods and assumptions applied for the valuation of the Convertible Notes 2009 are as follows:

Valuation of liability component

At the date of issue, the liability component was recognised at fair value. The fair value of liability component was calculated based on the present value of the initial recognition contractually determined stream of future cash flows discounted at the required yield, which was determined with reference to the average yield of notes with similar credit rating and remaining time to maturity. In subsequent periods, the liability component is carried at amortised cost using the effective interest method. The effective interest rate of the liability component is 11.22%.

30. 可換股票據 (續)

本集團及本公司 (續)

收購國訊醫藥(BVI)之100%權益 (續)

(c) 利潤保證 (續)

本公司董事已評估包含嵌入式衍生工具之二零零九年可換股票據的公平值。於二零一一年十二月三十一日，二零零九年可換股票據之負債部分約為9,481,000港元，乃使用實際利息法按攤銷成本列賬，而二零零九年可換股票據之衍生工具部分的公平值約為資產零港元(二零一零年：1,083,000港元)及負債250,000港元(二零一零年：1,640,000港元)。二零零九年可換股票據之實際利息開支約462,000港元，已於截至二零一一年十二月三十一日止年度之綜合收益表內確認。

為二零零九年可換股票據估值時應用之方法及假設如下：

負債部分之估值

於發行日期，負債部分乃按公平值確認。負債部分之公平值乃根據初步確認訂約時釐定之未來現金流量的現值而計算，按規定收益率折現，而規定收益率則參照信貸評級及距離到期日剩餘時間類似之票據的平均收益率而釐定。於往後期間，負債部分使用實際利息法按攤銷成本列賬。負債部分之實際利率為11.22%。

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. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Acquisition of 100% interest in IIN Medical (BVI) (Continued)

(c) Profit guarantee (Continued)

Valuation of holder redemption option derivative

Binomial model is used for valuation of holder redemption option derivative. The inputs into the model were as follows:

	23 April 2009 二零零九年四月二十三日	31 December 2009 二零零九年十二月三十一日	31 December 2010 二零一零年十二月三十一日	31 December 2011 二零一一年十二月三十一日
Stock price 股價	HK\$0.30 0.30港元	HK\$0.30 0.30港元	HK\$0.31 0.31港元	HK\$0.237 0.237港元
Exercise price 行使價	HK\$0.32 0.32港元	HK\$1.57 (adjusted after the placing of shares and share consolidation) 1.57港元(因配售股份 及進行股份合併而調整)	HK\$1.01 (adjusted after the open offer) 1.01港元(因公開發售而調整)	HK\$1.01 (adjusted after the open offer) 1.01港元(於公開發售後 調整)
Option life 選擇權期限	48 months 48個月	40 months 40個月	28 months 28個月	16 months 16個月
Risk free rate 無風險利率	0.70%-1.55%	0.32%-1.25%	0.74%	0.29%

2011 A Convertible Notes:

On 9 May 2011, the Company issued 1% coupon convertible notes (the "CN 2011 A") as settlement of other loan which was due to the former shareholder of New Beida as at 31 December 2010.

The principal terms of the CN 2011 A are as follows:

Date of issue	9 May 2011
Aggregate principal amount	HK\$89,999,934
Interest rate	1%
Adjusted conversion price	HK\$0.50
Maturity date	36 months from the date of issue

30. 可換股票據 (續)

本集團及本公司 (續)

收購國訊醫藥(BVI)之100%權益(續)

(c) 利潤保證 (續)

持有人贖回選擇權衍生工具之估值

為持有人贖回選擇權衍生工具估值時已使用二項式模型。模型之輸入參數如下：

二零一一年可換股票據A：

於二零一一年五月九日，本公司發行1%票息之可換股票據（「二零一一年可換股票據A」），以償付於二零一零年十二月三十一日應付新北大大前股東之其他貸款。

二零一一年可換股票據A之主要條款如下：

發行日期	二零一一年五月九日
本金總額	89,999,934港元
息率	1%
經調整換股價	0.50港元
到期日	自發行日期起計36個月

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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. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2011 A Convertible Notes: (Continued)

(a) Conversion period:

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the Note in an amount of not less than HK\$1,000,000 on each conversion (save that if at a time, the principal outstanding amount of the Note is less than HK\$1,000,000, the whole (but not part only) of the principal outstanding amount of the Notes may be converted) into Shares in Board Lot or multiples thereof at any time from the Issue Date at the initial conversion price of HK\$0.50 per Share up to (and excluding) the fifth Business Day immediately before the Maturity Date.

(b) Issuer early redemption option:

The Company shall not be entitled to early redeem the Notes before the Maturity Date.

(c) Valuation of liability component

As the date of issue, the liability component was recognised at fair value. The fair value is calculated using cash flows discounted at a rate based on the discount rate of 7.20%.

As at 31 December 2011, the liability component of the CN 2011 A is approximately HK\$26,105,000 which is stated at amortised cost using the effective interest method. The effective interest expenses of CN 2011 A amounting to approximately HK\$2,924,000 have been recognised in the consolidated income statement for the year ended 31 December 2011.

30. 可換股票據 (續)

本集團及本公司 (續)

二零一一年可換股票據A：(續)

(a) 換股期：

票據之持有人有權於自發行日期起至(但不包括)緊接到期日前第五個營業日隨時按初步換股價每股0.50港元轉換該票據之全部或任何部分未償還本金為完整買賣單位或其倍數之股份，每次轉換之金額不少於1,000,000港元(除非於任何時間，該票據之未償還本金少於1,000,000港元，則票據之全部(但不可僅為部分)未償還本金額可被轉換)。

(b) 發行人提早贖回選擇權：

本公司不可於到期日前提早贖回該等票據。

(c) 負債部分之估值

於發行日期，負債部分乃按公平值確認。公平值以折現率7.20%為基準之利率折現現金流量計算。

於二零一一年十二月三十一日，二零一一年可換股票據A之負債部分約為26,105,000港元，乃使用實際利息法按攤銷成本列賬。二零一一年可換股票據A之實際利息開支約2,924,000港元已於截至二零一一年十二月三十一日止年度之綜合收益表確認。

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. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2011 B Convertible Notes:

On 11 May 2011, the Company issued 1% coupon convertible notes (the "CN 2011 B"), the principal terms of the CN 2011 B are as follows:

Date of issue	11 May 2011
Aggregate principal amount	HK\$36,200,000
Interest rate	1%
Adjusted conversion price	HK\$0.50
Maturity date	6 months from the date of issue

On 11 November 2011, the Company and the CN Holder of CN 2011B have agreed to a 6-month postponement of the original Maturity Date to 11 May 2012 (the "New Maturity Date") and so the related conversion period during which the CN Holder can exercise the conversion right attaching to the Notes shall accordingly expire on (but excluding) the fifth Business Day immediately before the new Maturity Date, that is, 4 May 2012. According to the agreement, the Company shall bear an additional compensation of 30% of the principal amount if the Company fails to redeem the note with one month from its maturity date. Therefore, the Company has accrued such compensation as at year end.

30. 可換股票據 (續)

本集團及本公司 (續)

二零一一年可換股票據B:

於二零一一年五月十一日，本公司發行1%票息之可換股票據(「二零一一年可換股票據B」)，其主要條款載列如下：

發行日期	二零一一年五月十一日
本金總額	36,200,000港元
息率	1%
經調整換股價	0.50港元
到期日	自發行日期起計6個月

於二零一一年十一月十一日，本公司與二零一一年可換股票據B之可換股票據持有人達成協議，將原到期日延後六個月至二零一二年五月十一日(「新到期日」)，因此可換股票據持有人可行使該等票據所附帶之轉換權的相關換股期將因而於緊接新到期日期前第五個營業日(即二零一二年五月四日，但不包括該日)到期。根據該協議，倘本公司未能於到期日起計一個月內贖回該票據，本公司將須承擔額外30%本金額之補償。因此，本公司於年末已產生該補償金額。

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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

30. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2011 B Convertible Notes: (Continued)

(a) Conversion period:

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the Note in an amount of not less than HK\$1,000,000 on each conversion (save that if at a time, the principal outstanding amount of the Note is less than HK\$1,000,000, the whole (but not part only) of the principal outstanding amount of the Notes may be converted) into Shares in Board Lot or multiples thereof at any time from the Issue Date at the initial conversion price of HK\$0.50 per Share up to (and excluding) the fifth Business Day immediately before the Maturity Date.

(b) Issuer early redemption option:

The Company shall not be entitled to early redeem the Notes before the Maturity Date.

(c) Valuation of liability component

As the date of issue, the liability component was recognised at fair value. The fair value is calculated using cash flows discounted at a rate based on the discount rate of 4.48%.

As at 31 December 2011, the liability component of the CN 2011 B is approximately HK\$36,369,000 which is stated at amortised cost using the effective interest method. The effective interest expenses of CN 2011 B amounting to approximately HK\$785,000 have been recognised in the consolidated income statement for the year ended 31 December 2011.

30. 可換股票據 (續)

本集團及本公司 (續)

二零一一年可換股票據B：(續)

(a) 換股期：

票據持有人有權於自發行日期起至(但不包括)緊接到期日前第五個營業日隨時按初步換股價每股0.50港元轉換該票據之全部或任何部分未償還本金為完整買賣單位或其倍數之股份，每次轉換之金額不少於1,000,000港元(除非於任何時間，該票據之未償還本金少於1,000,000港元，則票據之全部(但不可僅為部分)未償還本金額可被轉換)。

(b) 發行人提早贖回選擇權：

本公司不可於到期日前提早贖回該等票據。

(c) 負債部分之估值

於發行日期，負債部分乃按公平值確認。公平值以折現率4.48%為基準之利率折現現金流量計算。

於二零一一年十二月三十一日，二零一一年可換股票據B之負債部分約為36,369,000港元，乃使用實際利息法按攤銷成本列賬。二零一一年可換股票據B之實際利息開支約785,000港元已於截至二零一一年十二月三十一日止年度之綜合收益表確認。

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30. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2011 C Convertible Notes:

On 25 August 2011, the Company issued 3% coupon convertible notes (the "CN 2011 C"), the principal terms of the CN 2011 C are as follows:

Date of issue	25 August 2011
Aggregate principal amount	HK\$19,500,000
Interest rate	3%
Adjusted conversion price	HK\$0.50
Maturity date	12 months from the date of issue

(a) Conversion period:

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the Note in an amount of not less than HK\$1,000,000 on each conversion (save that if at a time, the principal outstanding amount of the Note is less than HK\$1,000,000, the whole (but not part only) of the principal outstanding amount of the Notes may be converted) into Shares in Board Lot or multiples thereof at any time from the Issue Date at the initial conversion price of HK\$0.50 per Share up to (and excluding) the fifth Business Day immediately before the Maturity Date.

(b) Issuer early redemption option:

The Company shall not be entitled to early redeem the Notes before the Maturity Date.

(c) Valuation of liability component

As the date of issue, the liability component was recognised at fair value. The fair value is calculated using cash flows discounted at a rate based on the discount rate of 8.93%.

The noteholder converted all the principal of the CN 2011 C amount to HK\$19,500,000 at the date of issue.

30. 可換股票據 (續)

本集團及本公司 (續)

二零一一年可換股票據C:

於二零一一年八月二十五日，本公司發行3%票息之可換股票據（「二零一一年可換股票據C」），其主要條款載列如下：

發行日期	二零一一年八月二十五日
本金總額	19,500,000港元
息率	3%
經調整換股價	0.50港元
到期日	自發行日期起計12個月

(a) 換股期：

票據持有人有權於自發行日期起至（但不包括）緊接到期日前第五個營業日隨時按初步換股價每股0.50港元轉換該票據之全部或任何部分未償還本金為完整買賣單位或其倍數之股份，每次轉換之金額不少於1,000,000港元（除非於任何時間，該票據之未償還本金額少於1,000,000港元，則票據之全部（但不可僅為部分）未償還本金額可被轉換）。

(b) 發行人提早贖回選擇權：

本公司不可於到期日前提早贖回該等票據。

(c) 負債部分之估值

於發行日期，負債部分乃按公平值確認。公平值以折現率8.93%為基準之利率折現現金流量計算。

於發行日期，二零一一年可換股票據C持有人已轉換該票據之所有本金額19,500,000港元。

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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

30. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

2011 D Convertible Notes:

On 14 September 2011, the Company issued 3% coupon convertible notes (the "CN 2011 D"), the principal terms of the Convertible Notes 2011 D are as follows:

Date of issue	14 September 2011
Aggregate principal amount	HK\$22,500,000
Interest rate	3%
Adjusted conversion price	HK\$0.50
Maturity date	12 months from the date of issue

(a) Conversion period:

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the Note in an amount of not less than HK\$1,000,000 on each conversion (save that if at time, the principal outstanding amount of the Note is less than HK\$1,000,000, the whole (but not part only) of the principal outstanding amount of the Notes may be converted) into Shares in Board Lot or multiples thereof at any time from the Issue Date at the initial conversion price of HK\$0.50 per Share up to (and excluding) the fifth Business Day immediately before the Maturity Date.

(b) Issuer early redemption option:

The Company shall not be entitled to early redeem the Notes before the Maturity Date.

(c) Valuation of liability component

The fair value of CN 2011 D as at 14 September 2011 amounted to HK\$21,908,000. The fair value is calculated using cash flows discounted at a rate based on the discount rate of 9.69%.

As at 31 December 2011, the liability component of the CN 2011 D is approximately HK\$20,967,000 which is stated at amortised cost using the effective interest method. The effective interest expenses of CN 2011 D amounting to approximately HK\$395,000 have been recognised in the consolidated income statement for the year ended 31 December 2011.

30. 可換股票據 (續)

本集團及本公司 (續)

二零一一年可換股票據D:

於二零一一年九月十四日，本公司發行3%票息之可換股票據(「二零一一年可換股票據D」)，其主要條款載列如下：

發行日期	二零一一年九月十四日
本金總額	22,500,000港元
息率	3%
經調整換股價	0.50港元
到期日	自發行日期起計12個月

(a) 換股期：

票據持有人有權於自發行日期起至(但不包括)緊接到期日前第五個營業日隨時按初步換股價每股0.50港元轉換該票據之全部或任何部分未償還本金為完整買賣單位或其倍數之股份，每次轉換之金額不少於1,000,000港元(除非於任何時間，該票據之未償還本金額少於1,000,000港元，則票據之全部(但不可僅為部分)未償還本金額可被轉換)。

(b) 發行人提早贖回選擇權：

本公司不可於到期日前提早贖回該等票據。

(c) 負債部分之估值

於二零一一年九月十四日，二零一一年可換股票據D之公平值為21,908,000港元。公平值乃將現金流量按折現率9.69%折現計算。

於二零一一年十二月三十一日，二零一一年可換股票據D之負債部分約為20,967,000港元，乃使用實際利息法按攤銷成本列賬。二零一一年可換股票據D之實際利息開支約395,000港元已於截至二零一一年十二月三十一日止年度之綜合收益表確認。

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30. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

The movement of the liability component of the convertible notes for the year is set out below:

30. 可換股票據 (續)

本集團及本公司 (續)

可換股票據之負債部分於本年度之變動載列如下：

		Liability component 負債部分 HK\$'000 千港元	Equity component 股權部分 HK\$'000 千港元	Financial derivative-asset 衍生金融資產 HK\$'000 千港元	Financial derivative-liability 衍生金融負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount at 1 January 2010	於二零一零年一月一日之賬面值	254,374	137,964	(316)	1,640	393,662
Issue of Convertible Notes 2009 (Note a)	發行二零零九年可換股票據(附註a)	2,219	4,561	-	-	6,780
Conversion of Convertible Notes 2008 (Note b)	轉換二零零八年可換股票據(附註b)	(141,181)	(62,758)	-	175	(203,764)
Conversion of Convertible Notes 2009 (Note c)	轉換二零零九年可換股票據(附註c)	-	(9,159)	-	-	(9,159)
Redemption of Convertible Notes 2008 (Note d)	贖回二零零八年可換股票據(附註d)	(46,052)	(19,860)	-	56	(65,856)
Redemption of Convertible Notes 2009 (Note e)	贖回二零零九年可換股票據(附註e)	(3,349)	(1,060)	(818)	(818)	(5,227)
Effective interest expenses	實際利息開支	14,911	-	-	-	14,911
Change in fair value	公平值變動	-	-	(265)	84	(181)
Carrying amount at 31 December 2010	於二零一零年十二月三十一日之賬面值	80,922	49,688	(1,399)	1,955	131,166
Reclassification	重新分類	72,254	(80,012)	1,399	6,359	-
Reclassification of settled CB equity component	重新分類已償付之可換股票據股權部分	-	(30,267)	-	-	(30,267)
Settlement of Convertible Notes 2008 (Note f)	償付二零零八年可換股票據(附註f)	(133,224)	64,915	-	(7,891)	(76,200)
Conversion of Convertible Notes 2009 (Note g)	轉換二零零九年可換股票據(附註g)	(9,475)	(2,155)	-	-	(11,630)
Redemption of Convertible Notes 2009 (Note h)	贖回二零零九年可換股票據(附註h)	(2,547)	(950)	-	(328)	(3,825)
Issue of Convertible Notes 2011A	發行二零一一年可換股票據A	75,391	14,609	-	-	90,000
Conversion of Convertible Notes 2011 A (Note i)	轉換二零一一年可換股票據A(附註i)	(50,261)	(9,739)	-	-	(60,000)
Issue of Convertible Notes 2011B	發行二零一一年可換股票據B	35,584	616	-	-	36,200
Issues Convertible Notes C&D	發行可換股票據C及D	39,010	2,398	-	-	41,408
Conversion of Convertible Notes C&D (Note j)	轉換可換股票據C及D(附註j)	(18,438)	(1,062)	-	-	(19,500)
Effective interest expenses	實際利息開支	6,815	-	-	-	6,815
Gain on redemption and conversion of Convertible Notes	贖回及轉換可換股票據之收益	(3,109)	-	-	-	(3,109)
Change in fair value	公平值變動	-	-	-	155	155
Carrying amount at 31 December 2011	於二零一一年十二月三十一日之賬面值	92,922	8,041	-	250	101,213

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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

30. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Notes:

- (a) On 15 July 2010, pursuant to the renewed Joint Construction Agreement on the terms and conditions similar to the existing Joint Construction Agreement, except that Beijing University will be entitled to share 49% of the profits of the Distance Education College as compared to the current level of 40%, the Company issued Convertible Notes A5 and Convertible Notes B3 (Convertible Notes 2010) in the aggregate principal amount of HK\$6,680,000 as the final payment for the acquisition of the entire issued share capital of IIN Medical (BVI).

The principal terms of the Convertible Notes 2010 are as follows:

Date of issue	15 July 2010
Aggregate principal amount	HK\$6,780,000
Denomination in multiple of	HK\$200,000
Interest rate	Nil
Adjusted conversion price (previously reported)	HK\$1.01
Maturity dates	Principal amount approximately HK\$6,780,000 matured in 24 months from the date of issue and the remaining

- (b) Set out below are details of conversion of the Convertible Notes 2008 during the year 2010:

Date of conversion	轉換日期
09 March 2010	二零一零年三月九日
26 April 2010	二零一零年四月二十六日

30. 可換股票據 (續)

本集團及本公司 (續)

附註：

- (a) 於二零一零年七月十五日，根據按類似於現有共建協議之條款及條件(除北京大學將有權分佔遠程教育學院之49%溢利之外，而目前之水平為40%)重續之共建協議，本公司發行本金總額為6,680,000港元之可換股票據A5及可換股票據B3(統稱為「二零一零年可換股票據」)，作為收購國訊醫藥(BVI)全部已發行股本的最終付款。

二零一零年可換股票據之主要條款如下：

發行日期	二零一零年七月十五日
本金總額	6,780,000港元
面額	200,000港元之倍數
息率	無
經調整換股價 (先前匯報)	1.01港元
到期日	本金總額約6,780,000港元自發行日期起計24個月內到期，其餘

- (b) 於二零一零年，二零零八年可換股票據之轉換詳情載列如下：

Principal amount of the convertible notes 可換股票據之本金額	Number of Ordinary shares issued 已發行普通股數目 (adjusted due to share consolidation) (因股份合併而調整)
HK\$ 港元	
150,000,000	153,061,224
8,000,000	8,163,265

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30. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Notes: (Continued)

- (c) Set out below are details of conversion of the Convertible Notes 2009 during the year 2010:

Date of conversion	轉換日期
18 January 2010	二零一零年一月十八日
30 September 2010	二零一零年九月三十日
1 November 2010	二零一零年十一月一日
6 December 2010	二零一零年十二月六日

- (d) Set out below are details of Redemption of the Convertible Notes 2008 during the year 2010:

Date of conversion	轉換日期
10 June 2010	二零一零年六月十日

- (e) Set out below are details of Redemption of the Convertible Notes 2009 during the year 2010:

Date of redemption	贖回日期
18 January 2010	二零一零年一月十八日
16 July 2010	二零一零年七月十六日
31 October 2010	二零一零年十月三十一日
31 October 2010	二零一零年十月三十一日

30. 可換股票據 (續)

本集團及本公司 (續)

附註：(續)

- (c) 於二零一零年，二零零九年可換股票據之轉換詳情載列如下：

Principal amount of the convertible notes 可換股票據之本金額	Number of Ordinary shares issued 已發行普通股數目 (adjusted due to share consolidation) (因股份合併而調整)
HK\$ 港元	
3,750,000	2,388,535
4,262,060	4,219,850
2,233,419	2,211,292
178,400	176,633

- (d) 於二零一零年，二零零八年可換股票據之贖回詳情載列如下：

Principal amount of the convertible notes 可換股票據之本金額	Number of Ordinary shares issued 已發行普通股數目 (adjusted due to share consolidation) (因股份合併而調整)
HK\$ 港元	
50,000,000	Nil

- (e) 於二零一零年，二零零九年可換股票據之贖回詳情載列如下：

Principal amount of the convertible notes 可換股票據之本金額	Number of Ordinary shares issued 已發行普通股數目 (adjusted due to share consolidation) (因股份合併而調整)
HK\$ 港元	
1,250,000	Nil
331,344	Nil
1,244,934	Nil
679,627	Nil

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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

30. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Notes: (Continued)

- (f) All the outstanding of Convertible Notes 2008 has been fully settled by issue of CN 2011 A during year 2011.
- (g) Set out below are details of Conversion of the Convertible Notes 2009 during the year 2011:

Date of conversion

轉換日期

14 January 2011	二零一一年一月十四日
18 January 2011	二零一一年一月十八日
18 April 2011	二零一一年四月十八日

- (h) Set out below are details of Redemption of the Convertible Notes 2009 during the year 2011:

Date of redemption

贖回日期

14 January 2011	二零一一年一月十四日
18 January 2011	二零一一年一月十八日
18 April 2011	二零一一年四月十八日

30. 可換股票據 (續)

本集團及本公司 (續)

附註：(續)

- (f) 所有未償還之二零零八年可換股票據已於二零一一年透過發行二零一一年可換股票據A悉數償付。
- (g) 於二零一一年，二零零九年可換股票據之轉換詳情載列如下：

Principal amount of the convertible notes 可換股票據之本金額	Number of Ordinary shares issued 已發行普通股數目 (adjusted due to share consolidation) (因股份合併而調整)
HK\$ 港元	
3,750,000	3,712,871
3,154,106	3,122,877
4,726,441	4,679,633

- (h) 於二零一一年，二零零九年可換股票據之贖回詳情載列如下：

Principal amount of the convertible notes 可換股票據之本金額	Number of Ordinary shares issued 已發行普通股數目 (adjusted due to share consolidation) (因股份合併而調整)
HK\$ 港元	
1,250,000	Nil
1,000,000	Nil
1,575,479	Nil

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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. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

Notes: (Continued)

- (i) Set out below are details of Conversion of the CN 2011 A during the year 2011:

Date of conversion	轉換日期
29 July 2011	二零一一年七月二十九日
23 August 2011	二零一一年八月二十三日

- (j) Set out below are details of Conversion of the CN 2011 C and CN 2011 D during the year 2011:

Date of conversion	轉換日期
25 August 2011	二零一一年八月二十五日

The Group's convertible notes were valued by Grant Sherman Appraisal Limited, an independent qualified valuer not connected with the Group, for each of the years ended 31 December 2011 and 2010.

30. 可換股票據 (續)

本集團及本公司 (續)

附註：(續)

- (i) 於二零一一年，二零一一年可換股票據A之轉換詳情載列如下：

Principal amount of the convertible notes 可換股票據之本金額	Number of Ordinary shares issued 已發行普通股數目 (adjusted due to share consolidation) (因股份合併而調整)
HK\$ 港元	
30,000,000	60,000,000
30,000,000	60,000,000

- (j) 於二零一一年，二零一一年可換股票據C及二零一一年可換股票據D之轉換詳情載列如下：

Principal amount of the convertible notes 可換股票據之本金額	Number of Ordinary shares issued 已發行普通股數目 (adjusted due to share consolidation) (因股份合併而調整)
HK\$ 港元	
19,500,000	39,000,000

於截至二零一一年及二零一零年十二月三十一日止年度各年，本集團之可換股票據乃由與本集團並無關連之獨立合資格估值師行中證評估有限公司進行估值。

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31. OPERATING LEASE COMMITMENTS

At the end of the reporting date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises and other asset, which fall due as follows:

31. 經營租約承擔

於報告日期完結時，本集團就辦公室物業及其他資產之不可撤銷經營租約承擔之未來最低租賃款項到期情況如下：

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK\$'000 千港元	HK\$'000 千港元
Within one year	一年內	1,829	1,729
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	984	1,496
Over five years	五年以上	-	-
		2,813	3,225

Leases are negotiated and rentals are fixed for terms of 1 to 5 years (2010: 1 to 5 years)

租約乃按一至五年之年期磋商及定租(二零一零年：一至五年)。

32. OTHER COMMITMENT

32. 其他承擔

		The Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK\$'000 千港元	HK\$'000 千港元
Expenditure contracted for but not provide in the consolidated financial statement in respect of:	就下列各項已訂約但未於綜合財務報表撥備之開支：		
- Online system development	- 在線系統開發	-	6,426
- Exclusive agency	- 獨家代理	-	4,296
		-	10,722

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33. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities at the end of the reporting period (2010: Nil).

34. PLEDGE OF ASSETS

At the end of the reporting period, none of the Group's assets (2010: Nil) were pledged to secure the Group's banking facilities.

35. SHARE-BASED EMPLOYEE COMPENSATION

Pre-IPO Share Option Scheme

The Company adopted a Pre-IPO Share Option Scheme on 24 November 2001, pursuant to which, the Board might during the period commencing on the adoption date of the Pre-IPO Share Option Scheme and ending on the day immediately prior to the day when bulk printing of the prospectus for listing of shares of the Company took place grant options to any employee of the Group or any other persons who, in the sole discretion of the Board, have contributed or would contribute to the Group to subscribe for shares of the Company at HK\$0.12 per share, representing a discount of approximately 64% of the placing price when the shares of the Company were first listed on GEM of the Stock Exchange on 5 December 2001. The exercise price was subsequently adjusted to HK\$0.9796 per share after adjustment for the open offer of the Company effected during the year and the share consolidation effected in the year 2006.

On 27 November 2001, options to subscribe for a total of 44,000,000 shares of the Company were granted to a director and an employee at a total consideration of HK\$2. The options granted may be exercised at any time during the period from 5 December 2001 to 4 December 2011. No options were granted under the Pre-IPO Share Option Scheme after the listing of the shares of the Company. The option for subscribing 40,000,000 shares of the Company was lapsed and an option to subscribe for 490,000 shares (after adjustment for the open offer of the Company effected during the year and the share consolidation effected in the year 2006) was outstanding as at 31 December 2010. No options granted under Pre-IPO Share Option Scheme were exercised, cancelled or lapsed during the year.

33. 或然負債

於報告期末，本集團概無擁有任何或然負債（二零一零年：無）。

34. 資產抵押

於報告期末，本集團概無資產（二零一零年：無）已抵押作為本集團銀行信貸之擔保。

35. 以股支付僱員薪酬

公開發售前購股權計劃

本公司於二零零一年十一月二十四日採納公開發售前購股權計劃，據此，董事會可於採納公開發售前購股權計劃當日起至緊接本公司就股份上市刊發之招股章程付印前一日之期間內，向本集團任何僱員或董事會全權酌情認為曾經或將會對本集團作出貢獻之任何其他人士授出購股權，從而按每股0.12港元（較本公司股份於二零零一年十二月五日首次在聯交所創業板上市時之配售價折讓約64%）認購本公司股份。行使價隨後經本公司於年內實行公開發售及於二零零六年度實行股份合併而調整至每股0.9796港元。

於二零零一年十一月二十七日，一名董事及一名僱員獲授予合共可認購44,000,000股本公司股份之購股權，總代價為2港元。所授出之購股權可於二零零一年十二月五日至二零一一年十二月四日止期間內隨時行使。於本公司股份上市後，概無根據公開發售前購股權計劃授出購股權。於二零一零年十二月三十一日，可認購40,000,000股本公司股份之購股權經已失效，另有可認購490,000股股份（經本公司於年內實行公開發售及於二零零六年度實行股份合併而調整）之購股權尚未獲行使。年內，概無根據公開發售前購股權計劃授出之購股權獲行使、註銷或失效。

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35. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme

The Company adopted a Share Option Scheme on 24 November 2001 for the purpose of providing incentives or rewards to selected persons for their contribution to the Group. The Share Option Scheme shall be valid and effective for 10 years with expiry date of 5 December 2011. Pursuant to the Share Option Scheme, the Board may grant options to any employee of the Group or any other persons who, in the sole discretion of the Board, have contributed or will contribute to the Group to subscribe for shares of the Company at a price determined by the Board and shall be no less than the highest of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer of the option which must be a business day, (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of the options; and (iii) the nominal value of a share on the date of offer of the options.

The total number of securities which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 47,774,389 shares (equivalent to 238,871,947 shares before adjustment for the share consolidation of the Company effective 17 December 2009). The maximum entitlement of each participant under the Share Option Scheme in any 12-month period is 1 per cent of the shares in issue.

The grantees may accept the offer of options by paying HK\$1 as the consideration of the grant to the Company within 28 days from the date of offer. Any offer which is not accepted within such period will be deemed to have been irrevocably declined. The options may be exercised at any time during a period of 10 years from the date of grant of the options and there is no lock-up period for exercise of the options.

35. 以股支付僱員薪酬 (續)

購股權計劃

於二零零一年十一月二十四日，本公司採納一項購股權計劃，旨在向為本集團作出貢獻之經選定人士提供鼓勵或獎勵。購股權計劃之有效及生效年期為十年，並將於二零一一年十二月五日屆滿。根據購股權計劃，董事會可向本集團任何僱員或董事會全權酌情認為曾經或將會對本集團作出貢獻之任何其他人士授出可認購本公司股份之購股權，價格由董事會釐訂，惟不得低於下列各項之最高者：(i)授出購股權當日(必須為營業日)股份於聯交所日報表上所報之收市價；(ii)緊接授出購股權當日前五個營業日股份於聯交所日報表上所報之平均收市價；及(iii)授出購股權當日股份之面值。

因根據購股權計劃及任何其他計劃授出之全部購股權獲行使而可能發行之證券總數，不得超出合共47,774,389股股份(相當於就本公司自二零零九年十二月十七日生效之股份合併作出調整前之238,871,947股股份)。於任何十二個月期間內，每名參與者最多可根據購股權計劃獲授不超過佔已發行股份1%之購股權。

承授人可於授出購股權之建議當日起計28日內向本公司支付1港元之授出代價以接納購股權。未於上述期間內接納之建議將被視作被不可撤回地拒絕。購股權可於授出購股權當日起計不超過10年之期間內行使。行使購股權並無任何鎖定期之限制。

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35. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

The movements in the share options of the Company during the year are shown in the following table:

Name of participant 參與者姓名	Date of grant 授出日期	Exercise period and vesting period 行使期及歸屬期	Exercise price per share 每股行使價 HK\$ (港元)	At 31 December 2010 於二零一零年十二月三十一日	Movement during the year 年內變動	At 31 December 2011 於二零一一年十二月三十一日
Directors 董事：						
Chen Hong 陳宏	28/08/2008 09/07/2009	28/08/2008-27/08/2018 09/07/2009-08/07/2019	1.281 0.652	1,900,000 1,900,000	- -	1,900,000 1,900,000
Liang Juan** 梁雋**	28/08/2008 09/07/2009	28/08/2008- 27/08/2018 09/07/2009- 08/07/2019	1.281 0.652	400,000 2,400,000	- -	400,000 2,400,000
Wang Hui** 王慧**	28/08/2008 09/07/2009	28/08/2008- 27/08/2018 09/07/2009-08/07/2019	1.281 0.652	1,800,000 2,000,000	- -	1,800,000 2,000,000
Wei Jianya 韋健亞	28/08/2008 09/07/2009	28/08/2008- 27/08/2018 09/07/2009- 08/07/2019	1.281 0.652	800,000 600,000	- -	800,000 600,000
Li Xiangjun** 李湘軍**	28/08/2008 09/07/2009	28/08/2008- 27/08/2018 09/07/2009- 08/07/2019	1.281 0.652	1,400,000 2,600,000	- -	1,400,000 2,600,000
Subtotal 小計				15,800,000	-	15,800,000
Others 其他						
In aggregate *** 合共***	28/08/2008 09/07/2009	28/08/2008- 27/08/2018 09/07/2009- 08/07/2019	1.281 0.652	13,100,000 18,500,000	(13,100,000) (18,500,000)	- -
Total總計				47,400,000	(31,600,000)	15,800,000

* The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital. Following the share consolidation effective on 17 December 2009, the total number of share options outstanding and the exercise price of the share options outstanding and the closing price of shares immediately before the date of grant had been adjusted accordingly. The closing price of the shares at the date of grant of the share options was HK\$1.065 (adjusted after the share consolidation).

** Resigned during respective years.

*** The Group of Others ceased to be employees of the Company.

**** The exercise price of the share option is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital. Following the Open Offer on 31 May 2010, the exercise prices of the share options outstanding and the closing prices of shares immediately before the date of grant had been adjusted accordingly.

35. 以股支付僱員薪酬 (續)

購股權計劃 (續)

年內，本公司購股權之變動載於下表：

Name of participant 參與者姓名	Date of grant 授出日期	Exercise period and vesting period 行使期及歸屬期	Exercise price per share 每股行使價 HK\$ (港元)	At 31 December 2010 於二零一零年十二月三十一日	Movement during the year 年內變動	At 31 December 2011 於二零一一年十二月三十一日
Directors 董事：						
Chen Hong 陳宏	28/08/2008 09/07/2009	28/08/2008-27/08/2018 09/07/2009-08/07/2019	1.281 0.652	1,900,000 1,900,000	- -	1,900,000 1,900,000
Liang Juan** 梁雋**	28/08/2008 09/07/2009	28/08/2008- 27/08/2018 09/07/2009- 08/07/2019	1.281 0.652	400,000 2,400,000	- -	400,000 2,400,000
Wang Hui** 王慧**	28/08/2008 09/07/2009	28/08/2008- 27/08/2018 09/07/2009-08/07/2019	1.281 0.652	1,800,000 2,000,000	- -	1,800,000 2,000,000
Wei Jianya 韋健亞	28/08/2008 09/07/2009	28/08/2008- 27/08/2018 09/07/2009- 08/07/2019	1.281 0.652	800,000 600,000	- -	800,000 600,000
Li Xiangjun** 李湘軍**	28/08/2008 09/07/2009	28/08/2008- 27/08/2018 09/07/2009- 08/07/2019	1.281 0.652	1,400,000 2,600,000	- -	1,400,000 2,600,000
Subtotal 小計				15,800,000	-	15,800,000
Others 其他						
In aggregate *** 合共***	28/08/2008 09/07/2009	28/08/2008- 27/08/2018 09/07/2009- 08/07/2019	1.281 0.652	13,100,000 18,500,000	(13,100,000) (18,500,000)	- -
Total總計				47,400,000	(31,600,000)	15,800,000

* 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行使價須予以調整。自股份合併於二零零九年十二月十七日起生效後，緊接授出日期前之尚未行使購股權之總數及尚未行使購股權之行使價及股份收市價已相應作出調整。購股權授出日期之股份收市價為1.065港元(於股份合併後經調整)。

** 於相關年度辭任。

*** 其他組別之人士不再為本公司僱員。

**** 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行使價須予以調整。於二零一零年五月三十一日公開發售後，緊接授出日期前之尚未行使之購股權之行使價及股份收市價已相應作出調整。

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35. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

No share option was granted or exercised during the year 2011.

- (a) During the year ended 31 December 2011, the number of share options granted was nil (2010: nil). The fair value of options granted under the Share Option Scheme, amounted to nil (2010: nil). The fair values of the outstanding options were derived from Black-Scholes option pricing model by applying the following bases and assumptions:

Date of grant (dd-mm-yy) 授出日期(日、月、年)	Expected volatility 預期波幅	Expected life (in years) 預期年期(年)	Risk-free interest rate 無風險利率	Expected dividend yield 預期股息率
09.07.2009	86.70%	10	1.78%	Nil無
28.08.2008	79.60%	10	2.76%	Nil無

The Group recognised the total expenses of approximately HK\$0 (2010: HK\$0) in relation to share options granted by the Company.

- (i) the expected volatilities were generated from Bloomberg based on the Company's 1,250-day historical share prices before 9 July 2009 (year 2008: 999-day historical share prices before 28 August 2008);
- (ii) the applicable risk-free rates were the yields of five years Hong Kong Monetary Authority exchange fund notes, matching the assumed life of the options, quoted on 9 July 2009 (year 2008: 28 August 2008); and
- (iii) the expected dividend yields were estimated based on the historical dividend, which was zero.

35. 以股支付僱員薪酬 (續)

購股權計劃 (續)

於二零一一年，並無購股權授出或行使。

- (a) 截至二零一一年十二月三十一日止年度，已授出之購股權數目為零份(二零一零年：零份)。根據購股權計劃授出之購股權之公平值為零(二零一零年：零)。尚未行使購股權之公平值乃使用柏力克-舒爾斯期權定價模式按以下基準及假設得出：

本集團就本公司授出之購股權確認開支總額約零港元(二零一零年：零港元)。

- (i) 預期波幅從彭博獲得，乃根據本公司於二零零九年七月九日前之1,250日歷史股價(二零零八年：二零零八年八月二十八日前之999日歷史股價)釐定；
- (ii) 適用無風險利率為香港金融管理局外匯基金票據於二零零九年七月九日(二零零八年：二零零八年八月二十八日)所報之五年收益率，與購股權之假設期限相配合；及
- (iii) 預期股息率乃按歷史股息率(為零)估算。

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35. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

- (b) The values of the options are subject to the limitations of the Black-Scholes option pricing model and a number of assumptions which are subjective and difficult to ascertain. Changes in the subjective input assumptions could materially affect the fair value estimate.
- (c) No share option was exercised during the year 2011 and 2010.
- (d) The outstanding share options as at 31 December 2011 had a remaining contractual life of 7.09 years (31 December 2010: 8.09 years).
- (e) If options are forfeited before expiration or lapsed, the related share-based payment reserve will be transferred directly to accumulated losses.

36. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's major financial instruments include trade and other receivables, amount due from minority shareholder of a subsidiary, bank balances and cash, trade and other payables, amounts due to directors, financial derivative, convertible notes and other loan. Details of these financial instruments are disclosed in respective notes.

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, foreign currency risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 5 to the financial statements.

35. 以股支付僱員薪酬 (續)

購股權計劃 (續)

- (b) 購股權之價值須視乎柏力克-舒爾斯期權定價模式之限制以及多項主觀且難以斷定之假設而定。若所採用之主觀輸入參數假設有變，則公平值估計或會受到重大影響。
- (c) 概無購股權於二零一一年及二零一零年內獲行使。
- (d) 於二零一一年十二月三十一日，未行使購股權之剩餘合約年期為7.09年(二零一零年十二月三十一日：8.09年)。
- (e) 如購股權於屆滿前作廢或失效，相關以股支付儲備將直接轉撥入累計虧損。

36. 財務風險管理宗旨及政策

本集團之主要金融工具包括貿易及其他應收賬款、應收一間附屬公司之少數股東之款項、銀行結餘及現金、貿易及其他應付賬款、應付董事款項、金融衍生工具、可換股票據及其他貸款。該等金融工具之詳情於有關附註內披露。

本集團金融工具產生之主要風險為信貸風險、利率風險、外匯風險及流動資金風險。董事會檢討及同意此等各項風險之管理政策並於下文概述。本集團有關衍生工具之會計政策載於財務報表附註5。

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36. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2011 in relation to each class of recognized financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade receivables and other receivables. In order to minimise credit risk, management has certain monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivables regularly at each reporting date to ensure that adequate impairment losses are adequately made for irrecoverable amounts. The credit risk on liquid funds is limited because the counterparties are commercial banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Interest rate risk

The Group's interest rate risk arises primarily from the Group's bank deposits. All the borrowings and deposits are on a floating rate basis.

The Group does not use financial derivatives to hedge against the interest rate risk. However, the interest rate profile of the Group's net deposits (being bank deposits and amount due from a related company less interest-bearing financial liabilities) is closely monitored by management.

At 31 December 2011, it is estimated that a general increase/decrease of 50 basis points (2010: 50 basis points) in interest rates, with all other variables held constant, would increase/decrease the Group's (loss) before tax and accumulated losses by approximately HK\$93,343 (2010: HK\$146,130).

36. 財務風險管理宗旨及政策 (續)

信貸風險

倘若交易對手方無法履行彼等截至二零一一年十二月三十一日有關每類已確認金融資產之債項，本集團承受之最大信貸風險為綜合財務狀況表內所列示之該等資產之賬面值。本集團承受之信貸風險主要來自應收貿易賬款及其他應收款項。為盡量降低信貸風險，管理層已設立若干監管程序，確保能採取跟進行動追收逾期債務。此外，於各報告日期，本集團定期檢討每宗個別應收貿易賬款之可收回金額，確保就無法收回金額作出足夠之減值虧損。由於交易對手方為獲國際信貸評級機構評為高信貸評級之商業銀行，故流動資金之信貸風險有限。本集團並無高度集中之信貸風險，風險分佈於數目眾多之交易對手方及客戶。

利率風險

本集團之利率風險主要來自本集團之銀行存款。所有借款及存款均以浮息利率計息。

本集團並無利用金融衍生工具來對沖利率風險。然而，本集團之存款淨額（即銀行存款及應收一間關連公司款項減去計息金融負債）之利率情況由管理層密切監察。

於二零一一年十二月三十一日，估計利率普遍上升／下跌50個基點（二零一零年：50個基點）（所有其他變數保持不變），將導致本集團除稅前（虧損）及累計虧損增加／減少約93,343港元（二零一零年：146,130港元）。

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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

36. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

Interest rate risk (Continued)

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for the non-derivative financial liabilities in existence at that date. The 50 basis points increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2011.

Foreign currency risk

The Group has transactional currency exposures, primarily with respect to Renminbi ("RMB"), for the years 2011 and 2010. Such exposures arise from online professional training and multimedia education products in currencies other than the Group's functional currency (i.e. Hong Kong dollar). All of the Group's sales are denominated in RMB for the years 2011 and 2010.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The Group conducts its business transactions principally in RMB. The exchange rate risk of the Group is not significant.

Liquidity risk

For the management of the Group's liquidity risk, the Group monitors and maintains a sufficient level of cash and cash equivalents considered adequate by management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors its working capital requirements regularly.

36. 財務風險管理宗旨及政策 (續)

利率風險 (續)

上述之敏感度分析乃經假設於報告日期利率出現變動而釐定，且已應用於當日存在之非衍生金融負債之利率風險。利率上升／下跌50個基點顯示出管理層對下年度報告日期前期間內利率之合理可能變動作出之評估。二零一一年按相同基準進行有關分析。

外匯風險

於二零一一年及二零一零年年度，本集團面對的交易性貨幣風險主要涉及人民幣（「人民幣」）。該等風險源於遠程專業培訓及多媒體教學產品以本集團功能貨幣（即港元）以外之貨幣計值。本集團於二零一一年及二零一零年年度之全部銷售額均以人民幣計值。

本集團目前並無外幣對沖政策。然而，管理層密切監察外匯風險，並會於需要時考慮對沖重大外幣風險。

本集團主要以人民幣進行其業務交易。本集團之匯率風險並不重大。

流動資金風險

為管理本集團之流動資金風險，本集團監控及維持現金及現金等值項目於管理層認為足夠之水平，以為本集團業務提供充足資金及減輕現金流量波動之影響。管理層會定期檢討及監控其營運資金需求。

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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

36. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

Liquidity risk (Continued)

The following table details the contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group can be required to pay:

	On demand or within one year 應要求或一年內 HK\$'000 千港元	More than one year but less than two years 一年以上 但兩年以內 HK\$'000 千港元	More than two years but less than five years 兩年以上 但五年以內 HK\$'000 千港元	Total undiscounted cash flow 未折現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 December 2011					
Financial liabilities					
Trade and other payables	45,330	-	-	45,330	45,330
Convertible notes	66,817	26,105	-	92,922	92,922

Capital risk management

The Group manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to the owners of the Company, comprising issued share capital and reserves. The directors of the Company review the capital structure on a regular basis. As a part of this review, the directors of the Company consider the cost of capital and the associated risks and take appropriate actions to adjust the Company's capital structure. The overall strategy of the Company remained unchanged during each of the two years ended 31 December 2011 and 2010.

36. 財務風險管理宗旨及政策 (續)

流動資金風險 (續)

下表詳列本集團於報告期末的金融負債合約到期情況，金融負債根據已訂約未折現現金流量（包括以訂約利率計算之利息款項）與本集團或須支付款項之最早日期計算：

資本風險管理

本集團管理其資本，確保本公司能夠持續經營，同時亦透過適度平衡負債與權益結餘而為利益相關者爭取最高回報。

本集團之資本架構包括現金及現金等值項目以及本公司持有人應佔權益（包括已發行股本及儲備）。本公司董事定期檢討資本架構。作為該檢討的一部分，本公司董事會考慮資金成本及相關風險，並會採取適當措施調整本公司之資本架構。截至二零一一年及二零一零年十二月三十一日止兩個年度各年，本公司整體策略保持不變。

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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

37. EVENTS AFTER THE REPORTING PERIOD

Corporation agreement in relation to the development, technical maintenance and operation of the 北京社區衛生服務網:

On 26 April 2011, in relation to a letter of intent (“Letter of Intent”) was signed between Beijing Hua Tuo Education Technology Company Limited (“Hua Tuo”), a wholly owned subsidiary of the Company, and 北京祿路通科技有限公司 (Beijing Lulutong Technology Company Limited *) (“Lulutong”) for the development of the “Medical Access Card Integrated Operation and Service Platform V1.0”. Lulutong is a company mainly engaged in the issuance and operation of prepayment cards and relevant comprehensive services and businesses in the medical health sector in China.

On 1 December 2011, Lulutong signed a 北京社區衛生服務網合作協議 (Beijing Community Health Services website cooperation agreement (“Cooperation Agreement”) with 北京市社區衛生服務管理中心 (Beijing Community Health Services Management Centre*) (“BJCHS”). BJCHS is directly under the 北京市衛生局 (Beijing Municipal Health Bureau*) and is exclusively responsible for all related work in the management of the health services for the Beijing community. Based on the information provided by Lulutong, there are currently 351 community health services centers and over 2,000 community health services station under planning and development in Beijing, and BJCHS is establishing health records for 19.6 million permanent residents in Beijing.

Pursuant to the Cooperation Agreement, Lulutong agrees to provide the services of development, technical maintenance and operation of the 北京社區衛生服務網 (Beijing Community Health Services website*) for BJCHS. Lulutong should follow the 《關於北京社區衛生服務網合作方案》 (Cooperation Plan related to Beijing Community Health Services website*) for the strict technical management, steady operation and security measures of the Beijing Community Health Services website. Lulutong shall also be responsible for the provisions and costs of (i) the hardware for technical operation and maintenance; and (ii) software development.

37. 報告期後事項

有關北京社區衛生服務網之開發、技術維護及營運之合作協議：

於二零一一年四月二十六日，本公司旗下全資附屬公司北京華拓教育科技有限公司（「華拓」）與北京祿路通科技有限公司（「祿路通」）就開發「醫通卡綜合運營服務平台系統V1.0」簽訂一份意向書（「意向書」）。祿路通是一家在境內醫療衛生領域專門從事預付費卡的發行、營運和相關綜合服務業務的公司。

於二零一一年十二月一日，祿路通與北京市社區衛生服務管理中心（「北京社區衛生管理中心」）簽訂一份北京社區衛生服務網合作協議（「合作協議」）。北京社區衛生管理中心乃北京市衛生局之直屬機構，專門負責管理北京市社區衛生服務的所有相關工作。根據祿路通所提供之資料，目前，在北京市規劃建設有351家社區衛生服務中心及超過2,000家社區衛生服務站，北京社區衛生管理中心正在為全市1,960萬常住人口建立居民健康檔案。

根據合作協議，祿路通同意為北京社區衛生管理中心提供北京社區衛生服務網的開發、技術維護及營運服務。祿路通須遵循《關於北京社區衛生服務網合作方案》，負責北京社區衛生服務網的嚴格技術管理、穩定運行及安全措施。祿路通亦負責提供(i)技術作業及維護的硬件；及(ii)軟件開發，並承擔相關費用。

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37. EVENTS AFTER THE REPORTING PERIOD (Continued)

BJCHS will apply for relevant maintenance fees of operation from Beijing Municipal Bureau of Finance in accordance with the workload of Lulutong, and such fees shall be paid to Lulutong annually. As regards to the other characteristic medical services carried out by Lulutong, BJCHS agrees to provide policy guidance and business support for Lulutong and to execute further specific agreements regarding the aforesaid matters, subject to relevant policies and provided it is within its terms of reference.

Since the 北京社區衛生服務網 (Beijing Community Health Services website*) will be based on the Medical Access Card Integrated Operation and Service Platform developed by Hua Tuo, pursuant to the Letter of Intent, Hua Tuo and Lulutong will share the revenue generated from the implementation of the project and subsequent services. Details of the revenue sharing ratio shall be further negotiated between Hua Tuo and Lulutong.

Acquisition of Target Company

On 10 February 2012 (after trading hours), the Company has entered into (i) an agreement with Ms. Hong (as the vendor) for the acquisition of the entire issued share capital of Everjoy Technology (i.e. the ET Agreement) at a consideration of HK\$21,000,000, which is to be satisfied as to HK\$8,000,000 in cash, HK\$7,000,000 by the issue of the Non-Profit-Linked Everjoy Technology Convertible Note ("Non-Profit-Linked ETCN") and HK\$6,000,000 by the issue of the Profit-Linked Everjoy Technology Convertible Note ("Profit-Linked ETCN"); and (ii) an agreement with Mr. Lee (as the vendor) for the acquisition of the entire issued share capital of Everjoy International (i.e. the EI Agreement) at a consideration of HK\$75,600,000, which is to be satisfied as to HK\$22,600,000 in cash or by way of issue of the Non-Profit-Linked EICN, HK\$29,000,000 by the issue of the Non-Profit-Linked Everjoy International Convertible Note ("Non-Profit-Linked EICN") and HK\$24,000,000 by the issue of the Profit-Linked Everjoy International Convertible Note ("Profit-Linked EICN"), respectively.

37. 報告期後事項 (續)

北京社區衛生管理中心將根據祿路通的工作量，向北京市財政局申請相關運行維護費並按年支付給祿路通。而對於祿路通開展的其他特色醫療服務，北京社區衛生管理中心同意在政策允許的前提下及其職權範圍內，向祿路通提供政策指導和業務支持，雙方將就此另行簽訂具體協議。

鑑於北京社區衛生服務網將建基於由華拓開發之醫通卡綜合運營服務平台，故根據意向書之約定，華拓將與祿路通分享該項目的實施和後續服務開展所產生之收益。有關收益分配比例之詳情，有待華拓與祿路通再行商議。

收購目標公司

於二零一二年二月十日(交易時段後)，本公司已分別(i)與康女士(作為賣方)就收購永樂科技之全部已發行股本訂立協議(即永樂科技協議)，代價為21,000,000港元，其中8,000,000港元將以現金，7,000,000港元將透過發行非利潤掛鈎永樂科技可換股票據(「非利潤掛鈎永樂科技可換股票據」)，及6,000,000港元將透過發行利潤掛鈎永樂科技可換股票據(「利潤掛鈎永樂科技可換股票據」)之方式償付；及(ii)與李先生(作為賣方)就收購永樂國際之全部已發行股本訂立協議(即永樂國際協議)，代價為75,600,000港元，其中22,600,000港元以現金或透過發行非利潤掛鈎永樂國際可換股票據(「非利潤掛鈎永樂國際可換股票據」)，29,000,000港元透過發行非利潤掛鈎永樂國際可換股票據，及24,000,000港元透過發行利潤掛鈎永樂國際可換股票據(「利潤掛鈎永樂國際可換股票據」)之方式償付。

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37. EVENTS AFTER THE REPORTING PERIOD (Continued)

Acquisition of Target Company (Continued)

Everjoy Technology is a company incorporated with limited liability in the British Virgin Islands, which maintains long term business relationship with an independent third party. The Everjoy Technology and the independent third party have jointly developed the system of “網絡在線自動票務銷售平台V2.0” (Online network automatic ticket sales platform v2.0) (the “Platform”). The Platform is a centralized online ticket sales system which operates on windows operating system and allows multi-users to purchase tickets simultaneously. It is widely used in mainland China for the sale and distribution of tickets for shows, concerts, sports games and cultural performances. The principal businesses of the Everjoy Technology are the development, integration and application of computer network systems.

Everjoy International is an agent for the sub distribution of tickets sold under the Platform. Everjoy Technology, Everjoy International and the independent third party have entered into franchise arrangement for the sale and distribution of tickets sold under the Platform.

38. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm to the current year's presentation.

37. 報告期後事項 (續)

收購目標公司 (續)

永樂科技為一間在英屬處女群島註冊成立之公司，並與一名獨立第三方維持著長期業務關係。永樂科技及該獨立第三方已共同開發出「網絡在線自動票務銷售平台V2.0」系統（「平台」）。該平台為集中在線票務銷售系統，可在windows操作系統上操作，並同時允許多用戶買票。該平台在中國內地被廣泛應用在表演、演唱會、體育賽事及文藝表演之票務銷售及分銷中。永樂科技之主要業務為開發、整合及應用電腦網絡系統。

永樂國際為在該平台下進行票務銷售分銷之代理。永樂科技、永樂國際與獨立第三方已就在該平台進行之票務銷售及分銷訂立特許經營安排。

38. 比較數據

若干比較數據經已重列，以符合本年度之呈列方式。



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